

Commonwealth SuperSelect
Commonwealth PensionSelect
Commonwealth Personal Superannuation & Rollover Plan

Annual Report

2009/2010 Annual Report to Members



Contents

- 1 Introduction
- 2 Recent legislative updates and changes to the Fund
- 6 Investment performance
- 7 Table of investment performance Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan
- 8 Table of investment performance Commonwealth PensionSelect
- 9 Investment options
- 12 Investment strategies
- 12 Aggressive strategy
- 15 Growth strategy
- 19 Moderate strategy
- 22 Conservative strategy
- 24 Defensive strategy
- 27 Information for Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan members
- 29 Fees and charges – Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan
- 31 Fees and charges – Commonwealth PensionSelect
- 33 Additional information regarding the Fund for all members
- 43 Contact details
- 44 Directory

This Annual Report (Report) is issued by Commonwealth Custodial Services Limited ABN 26 000 485 487 AFSL 235027 (CCSL, we, us, our), trustee of Commonwealth Life Personal Superannuation Fund ABN 73 703 273 435 (the Fund). The Fund is administered by The Colonial Mutual Life Assurance Society ABN 12 004 021 809 AFSL 235035 (CMLA). Commonwealth Financial Services is a registered business name of CCSL and CMLA. CCSL and CMLA are both wholly owned subsidiaries of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945.

Commonwealth SuperSelect (SuperSelect), Commonwealth PensionSelect (PensionSelect) and Commonwealth Personal Superannuation & Rollover Plan (CPS&RP) all comprise the Fund.

Commonwealth Bank of Australia and its subsidiaries do not guarantee or in any way stand behind the performance of the Fund or the repayment of capital or interest by the Fund. Investments in the Fund are not deposits or liabilities of Commonwealth Bank of Australia or its subsidiaries, and investment-type products are subject to investment risk including possible delays in payment of benefits and loss of principal invested. Past performance is not an indicator of future performance. Past performance figures are generally quoted as annualised effective yields and are net of fees and taxes on earnings. Returns of less than 12 months are not annualised.

The information in this Report has been prepared without taking into account your objectives, financial situation or needs. You should, before acting on this information, consider its appropriateness to your circumstances.

You should speak to your tax adviser in relation to taxation issues and consider talking to a financial adviser before making an investment decision.

Introduction

Dear Member,

We are pleased to provide you with the Commonwealth Life Personal Superannuation Fund 2009/2010 Annual Report to Members.

SuperSelect and CPS&RP are accumulation plans that allow you to build superannuation benefits for your retirement. PensionSelect is a pension plan that allows you to draw an income from your retirement benefit.

We trust you will find the Report informative and recommend that you read all sections relevant to your situation.

If you have any questions about this Report or your investment, please call **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday.

Recent legislative updates and changes to the Fund

Recent superannuation legislative updates

Splitting of superannuation interests – inclusion of South Australia

From 1 July 2010 South Australia will be joining all other States and Territories (except Western Australia) in recognising de facto or same sex relationship breakdown in property and maintenance settlements. This includes superannuation splits.

Unclaimed Superannuation Money (Small and Insoluble Accounts) legislation

New legislation came into effect from 1 July 2010 in relation to unclaimed superannuation money. As a result, we will be required to transfer to the Australian Taxation Office (ATO):

- lost members' accounts with balances less than \$200 and
- accounts, termed insoluble accounts, which have been inactive for a period of five years and for which we have insufficient records to identify the member/s.

If your account is transferred, you will no longer be a member of the Fund and any insurance cover that you may have in place will cease. If your money is transferred to the ATO, you will be able to reclaim your money from them at any time.

Minimum pension levels – continuation of reduced minimums

The federal government has announced that the reduced minimum pension amounts first introduced for the 2008/2009 financial year will continue to apply for the 2010/2011 financial year. If you have previously elected

to receive the reduced minimum pension amount, that election will continue unless you notify us of any change.

Proposed Federal Budget changes impacting superannuation

The federal government announced as part of its May 2010 Federal Budget a number of changes affecting superannuation. Please note that these changes are currently in the proposal stage and may change prior to becoming law.

Government superannuation contributions tax rebate for low income earners

The government proposes to provide a superannuation contributions tax rebate of up to \$500 annually for low income earners with effect from the 2012/2013 financial year.

This measure will effectively rebate most of the tax payable on concessional superannuation contributions made by or for low-income earners. The amount payable under this measure will be calculated by applying a 15% rebate of tax to the concessional contributions made by or for individuals on adjusted taxable incomes of up to \$37,000 (not indexed), with an annual maximum amount payable of \$500 (not indexed). The rebate will be paid to the individual's superannuation fund to directly boost their retirement savings.

Concessional superannuation contributions made in the 2012/2013 financial year and later financial years will be eligible for the first superannuation contributions tax rebate paid in the 2013/2014 financial year.

Increasing concessional contribution caps for over 50s with low superannuation balances

From 1 July 2012, the government proposes to allow individuals aged 50 and over with total superannuation balances below \$500,000 to make up to \$50,000 p.a. in concessional superannuation contributions. This extends the transitional cap of \$50,000 for individuals in the 50 and over age bracket (subject to them having a superannuation balance below \$500,000) and doubles the previously mentioned cap of \$25,000 (indexed) which is scheduled to apply from 1 July 2012.

Increasing the superannuation guarantee (SG) rate to 12%

The government has proposed a phased increase in the SG rate from 9% to 12%, with the initial increase from 9% to 9.25% commencing from 1 July 2013. The table below shows the proposed increases in the SG rate for each financial year commencing from 1 July 2013.

Financial year	SG rate (%)
2013/2014	9.25
2014/2015	9.5
2015/2016	10.0
2016/2017	10.5
2017/2018	11.0
2018/2019	11.5
2019/2020	12.0

Where your employer is already making contributions above the current SG minimum you will need to check with them what changes, if any, they may introduce as a consequence of the government's proposal.

Raising the SG age limit from 70 to 75

The government proposes to raise the SG age limit from 70 to 75 with effect from 1 July 2013. Currently, your employer only needs to pay your SG contribution up to age 70.

Permanent reduction to the superannuation co-contribution rates and maximum payable

The government proposes to:

- permanently retain the matching rate for the co-contribution at 100% and
- retain the maximum co-contribution that is payable on an individual's eligible personal non-concessional superannuation contributions at \$1,000.

For the 2010/2011 and 2011/2012 financial years, the government will freeze the indexation applied on the income threshold above which the maximum co-contribution begins to phase down.

The matching contribution is up to \$1,000 for people with incomes of up to \$31,920 in 2009/2010 with the amount available phasing down for incomes up to \$61,920. This measure will freeze these thresholds at \$31,920 and \$61,920 for two financial years.

Recent legislative updates and changes to the Fund

Changes to PensionSelect

Lump sum payments of death benefits

From 1 October 2010, any beneficiaries who the Trustee determines can receive your superannuation death benefit will receive it as a lump sum payment. From this date, request to start a pension in the Fund cannot be accepted.

Following this change, if you would like to review your estate planning arrangements, we recommend you speak to a financial adviser.

If you have an existing binding reversionary nomination, your nominated beneficiary will continue to receive your pension payments following your death. If you have a binding reversionary nomination in place, the details of the person you have nominated will be shown under the 'Account details' section in Part 1 of your Annual Statement.

You can nominate one or more of your dependants to receive your superannuation benefit in the event of your death at any time. Your nomination will be used as a guide by the Trustee as to whom your benefit is paid.

To nominate, change or revoke a beneficiary on your account, simply complete the 'Nominated beneficiary' section of the 'Notification of Change of details form' which can be obtained from commbank.com.au or visiting any Commonwealth Bank branch or calling **13 2015** between 8.30 am and 6 pm (Sydney time), Monday to Friday.

Closure of PensionSelect to family law splits

From 1 October 2010, PensionSelect will be closed to persons opening an account as a result of a family law arrangement. Where we are required to split an account under a family law arrangement, a non-member spouse can choose a fund to receive this amount. Once we have provided the non-member spouse with a written payment split notice the non-member spouse will have a maximum of 28 days to provide us with instructions of where they would like their money to be paid. If we have not received notification of where the money is to be paid by the end of the 28 day period, the money will be rolled over into the SuperTrace Eligible Rollover Fund ABN 73 703 878 235 (SuperTrace). Further information on SuperTrace can be found in a Report available at commbank.com.au/personal/super-retirement. To view, simply click on the 'Forms and documents' link in the 'Useful tools and information' section and under 'Annual Reports' select SuperSelect and Pension Select Annual Report. If you would like to receive a hard copy, free of charge, please call **13 2015** or write to: GPO Box 3306, Sydney NSW 2001.

Changes to SuperSelect and CPS&RP

Changes to your management fees

We wish to inform you that from 3 January 2011 we will be changing the management fees for SuperSelect and CPS&RP.

How will the management fee change?

The following table summarises the changes to management fees applicable to you from 3 January 2011:

Why has there been a change?

Whilst it remains our intention to keep our fees competitive, the costs in managing an account have been significantly increasing over a period of years during which time we have not sought to recover these additional costs. The last fee increase to members occurred in December 2000.

Need more information?

If you have any questions or need more information, please call **13 2015** between 8.30 am and 6.00 pm (Sydney time), Monday to Friday.

Investment option	Existing fee (% p.a.)	New fee (% p.a.)
Commonwealth Australia Shares*	1.60	1.95
Commonwealth Shares	1.60	1.95
Perpetual Split Growth	2.35	2.50
Commonwealth Growth*	1.60	1.95
Colonial First State Diversified	1.81	1.96
Perpetual Balanced Growth	2.22	2.37
FirstChoice Multi-Index Balanced	1.88	2.03
Commonwealth Managed*	1.60	1.90
Colonial First State Balanced	1.72	1.87
BT Active Balanced	2.28	2.43
Commonwealth Balanced*	1.60	1.80
Colonial First State Conservative	1.64	1.79
Commonwealth Capital Defensive	1.30	1.50
Commonwealth Savings*	1.10	1.20
Commonwealth Capital Secure* [^]	1.10	1.50

* Please note not all investment options are available to CPS&RP members. Investment options marked with an asterisk (*) are available for investment to these members.

[^] The Commonwealth Capital Secure investment option is not available for investment to SuperSelect members.

These fee increases remain within the fee range entitlement as detailed in your disclosure document.

Investment performance

How we calculate performance

Returns are net of investment management fees, taxes and charges (where applicable). Certain fees such as contribution fees, administration fees or withdrawal fees (if any) are not taken into account. Performance is calculated on the change in the withdrawal unit prices for the period 30 June to 30 June, (corresponding to the investment timeframe indicated).

Individual net returns

Your individual net return may differ from the returns quoted in this Report. Your return depends on the timing of transactions such as contributions, withdrawals, switches or unit adjustments during the period and your mix of investment options. This is because unit prices fluctuate daily and units are allocated and disposed of at the unit price applying at the time of each transaction.

If any transactions have been made to your account, or you have switched between different investment options during the period, the rate of return on your investment may differ from the net returns quoted in this Report.

Quarterly up-to-date performance information and investment market commentary is available online at commbank.com.au/personal/super-retirement. Simply click on the 'Unit prices and performance' link in the 'Useful tools and information' section.

For the price of units on the dates of any deposits, withdrawals or switches (including any investment options you have switched into or out of), please call **13 2015** between 8.30 am and 6 pm (Sydney time), Monday to Friday.

Returns are not guaranteed and past performance is not indicative of future returns. There is no guarantee that one investment option will outperform another. The performance of the investment options is generally dependent on economic conditions, investment management and taxation laws.

SuperSelect and CPS&RP

Please note not all investment options are available to CPS&RP members. Investment options marked with an asterisk (*) are available for investment to these members.

Table of investment performance

Investment option	Annual returns to 30 June (%)					5 year compound average return to 30 June 2010 % p.a.
	2010	2009	2008	2007	2006	
Aggressive strategy						
Commonwealth Australian Shares*	11.9	-14.7	-8.3	23.7	21.8	5.7
Commonwealth Shares	9.6	-15.7	-15.3	15.9	15.5	0.9
Perpetual Split Growth	5.6	-8.5	-19.9	11.9	12.6	-0.5
Growth strategy						
Commonwealth Growth*	9.0	-11.0	-6.1	15.7	16.5	4.2
Colonial First State Diversified	9.3	-9.4	-14.4	12.6	13.3	1.6
Perpetual Balanced Growth	9.1	-10.6	-9.2	9.3	13.6	1.9
FirstChoice Multi-Index Balanced	11.4	-8.4	-10.7	10.5	14.5	2.9
Moderate strategy						
Commonwealth Managed*	8.8	-10.3	-9.0	13.5	13.0	2.6
Colonial First State Balanced	7.5	-6.4	-7.8	8.2	10.3	2.0
BT Active Balanced	6.1	-9.7	-12.2	11.3	14.0	1.3
Conservative strategy						
Commonwealth Balanced*	5.4	-2.5	1.0	8.5	6.9	3.8
Colonial First State Conservative	6.7	-2.2	-3.1	7.3	8.9	3.4
Defensive strategy						
Commonwealth Capital Defensive	6.6	5.6	1.9	4.3	2.0	4.1
Commonwealth Savings*	3.6	3.9	4.4	4.0	3.7	3.9
Commonwealth Capital Secure* [^]	4.8	5.5	4.1	3.9	3.3	4.3

[^] The Commonwealth Capital Secure investment option is not available for investment to SuperSelect members. Past performance is not indicative of future returns.

Investment performance

PensionSelect

Table of investment performance

Investment option	Annual returns to 30 June (%)					5 year compound average return to 30 June 2010 % p.a.
	2010	2009	2008	2007	2006	
Aggressive strategy						
Commonwealth Australian Shares	14.5	-16.5	-9.0	26.9	21.4	6.0
Commonwealth Shares	11.3	-17.3	-16.7	17.9	15.7	0.9
Perpetual Split Growth	6.9	-9.9	-22.2	13.1	13.2	-0.8
Growth strategy						
Commonwealth Growth	11.5	-11.5	-6.7	16.1	18.4	4.8
Colonial First State Diversified	10.7	-10.0	-15.5	14.2	15.1	2.0
Perpetual Balanced Growth	10.9	-11.6	-9.8	10.4	15.4	2.4
FirstChoice Multi-Index Balanced	13.4	-9.3	-11.7	11.9	16.2	3.4
Moderate strategy						
Commonwealth Managed	10.5	-10.6	-10.0	15.6	15.7	3.5
Colonial First State Balanced	8.8	-6.6	-8.6	9.3	12.4	2.7
BT Active Balanced	7.3	-10.7	-13.2	12.9	13.4	1.3
Conservative strategy						
Commonwealth Balanced	5.7	-1.8	1.8	9.9	8.4	4.7
Colonial First State Conservative	8.2	-1.9	-3.0	8.2	9.2	4.0
Defensive strategy						
Commonwealth Capital Defensive	7.6	6.3	2.7	4.8	3.1	4.9
Commonwealth Savings	4.6	4.8	5.4	5.0	4.7	4.9
Commonwealth Capital Secure	5.7	6.5	5.1	4.8	4.3	5.3

Past performance is not indicative of future returns.

Investment options

Fund investment objective and strategy

The Fund's investment objective is to provide a diversified range of investment options.

The Fund's investment strategy is to invest in life insurance policies issued by CMLA as required by the governing rules of the Fund.

For the investment objective and strategy relevant to a specific investment option please refer to pages 12 to 26.

CMLA manages your money but may delegate the investment management of the investment option to an underlying investment manager. Please refer to page 37 for further details.

Selecting your investor profile

When choosing the investment option(s) you want to invest in or continue to remain in, you need to determine how much risk you're prepared to take on in order to receive an expected return. Generally, the higher the expected return, the higher the level of risk associated with the investment. The table on page 10 is segmented into five investor profiles we have identified, determined by attitudes to investment time horizon, required rate of return and tolerance to risk.

The benefits of a financial adviser

The information in this Report is of a general nature only. It does not take into account your individual needs, objectives or personal circumstances. In order to determine which investment options best suit your needs, we recommend that you speak with a financial adviser. A financial adviser will be able to make a detailed assessment of your financial situation, help you define your investment goals and set a clear path to reaching them.

If you do not have a financial adviser a Commonwealth Financial Planner* may be able to help you. To arrange a no obligation consultation with a Commonwealth Financial Planner just ask at any Commonwealth Bank branch or call **1800 241 996** between 8.30am and 5pm (Sydney time), Monday to Friday.

* Commonwealth Financial Planners are representatives of Commonwealth Financial Planning Limited
ABN 65 003 900 169 AFSL 231139.

Investment options

Investment strategy overview

	Aggressive	Growth	Moderate	Conservative	Defensive
Risk/return profile	Higher	←—————→			Lower
Suggested investment time horizon*	5 to 7 years or more	4 to 5 years or more	3 years or more	2 years or more	Up to 2 years
Volatility	Higher	←—————→			Lower
Investment objective	To earn significant returns over the long-term.	To earn relatively high returns over the long-term.	To earn moderate returns over the medium-term.	To earn relatively stable returns over the short to medium-term.	To earn relatively stable returns over any investment time horizon, with low potential for capital loss.
Investment strategy	Investment exposure is primarily to growth assets.	Focus is on growth assets. Defensive assets provide stability to returns.	Investment strategy slightly favours growth assets, with defensive assets providing stability to returns.	Focus is on defensive assets with some exposure to growth assets.	Investment exposure is primarily in domestic cash and short-term securities.
Investor profile	For investors who seek to maximise their return and in exchange are prepared to accept a higher level of risk on their investment. They have a very long-term horizon (5 to 7 years or more) and invest nearly entirely in growth assets.	For investors who desire the potential for higher returns and are comfortable with higher risks. Often, they have more time to ride out the ups and downs of the market, so they invest more aggressively to seek maximum long-term (4 to 5 years or more) growth.	For investors who seek capital growth and are willing to accept some volatility. Often, they have longer time horizons (3 years or more) and therefore may go after higher investment returns to outpace inflation. This strategy is balanced between shares and more defensive investments.	For investors who regard security as more important than the level of returns. Often they have short time horizons (2 years or more) and don't have time to ride out the ups and downs in the value of their investment. This strategy is more heavily weighted to defensive assets, which are usually more stable.	For investors who regard security as the most important aspect of their investment. They are willing to sacrifice returns to minimise risk and often have a very short-term horizon (up to 2 years). This strategy is predominantly weighted to defensive assets.

* For the suggested investment horizon for each investment option, please refer to the investment profiles on pages 12 to 26.

Switching between investment options

You can elect to switch between your investment options at any time by completing the relevant 'PensionSelect Switch and pension drawdown nomination form', 'SuperSelect Switch and change of future investment strategy form' or 'Commonwealth Personal Superannuation & Rollover Plan Switch and change of future investment strategy form' and sending it to us. You can obtain a copy of these forms by visiting commbank.com.au or calling **13 2015** between 8.30 am and 6 pm (Sydney time), Monday to Friday; or visiting any Commonwealth Bank branch.

If you are a member of either SuperSelect or PensionSelect, your first two switches each year are free. You will be charged an amount of \$36.12[^] for the third and each subsequent switch each anniversary year.

Members of CPS&RP are charged an amount of \$36.12[^] for each switch.

Applicable dates when transacting

If you enquire about unit price(s) for transactional purposes, we can provide historic price(s) or value(s) only. Should you decide to transact, you will receive the applicable unit price(s) on the date your completed documentation (including any eligibility requirements, if applicable) is received and accepted at our principal office of administration.

Trustee policy towards use of derivatives

In managing your investments, the underlying investment managers may

use financial derivatives such as futures, options and forward rate agreements.

For the Commonwealth branded investment options the investment manager may not use derivatives to create net short positions or gear the investment option's position.

How we calculate your investment balance

Your contributions, transfers and rollovers are allocated units in the investment option(s) of your choice. Similarly units are cancelled to pay for any withdrawals, switches, insurance premiums, tax and fees. The value of your benefit is determined by multiplying the number of your units in each investment option by the relevant withdrawal unit price.

Net earnings

The net investment earnings for members in the Fund are reflected in the value of the unit price for each investment option, rather than being credited or debited against individual member accounts. Changes in the unit price reflect the earnings of the assets in the Fund, after providing for tax and deducting management fees.

Method of allotment of earnings in all investment options

All income, including realised and unrealised capital gains and losses, and expenses for all investment options, are brought to account and are fully reflected in the unit price of that investment option. Tax as appropriate is provided for in the unit prices of each investment option.

[^] Fee for the 2010/2011 financial year. This fee is indexed 1 July each year in line with the Consumer Price Index (CPI).

Investment strategies

Aggressive strategy

Commonwealth Australian Shares				
Investment objective	To provide long-term capital growth through investment in shares of Australian listed companies.			
Risk/return profile	High			
Suggested investment horizon¹	6 years or more			
Investment strategy	Invest in shares of Australian listed companies.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect/ CPS&RP (%)	PensionSelect (%)	SuperSelect/ CPS&RP (%)	PensionSelect (%)
Australian shares	98	98	97	97
International shares	–	–	–	–
Fixed interest	–	–	–	–
Direct/listed property	–	–	–	–
Alternative assets ²	–	–	–	–
Cash	2	2	3	3
Asset allocation ranges³	90 – 100% Australian shares 0 – 10% Cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Aggressive strategy (cont.)

Commonwealth Shares				
Investment objective	To provide long-term capital growth through investments in shares of Australian and overseas listed companies.			
Risk/return profile	High			
Suggested investment horizon¹	6 years or more			
Investment strategy	Invest in shares of Australian and overseas listed companies.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	49	50	50	50
International shares	49	49	48	49
Fixed interest	–	–	–	–
Direct/listed property	–	–	–	–
Alternative assets ²	–	–	–	–
Cash	2	1	2	1
Asset allocation ranges³	25 – 75% Australian shares 25 – 75% International shares 0 – 10% Cash			
Underlying investment manager⁴	Colonial First State			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Aggressive strategy (cont.)

Perpetual Split Growth				
Investment objective	To provide long-term capital growth through investment in a mix of international shares and quality Australian industrial shares and other securities.			
Risk/return profile	High			
Suggested investment horizon¹	At least 7 years or more			
Investment strategy	For international shares, a fundamental, bottom-up approach to stock selection focusing on quality companies (strong balance sheets, earnings visibility and competitive position) with attractive valuations within a global framework. Currency hedges may be used from time to time. For Australian shares, Perpetual's priority is to select companies that it determines represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels; sound management; quality business; and recurring earnings.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	37	37	39	39
International shares	58	58	55	54
Fixed interest	–	–	–	–
Direct/listed property	–	–	–	–
Alternative assets ²	–	–	–	–
Cash	5	5	6	7
Asset allocation ranges³	90 – 100% Australian industrial and International shares 0 – 10% Cash			
Underlying investment manager⁴	Perpetual			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Growth strategy

Commonwealth Growth				
Investment objective	To provide significant growth from capital appreciation supported by income.			
Risk/return profile	Medium to High			
Suggested investment time horizon¹	5 years or more			
Investment strategy	Invest in a broad range of assets, predominantly in growth investments.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect/ CPS&RP (%)	PensionSelect (%)	SuperSelect/ CPS&RP (%)	PensionSelect (%)
Australian shares	32	32	33	33
International shares	32	32	32	32
Fixed interest	8	8	8	8
Direct/listed property	15	16	13	16
Alternative assets ²	8	8	4	6
Cash	5	4	10	5
Asset allocation ranges³	20 – 50% Australian shares 20 – 50% International shares 0 – 25% Fixed interest 0 – 42% Direct/listed property 0 – 15% Alternative assets 0 – 20% Cash			
Underlying investment manager⁴	Colonial First State			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Growth strategy (cont.)

Colonial First State Diversified				
Investment objective	To provide medium to long-term capital growth, together with some income, by investing in cash, fixed interest, property and shares.			
Risk/return profile	Medium to High			
Suggested investment time horizon¹	At least 5 years or more			
Investment strategy	The broad asset allocation is to be 70% invested in growth assets (shares and property) and 30% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in long-term expectations or market demand. The investment manager seeks to add value through a disciplined approach to selection of the shares and other assets held by the investment option. For risk management purposes, the investment option may hedge some of its currency exposure.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	33	33	35	35
International shares	27	27	26	26
Fixed interest	25	25	25	25
Direct/listed property	6	6	6	6
Alternative assets ²	–	–	–	–
Cash	9	9	8	8
Asset allocation ranges³	32 – 38% Australian shares 20 – 26% International shares 3 – 7% Global resource shares 3 – 7% Australian property securities 0 – 4% Global property securities 20 – 40% Fixed interest and cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Growth strategy (cont.)

Perpetual Balanced Growth				
Investment objective	To provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.			
Risk/return profile	Medium to High			
Suggested investment time horizon¹	At least 5 years or more			
Investment strategy	Perpetual invests in a diverse mix of assets such as Australian shares, international shares, fixed interest securities, property securities, cash and credit. Tactical asset allocation strategies (using derivatives) may be applied to Australian shares, fixed interest and cash (the investment option may adjust its exposure to these three asset classes on a regular basis). Currency hedges may be used from time to time.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	38	38	39	39
International shares	25	25	23	23
Fixed interest	20	20	20	20
International bonds	–	–	–	–
Direct/listed property	4	4	4	4
Alternative assets ²	–	–	–	–
Cash	13	13	14	14
Asset allocation ranges³	10 – 50% Australian shares 10 – 50% International shares 0 – 15% Property securities 5 – 35% Fixed interest 0 – 30% Cash and credit			
Underlying investment manager⁴	Perpetual			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Growth strategy (cont.)

FirstChoice Multi-Index Balanced

Investment objective	To provide capital growth and income over the long-term.			
Risk/return profile	Medium to High			
Suggested investment time horizon¹	At least 5 years or more			
Investment strategy	The option allocates 70% of investments to growth assets such as shares and property to provide potential for capital growth. The shares component is managed by Realindex Investments using the enhanced Research Affiliates Fundamental Index (RAFI) methodology to select securities. 30% of the portfolio is allocated to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. This defensive component is managed on a traditional index basis. The portfolio aims to hedge currency risk except for part of the allocation to global shares.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	29	29	31	31
International shares	29	29	29	29
Fixed interest	25	25	24	24
Direct/listed property	10	10	9	9
Alternative assets ²	–	–	–	–
Cash	7	7	7	7
Asset allocation⁵	30% Australian shares 15% Global shares 15% Global shares (hedged) 15% Australian fixed interest 10% Global fixed interest 10% Global property securities 5% Cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Moderate strategy

Commonwealth Managed

Investment objective	To provide income and growth with a focus on capital appreciation.			
Risk/return profile	Medium			
Suggested investment time horizon¹	5 years or more			
Investment strategy	Invest in a broad range of assets with a majority in growth investments.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect/ CPS&RP (%)	PensionSelect (%)	SuperSelect/ CPS&RP (%)	PensionSelect (%)
Australian shares	24	26	27	28
International shares	25	26	26	26
Fixed interest	20	21	20	20
Direct/listed property	15	14	14	14
Alternative assets ²	7	6	4	4
Cash	9	7	9	8
Asset allocation ranges³	15 – 45% Australian shares 10 – 40% International shares 10 – 35% Fixed interest 0 – 39% Property 0 – 15% Alternative assets 0 – 20% Cash			
Underlying investment manager⁴	Colonial First State			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

⁵ FirstChoice Multi-Index Balanced is a sector specialist multi-manager investment option. Colonial First State, as the investment manager, manages the asset allocation ranges around the benchmarks.

Investment strategies

Moderate strategy (cont.)

Colonial First State Balanced

Investment objective	To provide a balance of income and capital growth from investments in cash, fixed interest, property and shares over the medium term.			
Risk/return profile	Medium			
Suggested investment time horizon¹	At least 4 years or more.			
Investment strategy	The broad asset allocation is to be 50% invested in growth assets (shares and property) and 50% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in long-term expectations or market demand. The investment manager seeks to add value through a disciplined approach to selection of the shares and other assets held by the investment option. For risk management purposes, the investment option may hedge some of its currency exposure.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	24	24	25	25
International shares	19	19	19	19
Fixed interest	35	35	35	34
Direct/listed property	5	5	5	5
Alternative assets ²	–	–	–	–
Cash	17	17	16	17
Asset allocation ranges³	22 – 28% Australian shares 17 – 23% International shares 3 – 7% Australian property securities 42 – 58% Fixed interest and cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Moderate strategy (cont.)

BT Active Balanced				
Investment objective	To provide a return (before fees, costs and taxes) that exceeds the investment option's benchmark over the medium to long term.			
Risk/return profile	Medium to High			
Suggested investment time horizon¹	At least 5 years			
Investment strategy	The investment option provides an actively managed diversified portfolio that invests in Australian and international shares, property securities, Australian and international fixed interest and cash. The investment option has a higher weighting towards growth assets than defensive assets. This investment option aims to hedge currency risk on non-share assets only.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	36	36	37	37
International shares	22	22	20	20
Fixed interest	25	25	26	26
Direct/listed property	7	7	5	5
Alternative assets ²	–	–		
Cash	10	10	12	12
Asset allocation ranges³	28 – 48% Australian shares 12 – 32% International shares 5 – 45% Diversified fixed interest 0 – 15% Property securities 0 – 15% Cash			
Underlying investment manager⁴	BT			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Conservative strategy

Commonwealth Balanced

Investment objective	To provide a moderate level of security with relatively stable returns and some capital growth.			
Risk/return profile	Low to Medium			
Suggested investment time horizon¹	3 years or more			
Investment strategy	Invest in a broad range of assets with exposure to defensive and growth investments.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect/ CPS&RP (%)	PensionSelect (%)	SuperSelect/ CPS&RP (%)	PensionSelect (%)
Australian shares	12	12	13	13
International shares	11	12	12	12
Fixed interest	25	26	26	24
Direct/listed property	15	15	15	15
Alternative assets ²	6	5	3	4
Cash	31	30	31	32
Asset allocation ranges³	5 – 20% Australian shares 5 – 20% International shares 12 – 45% Fixed interest 0 – 42% Property 0 – 12% Alternative assets 20 – 40% Cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Conservative strategy (cont.)

Colonial First State Conservative				
Investment objective	To provide a regular income stream while maintaining and potentially increasing the value of your capital over the medium term.			
Risk/return profile	Low to Medium			
Suggested investment time horizon¹	At least 3 years or more			
Investment strategy	The broad asset allocation is to be 30% invested in growth assets (shares and property) and 70% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in long-term expectations or market demand. The investment manager seeks to add value through a disciplined approach to selection of the shares and other assets held by the investment option. For risk management purposes, the investment option may hedge some of its currency exposure.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	16	16	17	17
International shares	10	10	9	9
Fixed interest	40	40	64	63
Direct/listed property	3	3	3	3
Alternative assets ²	–	–		
Cash	31	31	7	8
Asset allocation ranges³	15 – 19% Australian shares 8 – 12% International shares 1 – 5% Australian property securities 64 – 76% Fixed interest and cash			
Underlying investment manager⁴	Colonial First State			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Defensive strategy

Commonwealth Capital Defensive

Investment objective	To provide a high level of security and relatively stable returns.			
Risk/return profile	Low to Medium			
Suggested investment time horizon¹	2 years or more			
Investment strategy	Invest primarily in defensive investments while maintaining some exposure to growth investments.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect (%)	PensionSelect (%)	SuperSelect (%)	PensionSelect (%)
Australian shares	6	5	6	6
International shares	4	4	4	4
Fixed interest	56	55	53	54
Direct/listed property	–	–		
Alternative assets ²	–	–		
Cash	34	36	37	36
Asset allocation ranges³	0 – 10% Australian shares 0 – 10% International shares 45 – 85% Fixed interest 5 – 45% Cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

Defensive strategy (cont.)

Commonwealth Savings				
Investment objective	To achieve returns in excess of inflation over the short-term through investment in cash.			
Risk/return profile	Low			
Suggested investment time horizon¹	1 year or more			
Investment strategy	Invest solely in deposits of the Commonwealth Bank.			
Asset allocation as at:	30 June 2010		30 June 2009	
	SuperSelect/ CPS&RP (%)	PensionSelect (%)	SuperSelect/ CPS&RP (%)	PensionSelect (%)
Australian shares	–	–	–	–
International shares	–	–	–	–
Fixed interest	–	–	–	–
Direct/listed property	–	–	–	–
Alternative assets ²	–	–	–	–
Cash	100	100	100	100
Asset allocation ranges³	100% Cash			
Underlying investment manager⁴	Colonial First State			

³ The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

⁴ Refers to the investment manager/adviser of the underlying fund.

Investment strategies

Defensive strategy (cont.)

Commonwealth Capital Secure*				
Investment objective	To provide a high level of security and consistent returns.			
Risk/return profile	Low to Medium			
Suggested investment time horizon¹	1 year or more			
Investment strategy	Invest in a defensive portfolio of income producing investments.			
Asset allocation as at:	30 June 2010		30 June 2009	
	CPS&RP (%)	PensionSelect (%)	CPS&RP (%)	PensionSelect (%)
Australian shares	–	–	–	–
International shares	–	–	–	–
Fixed interest	36	35	37	36
Direct/listed property	–	–	–	–
Alternative assets ²	–	–	–	–
Cash	64	65	63	64
Asset allocation ranges³	5 – 60% Fixed interest 40 – 95% Cash			
Underlying investment manager⁴	Colonial First State			

1 The suggested period is based on analysis of the past performance of the types of assets held in each investment option and is not intended to imply or guarantee any particular return from any investment option. You should be aware that the value of your investment could fall as well as rise.

2 These assets include private equity, mortgages, development capital and/or infrastructure.

3 The asset allocation ranges represent the expected minimum and maximum exposure to each asset class within the investment option over the long-term. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets. The asset allocation ranges may change over time.

4 Refers to the investment manager/adviser of the underlying fund.

* Commonwealth Capital Secure investment option is not available to SuperSelect members. It is only available to members in CPS&RP and members in PensionSelect who joined prior to 1 July 2000.

Information for Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan members

Convenient ways to contribute more to your super

You can make additional contributions at any time by:

- mailing a completed 'Additional Contribution form' with a cheque made payable to '**The Colonial Mutual Life Assurance Society Limited**' directly to us. A copy of the form is available by calling **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday or from 'Forms and documents' under the 'Super and Retirement' section of **commbank.com.au**;
- BPAY[®] (see across for further information);
- visiting any Commonwealth Bank branch;
- using a deposit book; or
- setting up a Regular Savings Plan (RSP) (see page 28 for more information).

Contributions via BPAY[®]

To make a deposit via BPAY[®], just follow the four simple steps below:

1. Access your bank, building society or credit union's internet or phone banking service;
2. Select the contribution that you wish to make by entering one of the following corresponding Biller codes:

Contribution type	Biller code
Personal contributions	131045
Spouse contributions	131029
Voluntary employer contributions [#]	131052
SG employer contributions	131037

[#] Use this Biller Code for salary sacrifice contributions.

3. Enter your Customer Reference Number (CRN), which is your SuperSelect or CPS&RP account number; and
4. Confirm the transaction and write or print the transaction receipt number for your records.

You should check with your bank, building society or credit union to find out their daily cut-off time for BPAY[®] payments to ensure that they are credited to your superannuation account on the same day. These times can vary according to the financial institution.

Information for Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan members

Contributions via a Regular Savings Plan (RSP)

From as little as \$100 per month you, your spouse or your employer can make regular contributions to your account through a RSP. You can establish a RSP for any of the investment options currently offered through SuperSelect or CPS&RP.

All RSP contributions will automatically be deducted from your nominated bank, building society or credit union account each month on a date nominated by you.

To establish a RSP you need to complete a 'Commonwealth Personal Superannuation & Rollover Plan and Commonwealth SuperSelect Regular Savings Plan form', which can be obtained from **commbank.com.au** or by calling **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday.

To order a deposit book please call **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday.

Don't miss the deadline – transactions at the end of the financial year

To ensure all contributions and transactions are completed prior to 30 June, it is important that all funds and all relevant completed documentation (including confirmation that you are eligible to contribute to superannuation if aged 65 or over) are received and accepted at our principal office of administration prior to or on 30 June. Missing the 30 June cut-off may have tax consequences. Please allow a minimum of five working days for mail to

reach our principal office of administration (refer to 'Contact details' on page 43 of this report; **If contributing through a Commonwealth Bank branch, please ensure your contribution is made at least three business days prior to 30 June to ensure the transaction reaches our principal office of administration at this busy time of the year.**

Information for SuperSelect members who are part of an employer arrangement

Does your company need a policy committee?

If your employer opened your SuperSelect account on your behalf, a policy committee may need to be established. The Superannuation Industry (Supervision) Act 1993 (SIS) requires the Trustee to take all reasonable steps to ensure a policy committee is established if an employer, who has an arrangement with the Trustee, contributes to the Fund:

- on behalf of 50 or more members or
- on behalf of more than four and fewer than 50 members, and at least five members request one in writing from the Trustee.

You should be able to confirm with your employer if a policy committee already exists. It must have an equal number of employer and member representatives.

Fees and charges – Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan

All fees, charges and expenses which were charged to SuperSelect and CPS&RP members during 2009/2010 and apply for 2010/2011 are described below. The 2010/2011 fees are current from 1 July 2010 and are indexed to the Consumer Price Index (CPI). All fees shown in the table are net of tax.

Fees and charges	Fee amount 2009/2010	Fee amount 2010/2011	How and when paid
Contribution fee			
SuperSelect	Up to 3%	Up to 3%	A contribution fee is deducted at the time of your initial and/or subsequent contributions, transfers, or rollovers and prior to units being issued. Therefore, the number of units allocated will be calculated based on the net amount invested.
CPS&RP	Nil	Nil	
Exit charge	Nil	Nil	N/A
Administration fee*	\$59.87 p.a.	\$61.13 p.a.	Debited from your account annually, usually on each anniversary of the commencement of your account and upon termination of your account (a pro-rata amount if you leave before your next anniversary). It will appear on your annual and exit statement.
Investment switching fee*			
SuperSelect	First two switches are free, then \$35.38 for each subsequent switch.	First two switches are free, then \$36.12 for each subsequent switch.	Each year, ending on the anniversary of the commencement of your account, you are able to make two switches between investment options free of charge. The charge will apply to any additional switches in that year. It will reduce the amount switched to the recipient investment option(s).
CPS&RP	\$35.38 for each switch.	\$36.12 for each switch.	A switching fee is charged for each switch between investment options. It will reduce the amount switched to the recipient investment option(s).
Dishonour fee*	\$15.79 plus any other bank charges incurred.	\$16.12 plus any other bank charges incurred.	A dishonour fee will be charged to you or debited from your account if a non-cash payment of a contribution is not honoured. If debited from your account, this fee will appear on your annual statement. This fee does not currently apply, however we reserve the right to charge this fee in the future.
Cheque issuing fee*	\$35.38	\$36.12	If a benefit is paid by cheque, this fee will be debited from your account. No such fee will apply to benefit payments credited to a nominated Australian bank, building society or credit union account. This fee does not currently apply, however we reserve the right to charge this fee in the future.

* These fees increase in line with the CPI on 1 July each year.

Fees and charges – Commonwealth SuperSelect and Commonwealth Personal Superannuation & Rollover Plan

Management fees and transaction costs – SuperSelect & CPS&RP

The estimated buy/sell spreads and management fees applicable to SuperSelect and CPS&RP for 2010/2011 are set out below. Please note that these figures are indicative and may change over time.

Investment option	Buy/sell spread (%) ¹	Management fee ² (%) to 2 January 2011	Management fee ² (%) from 3 January 2011
Commonwealth Australian Shares	0.30/0	1.60	1.95
Commonwealth Shares	0.40/0	1.60	1.95
Perpetual Split Growth	0.60/0	2.35	2.50
Commonwealth Growth	0.30/0	1.60	1.95
Colonial First State Diversified	0.40/0	1.81	1.96
Perpetual Balanced Growth	0.40/0	2.22	2.37
FirstChoice Multi-Index Balanced	0.40/0	1.88	2.03
Commonwealth Managed	0.30/0	1.60	1.90
Colonial First State Balanced	0.25/0	1.72	1.87
BT Active Balanced	0.40/0	2.28	2.43
Commonwealth Balanced	0.20/0	1.60	1.80
Colonial First State Conservative	0.15/0	1.64	1.79
Commonwealth Capital Defensive	0.20/0	1.30	1.50
Commonwealth Savings	0/0	1.10	1.20
Commonwealth Capital Secure ³	0.05/0	1.10	1.50

Member benefit protection

If at any time your SuperSelect or CPS&RP account balance is less than \$1,000 and it includes or has included superannuation guarantee or award contributions, superannuation regulations limit the amount of administration fees and charges that can be deducted from your account. Member benefit protection does not apply to insurance premiums deducted for your insurance cover (if any).

- 1 The buy/sell spread is an allowance for transaction costs such as brokerage, settlement and clearing costs and stamp duty associated with actual asset transactions. The spread is not paid to any investment manager and neither we, nor CMLA earn income from this spread. These figures are expressed as a percentage of the funds under management of the underlying trust, applicable to the deposit and withdrawal unit prices respectively, and are subject to change from time to time and will not be notified until the next Report. The spread is applied before the deposit and withdrawal unit prices for the investment options are declared.
- 2 The management fee covers the cost of managing your investment options and includes investment and administration costs for the investment managers and the responsible entities of the underlying trusts in which we invest. It does not include custody and other operating expenses (e.g. audit fees) where these have been deducted from the underlying assets. This fee is calculated as a percentage of the total assets of the investment option and varies from time to time. It is deducted from the investment option assets before the unit prices are calculated and is net of tax. Where the underlying trusts have custody and other operating expenses deducted from their assets, these charges will still be reflected in the ongoing management costs which are disclosed to you annually.

Fees and charges – Commonwealth PensionSelect

All fees, charges and expenses which were charged to PensionSelect members during 2009/2010 and apply for 2010/2011 are described below. The 2010/2011 fees are current from 1 July 2010 and are indexed to the Consumer Price Index (CPI). All fees shown in the table are net of tax.

Fees and charges	Fee amount 2009/2010	Fee amount 2010/2011	How and when paid
Exit charge	Nil	Nil	N/A
Administration fee*	\$59.87 p.a.	\$61.13 p.a.	Debited from your account annually, usually on each anniversary of the commencement of your account and upon termination of your account (a pro-rata amount if you leave before your next anniversary). It will appear on your annual and exit statement.
Investment switching fee*	First two switches are free, then \$35.38 for each subsequent switch.	First two switches are free, then \$36.12 for each subsequent switch.	Each year, ending on the anniversary of the commencement of your account, you are able to make two switches between investment options free of charge. The charge will apply to any additional switches in that year. It will reduce the amount transferred to the recipient investment option(s).
Cheque issuing fee*	\$9.60	\$9.80	Charged to your account or from the amount being withdrawn when a benefit payment is paid by cheque. We do not currently charge this fee but reserve the right to charge it in the future.

*These fees increase in line with the CPI on 1 July each year.

Fees and charges – Commonwealth PensionSelect

Management fees and transaction costs – PensionSelect

The estimated management fees and buy/sell spreads applicable to PensionSelect for 2010/2011 are set out below. Please note that these figures are indicative and may change over time.

Investment option	Buy/sell spread (%) ¹	Management fee ² (%)
Commonwealth Australian Shares	0.30/0	1.60
Commonwealth Shares	0.40/0	1.60
Perpetual Split Growth	0.60/0	2.52
Commonwealth Growth	0.30/0	1.60
Colonial First State Diversified	0.40/0	1.95
Perpetual Balanced Growth	0.40/0	2.37
FirstChoice Multi-Index Balanced	0.40/0	1.97
Commonwealth Managed	0.30/0	1.60
Colonial First State Balanced	0.25/0	1.85
BT Active Balanced	0.40/0	2.43
Commonwealth Balanced	0.20/0	1.60
Colonial First State Conservative	0.15/0	1.75
Commonwealth Capital Defensive	0.20/0	1.30
Commonwealth Savings	0/0	1.10
Commonwealth Capital Secure ³	0.05/0	1.10

1 The buy/sell spread is an allowance for transaction costs such as brokerage, settlement and clearing costs and stamp duty associated with actual asset transactions. The spread is not paid to any investment manager and neither we, nor CMLA earn income on this spread. These figures are expressed as a percentage of the funds under management of the underlying trust, applicable to the deposit and withdrawal unit prices respectively, and are subject to change from time to time and will not be notified until the next Report. The spread is applied before the deposit and withdrawal unit prices for the investment options are declared.

2 The management fee covers the cost of managing your investment options and includes investment and administration costs for the investment managers and the responsible entities of the underlying trusts in which we invest. It does not include custody and other operating expenses (e.g. audit fees) where these have been deducted from the underlying assets. This fee is calculated as a percentage of the total assets of the investment option and varies from time to time. It is deducted from the investment option assets before the unit prices are calculated. Where the underlying trusts have custody and other operating expenses deducted from their assets these charges will still be reflected in the ongoing management costs which are disclosed to you annually.

3 Available only to PensionSelect members who joined prior to 1 July 2000.

Additional information regarding the Fund for all members

Superannuation contributions surcharge

Although the government removed superannuation surcharge as from 1 July 2005, the ATO will continue to issue surcharge assessments for prior financial years.

The ATO calculates the amount of any liability you may incur. This information is then forwarded to you and the superannuation fund holding your current account. The superannuation surcharge will then be debited from your account.

Surcharge objections

If you are dissatisfied with your surcharge assessment, you can lodge an objection with the ATO in your capital city of residence. In the course of lodging an objection, you will need to include specific grounds for your objection.

Note: We recommend that you contact your tax adviser or accountant to discuss your personal tax position concerning any surcharge assessment.

Portability

Under superannuation portability rules, superannuation balances may be moved from one fund and consolidated into another fund upon your request. These rules complement the Choice of Fund legislation and generally require the trustee of a regulated superannuation fund to rollover or transfer benefits within 30 days of your request. The 30 day period will commence after you have provided the transferring fund all the required information.

Portability may also be subject to other important restrictions which prevent you from transferring some or all of your benefits.

For example a trustee may refuse a request to rollover or transfer benefits if:

- the trustee has processed one rollover or transfer of your interest within a 12 month period or
- if the entire benefit is not being rolled over or transferred, you may be required to leave a minimum balance in the former fund or
- if the other fund will not accept the transfer amount.

You should note that if you rollover or transfer your benefits, your benefit entitlements in your account may be affected including your eligibility for insurance cover.

Anti-Money Laundering and Counter-Terrorism Financing laws

These laws establish a regulatory regime to combat money laundering and the financing of terrorism. They impose significant new obligations upon the Trustee. We are required to comply with these laws, including the need to establish your identity (and, if relevant, the identity of a beneficiary and other persons associated with your account). Additionally, from time to time, we may require additional information to assist with this process. You will be notified if we need to establish your identity or if we require further information.

We may be required to report information about you to the relevant authorities. We may not be able to tell you when this occurs. We may not be able to transact with you or other persons. This may include delaying, blocking, freezing or refusing to process a

Additional information regarding the Fund for all members

transaction. This may impact on your investment and could result in a loss of income and principal invested.

Enquiries and complaints resolution

The Trustee is obliged to provide you with any information you reasonably require to understand your benefit entitlements. Further information about the Fund is available on request.

If you require further information about the Fund, require assistance in understanding your benefit entitlements, have any other enquiries or have a complaint, please call **13 2015** between 8.30am and 6pm (Sydney time), Monday to Friday.

If you wish to lodge a complaint, you should write to:

The Complaints Manager
Customer Relations
Commonwealth Bank Group
Reply Paid 41
Sydney NSW 2001

Please mark your letter Notice of Complaint. Upon receipt of your complaint, the Complaints Manager will investigate the cause of your concern and respond to you as quickly as possible. If the matter cannot be resolved quickly, you will be kept informed of the progress.

If you are not satisfied with our handling of your complaint or our decision, you may have the right to lodge a complaint with the Superannuation Complaints Tribunal.

Superannuation Complaints Tribunal (SCT)

Before the SCT has jurisdiction to deal with the matter it must be satisfied that the complaint was referred to an appropriate person under our internal enquiries and complaints arrangements. The Tribunal cannot deal with your complaint until you have made reasonable efforts to have the complaint resolved by the Fund.

If, after you have made a complaint to the Fund, you are not satisfied with the response, or do not receive a response, within 90 days, you can then lodge a complaint with the Tribunal.

The Tribunal cannot deal with certain matters, for example decisions that relate to the management of the Fund as a whole, such as investment performance, the level of fees and charges or employer decisions.

If the SCT accepts the complaint, it will attempt to resolve the matter through conciliation. If a complaint cannot be resolved by conciliation and has not been withdrawn by the Tribunal, it proceeds to Review. This means the Tribunal will consider submissions and make a decision to determine the outcome of the complaint.

To contact the SCT, you can telephone **1300 884 114** between 9am and 5pm (Sydney time), Monday to Friday from anywhere in Australia. Alternatively, visit their website at www.sct.gov.au.

Payment to eligible rollover fund (ERF)

The Trustee has selected SuperTrace as the fund to which benefits of the Fund may be transferred in the following circumstances:

SuperSelect and CPS&RP members where:

- no contributions or rollovers have been credited to your account for a period of at least 12 months and your account balance is less than \$1,000
- two pieces of written communication to you are returned unclaimed (i.e. you become a 'lost member' under SIS or as determined by the Trustee)
- we are unable to allocate a contribution or rollover to your account and the transferee will not accept a refund of the monies or
- to meet family law requirements (refer to page 35 of this Report).

PensionSelect members where:

- cooling-off rights are exercised and the nominated fund will not accept the transfer.

The trustee of SuperTrace is Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983. SuperTrace is part of the Commonwealth Bank Group's range of products and is administered by CMLA.

On transfer, you cease to be a member of the Fund and become a member of SuperTrace and your insurance cover (if applicable) will cease after 60 days of being transferred.

You should also note that:

- SuperTrace will apply a different fee structure. You should refer to the Product Disclosure Statement (PDS) for SuperTrace for more details

- SuperTrace has a different investment approach. You will need to consider whether this is appropriate for your circumstances at the time of transfer to SuperTrace and
- SuperTrace does not currently offer insured benefits in the event of death and disablement.

To obtain a copy of the current SuperTrace PDS, please contact:

The Administrator
SuperTrace Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124

Telephone 1300 788 750 or visit their website at www.supertrace.com.au.

Family law

Family law legislation allows the superannuation of married and de facto (including same sex) couples that have divorced or separated to be divided (however, provisions of this legislation do not extend to Western Australia in respect of terminating de facto or same sex relationships).

The legislation allows the following key family law process to occur in relation to your account:

- **Information request:** This is a written request for information about your account and is used to determine the value of the superannuation asset. This request may be made by you, your spouse (including a de facto spouse) or a person intending to enter a superannuation agreement with you (such as a pre-nuptial agreement). The

Additional information regarding the Fund for all members

response to an information request will only be issued to the requestor. If a request is received from your spouse or intending spouse, the legislation states that you must not be informed of the request.

- **Payment flag:** A payment flag may be placed on your account through an agreement by you and your spouse or through a court order. The presence of this flag requires the Trustee to prevent certain types of withdrawals being made from your account.
- **Splitting instructions:** Splitting instructions specify how your account is to be divided. This may be expressed as a dollar amount or as a percentage. These instructions may be made in the form of a superannuation agreement between you and your spouse, or by a court order. In both cases, valid instructions will be binding on the Trustee.

If your spouse does not provide instructions within a specified timeframe, their entitlement may be withdrawn from your account and transferred to SuperTrace.

The provisions of the family law legislation allow for the charging of reasonable fees for the administration of Family Law transactions. We have decided not to charge fees at this time, however you will be notified if a decision is made to introduce fees for transactions in the future.

For full details regarding the family law processes which can occur on your account, please call **1300 730 324** between 8.30am and 5.15pm (Sydney time), Monday to Friday.

Unclaimed benefits

In some circumstances your benefits in the Fund may become subject to unclaimed superannuation benefit laws.

Superannuation money may become unclaimed if:

- the member has reached age 65; and
- no contributions or amounts have been received in respect of the member for at least two years and
- the Trustee has not had contact with the member for five years, after which reasonable efforts to make contact were unsuccessful or
- the member has died and the Trustee determines that an immediate benefit (other than a pension) is required to be paid and the Trustee cannot find the person entitled to the benefit after making reasonable efforts to do so and after a reasonable period has passed or
- the member has ceased to hold a temporary visa and left Australia and the ATO requires payment of the member's benefit.

The Trustee will transfer unclaimed benefits to the ATO. Where the Trustee has transferred such benefits, any request for payment should be directed to:

Unclaimed Super Money
Australian Taxation Office
PO Box 3578
Albury NSW 2640

You can also contact the ATO on 13 10 20. Alternatively, you can do an online search for unclaimed superannuation using Super Seeker, available at www.ato.gov.au/super.

Financial information

Benefits applicable to each member of the Fund are wholly determined by reference to life insurance policies. The *Corporations Act 2001* provides an exemption for funds that invest in life insurance policies from providing certain information in their Annual Report to Members including audited fund accounts, the auditor's report, statement of assets and large investments.

If requested in writing, we will make copies of the following information available to you free of charge once each year:

- a copy of the recent audited accounts of the Fund and
- a copy of the auditor's report.

Who are the parties involved in your investment?

CCSL is the Trustee of the Fund. The Fund invests in life insurance policies (Investment Policies) issued to the Trustee by CMLA. The underlying assets of the Investment Policies are held in CMLA's Statutory Fund No. 2L for SuperSelect and CPS&RP and Statutory Fund No. 4 for PensionSelect.

SuperSelect and CPS&RP offer optional term life insurance, which is provided under a Group Life Insurance Policy (Life Policy) issued to the Trustee by CMLA. Premiums for the optional term life insurance under the Life Policy are paid to, and benefits are paid from, CMLA's Statutory Fund No. 1.

CMLA is the investment manager and manages all investments of the Statutory Funds. CMLA delegates the investment of the Statutory Funds in which the Investment Policies invest to:

- Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (Colonial First State)
- Colonial First State Property Limited ABN 20 085 313 926 and
- investment managers external to the Commonwealth Bank Group.

The current underlying investment managers are:

- BT Investment Management ABN 17 126 390 627, AFSL 3164455 (BT)
- Colonial First State Investments Limited (Colonial First State) and
- Perpetual Investment Management Limited ABN 18 000 866 535, AFSL 234426 (Perpetual).

Complying status of the Fund

The Fund is a complying superannuation fund and is eligible for concessional tax treatment. The complying status of the Fund can only be revoked in exceptional circumstances. It is the Trustee's intention to ensure that the Fund will continue to qualify as a complying superannuation fund.

Indemnity Insurance

The Trustee, as a member of the Commonwealth Bank Group, is covered under the Group's Directors and Officers indemnity and professional indemnity insurance policies.

Additional information regarding the Fund for all members

Reserves

The Fund does not currently hold any reserves.

Fund Trust Deed and Risk Management Plan

The rules governing SuperSelect, PensionSelect and CPS&RP are contained in the Fund's Trust Deed which sets out the rights and obligations of the Trustee and Members. The Trust Deed may be changed at any time. However, any changes that may adversely affect your accumulation balance can generally only be made if:

- it is expressly permitted by superannuation law
- all affected members agree to the changes or
- the regulatory authority agrees.

If a change is made to the Trust Deed that affects you, we will advise you. A copy of the Fund Trust Deed and the Risk Management Plan for the Fund is available on written request to:

GPO BOX 3306, Sydney NSW 2001.

Trust Deed amendments

There was one amendment made to the Trust deed during 2009/2010. Effective from 30 June 2010 it is clarified that the Trust Deed is the exclusive source of rights between a member and the Trustee in respect of a member's membership in the Fund.

Amendment to the Investment Policy

During the year, no amendments were made to the Investment Policy.

Collection and verification of customer information

Customer Information is information about a customer. It includes personal information such as name, age, gender, contact details as well as your health and financial information.

The law requires us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money-laundering and other illegal activities.

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank Group (Group), affiliated providers and external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

The collection and verification of customer information may be carried out in different ways and we will advise you of the most acceptable methods of doing this. We may disclose your customer information in carrying out verification e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

We may collect and verify your full name, date of birth and residential address. If you are commonly known by two or more different names, you must give us full details of your other name or names.

In addition, during your relationship with us, we may also seek, and collect, further information about you and about your dealings with us.

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

Protecting customer information

We comply with the National Privacy Principles as incorporated into the *Privacy Act 1988* (Cth).

We disclose customer information to other members of the Group (including overseas members), so that the Group may have an integrated view of its customers and to facilitate the integrated treatment of its customers. It also enables other members of the Group to provide you with information on their products and services.

Other disclosures

So that we can manage our relationships, customer information may be disclosed to:

- your employer (if any, to the extent required to assist your employer to meet their obligations)

- brokers and agents who refer your business to us
- any person acting on your behalf, including your financial adviser, solicitor, settlement agent, accountant, executor, administrator, trustee, guardian or attorney
- if you have insurance: medical practitioners (to verify or clarify, if necessary, any health information you may provide), claims investigators and reinsurers (so that any claim you make can be assessed and managed), insurance reference agencies (where we are considering whether to accept a proposal of insurance from you and, if so, on what terms)
- external product providers into which you might direct some of your investment, other product providers to which your investment might be transferred and
- organisations to whom we may outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of customer information, confidentiality arrangements apply. Customer information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

Additional information regarding the Fund for all members

The Group may send customer information overseas if:

- that is necessary to complete a transaction or
- we outsource certain functions overseas.

We may also be permitted, as distinct from required, to disclose information in other circumstances.

Access to your personal information

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting us by:

- emailing customerrelations@cba.com.au;
- calling 1800 805 605* or
- Write to:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access to your personal information.

Further information

For further information on our privacy and information handling practices, please refer to the Group's Privacy Policy, which is available at commbank.com.au, upon request from us, or at any Commonwealth Bank branch.

Important information about your unit-linked investment

CMLA has updated its Unit Pricing Policies and procedures about how it manages the unit pricing of your investment. These Unit Pricing Policies have been adopted to ensure that your investment is appropriately valued in all circumstances and that investors are treated consistently and equitably.

Original policy documents did not necessarily cover all types of events that can affect modern investment markets and computer systems. We set out below how CMLA might act under certain circumstances.

Suspension policy

Under extraordinary circumstances, such as during periods of market disruption or other significant events, CMLA may need to temporarily stop calculating unit prices or the processing of transactions.

The types of events that may result in the suspension of unit price calculations or processing of transactions include (but are not limited to):

- where there is significant disruption to the data, systems or other applications necessary to establish a reliable estimate of the value of assets, liabilities or unit prices
- where unforeseen events mean that the valuation of assets cannot in good faith be estimated and
- where there is a significant market movement and/or cash inflows/outflows which are large relative to the value of the investment option.

* A free call unless made from a mobile phone, which will be charged at the applicable mobile rate.

The calculation of unit prices and transaction processing will resume when the risk to investor interests as a whole has abated or been mitigated to a level acceptable to CMLA based on the consideration of the interests of our investors.

During such events, information and updates will be available to you by calling **13 2015** between 8.30 am and 6 pm (Sydney time), Monday to Friday.

Backdating and other events

Backdating occurs when a transaction needs to be processed with an old unit price rather than the current unit price. For example, to meet the obligations under a policy, a unit price at the date the instruction is received may be used rather than the date the instruction is processed.

CMLA will:

- backdate transactions where necessary to ensure that transacting investors receive the appropriate unit prices required by the relevant policy obligations and
- make appropriate adjustments to the unit price of affected investment options to mitigate the impacts of the backdating and ensure that investors are not unduly affected by backdated transactions.

CMLA might also need to make adjustments to unit prices to ensure they reflect the 'best estimate' of the net value of the investment option and its units. CMLA may adjust the calculation of its unit prices, rather than suspend unit pricing, in circumstances where:

- errors are known to have occurred in the calculation of a unit price before it is released, or there are reasonable grounds to suspect an error has occurred, and these could not have been corrected immediately or would have taken time to investigate further or
- CMLA believes that the available asset valuations do not reflect the true or fair value of those assets or there are inconsistencies between the value of assets and liabilities.

Valuation of unlisted assets

The Fund may hold a variety of unlisted assets. CMLA has an Asset and Liability Valuation policy in place to ensure the valuation of investment assets and associated liabilities is appropriate. This includes the valuation of real property and other investments (including infrastructure) which are not valued on a daily basis.

Unit Pricing Adjustment and Error Compensation

Unit prices are calculated on a daily basis by CMLA. The calculation process for these unit prices takes into account a number of inputs and assumptions. Sometimes, it is discovered that an error has been made in the calculation process, resulting in an incorrect unit price. In that case an adjustment in the unit price may be required.

Also, if you have transacted at the incorrect unit price, the value of your account could be incorrect.

Additional information regarding the Fund for all members

CMLA has established a compensation policy to deal with these events and return investors to a financial position that is materially the same as if the error had not occurred. If the error is material, you may be entitled to compensation. CMLA will generally use a variance of 0.30% (0.05% for cash based investment options) in the unit price in determining whether individual compensation is payable.

If a unit pricing error is greater than or equal to these variances, we may pay you compensation:

- by crediting your account with the amount due or
- where your account is closed, if the amount of the adjustment is greater than a payment threshold of between \$5 and \$20 (depending on the circumstances), by sending you a payment by cheque or electronic funds transfer. Note: for your superannuation investment, if you have not met a condition of release, compensation will be paid to SuperTrace (or another superannuation or Retirement Savings Account product).

The tolerance levels we use are in line with industry standards and regulatory practice guidelines. In some cases we may provide compensation where the unit pricing error is less than the tolerance levels.

Contact details

General enquiries	Who to contact ...
National callers	13 2015 8.30am to 6pm (Sydney time), Monday to Friday
International callers	+61 13 2015 8.30am to 6pm (Sydney time), Monday to Friday
Unit prices	13 2015 24 hours a day, 365 days a year
Facsimile	1800 002 715
Internet	commbank.com.au/personal
Email	service@cba.com.au
Postal address	Commonwealth Financial Services GPO Box 3306, Sydney NSW 2001
Principal office of administration	Level 12, 52 Martin Place Sydney NSW 2000
Branch network	Visit any Commonwealth Bank branch

Directory

The Fund

Commonwealth Life Personal Superannuation Fund
ABN 73 703 273 435

Trustee

Commonwealth Custodial Services Limited
ABN 26 000 485 487 AFSL 235027

Administration Manager, Investment Manager and Insurer

The Colonial Mutual Life Assurance Society Limited
ABN 12 004 021 809 AFSL 235035

Principal office of administration

Level 12, 52 Martin Place
Sydney NSW 2000

13 2015

8.30 am to 6 pm (Sydney
time) Monday to Friday

commbank.com.au

