

Essential Super

Annual Report 2020

Colonial First State Investments Limited

ABN 98 002 348 352

AFS Licence 232468

RSE Licence L0002196





Your Annual Report

I am pleased to present the Annual Report for the financial year ended 30 June 2020 for Essential Super.

This Annual Report is the final component of the reporting information for the 2019–2020 financial year.

If you have any questions about the Annual Report please call us on **13 4074** Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Venter'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Michael Venter
Acting Chief Operating Officer
Colonial First State

Contents

Investment options – Essential Super	2
Asset allocation as at 30 June 2020 (%) – Essential Super	4
Performance returns as at 30 June 2020 (%) – Essential Super	7
Other important information	8
Regulatory changes	12
Proposed changes to superannuation	12
Abridged financial report	16

The Trustee, Colonial First State Investments Limited, can be contacted as follows:

Postal Address: 11 Harbour Street, Sydney NSW 2000

Phone Number: 13 4074

These accounts were prepared on 30 November 2020.

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFS) is the issuer of interests in Commonwealth Essential Super ABN 56 601 925 435 (Essential Super) and is a wholly owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 (Bank).

Investment options – Essential Super

Please refer to our website, commbank.com.au/essentialsuper and look for our Investment fact sheets section to find the objectives and strategies of each investment option, or call us on **13 4074** for more information.

Investment options	Underlying manager(s)
Lifestage 1945-49 option	First Sentier Investors (Australia) IM Ltd*, Loomis Sayles, Colchester Global Investors, Morgan Stanley Investment Management, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Oaktree Capital
Lifestage 1950-54 option	First Sentier Investors (Australia) IM Ltd*, Loomis Sayles, Colchester Global Investors, Morgan Stanley Investment Management, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Allianc eBernstein, Commonwealth Bank of Australia, Oaktree Capital
Lifestage 1955-59 option	First Sentier Investors (Australia) IM Ltd*, Loomis Sayles, Colchester Global Investors, Morgan Stanley Investment Management, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Oaktree Capital
Lifestage 1960-64 option	First Sentier Investors (Australia) IM Ltd*, Loomis Sayles, Colchester Global Investors, Morgan Stanley Investment Management, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Oaktree Capital
Lifestage 1965-69 option	First Sentier Investors (Australia) IM Ltd*, Loomis Sayles, Colchester Global Investors, Morgan Stanley Investment Management, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Oaktree Capital
Lifestage 1970-74 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Mercer Investments

Investment options	Underlying manager(s)
Lifestage 1975-79 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, Acadian Asset Management, State Street Global Advisors, Realindex Investments, Wellington Management, Alliance Bernstein, Commonwealth Bank of Australia, Mercer Investments
Lifestage 1980-84 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, State Street Global Advisors, Realindex Investments, Wellington Management, Commonwealth Bank of Australia, Mercer Investments
Lifestage 1985-89 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, State Street Global Advisors, Realindex Investments, Wellington Management, Commonwealth Bank of Australia, Mercer Investments
Lifestage 1990-94 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, State Street Global Advisors, Realindex Investments, Wellington Management, Commonwealth Bank of Australia, Mercer Investments
Lifestage 1995-99 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, State Street Global Advisors, Realindex Investments, Wellington Management, Commonwealth Bank of Australia, Mercer Investments
Lifestage 2000-04 option	First Sentier Investors (Australia) IM Ltd*, Colchester Global Investors, State Street Global Advisors, Realindex Investments, Wellington Management, Commonwealth Bank of Australia, Mercer Investments
Balanced option	First Sentier Investors (Australia) IM Ltd*, State Street Global Advisors, Commonwealth Bank of Australia
Australian Share option	First Sentier Investors (Australia) IM Ltd*
Cash Deposit option	Commonwealth Bank of Australia

* Formerly Colonial First State Global Asset Management prior to November 2019.

Asset allocation as at 30 June 2020 (%) – Essential Super

Essential Super Australian Share Option	2019	2020
Australian shares	96.66%	99.29%
International shares	0.00%	0.00%
Property	0.00%	0.00%
Fixed interest	0.00%	0.00%
International fixed interest	0.00%	0.00%
Cash	3.34%	0.71%
Essential Super Balanced Option	2019	2020
Australian shares	20.28%	18.17%
International shares	24.57%	27.16%
Property	4.22%	5.18%
Fixed interest	17.72%	17.75%
International fixed interest	11.59%	11.83%
Cash	21.62%	19.91%
Essential Super Cash Deposit	2019	2020
Australian shares	0.00%	0.00%
International shares	0.00%	0.00%
Property	0.00%	0.00%
Fixed interest	0.00%	0.00%
International fixed interest	0.00%	0.00%
Cash	100.00%	100.00%
Essential Super Lifestage 1945-49 option	2019	2020
Australian shares	13.62%	13.48%
International shares	21.02%	21.23%
Property	2.84%	3.01%
Fixed interest	13.59%	14.11%
International fixed interest	13.36%	12.69%
Cash & Alternatives	35.57%	35.48%
Essential Super Lifestage 1950-54 option	2019	2020
Australian shares	13.76%	13.78%
International shares	21.16%	21.08%
Property	2.85%	3.18%
Fixed interest	13.60%	13.82%
International fixed interest	13.07%	12.63%
Cash & Alternatives	35.56%	35.51%

Asset allocation as at 30 June 2020 (%) – Essential Super

Essential Super Lifestage 1955–59 option	2019	2020
Australian shares	13.66%	13.28%
International shares	21.22%	20.77%
Property	2.88%	2.93%
Fixed interest	13.66%	13.91%
International fixed interest	13.24%	13.02%
Cash & Alternatives	35.34%	36.09%
Essential Super Lifestage 1960–64 option	2019	2020
Australian shares	21.66%	20.63%
International shares	28.29%	27.58%
Property	3.14%	3.55%
Fixed interest	12.85%	13.15%
International fixed interest	11.49%	11.56%
Cash & Alternatives	22.57%	23.53%
Essential Super Lifestage 1965–69 option	2019	2020
Australian shares	31.21%	30.81%
International shares	40.34%	40.67%
Property	6.00%	6.61%
Fixed interest	5.69%	6.10%
International fixed interest	3.88%	4.33%
Cash & Alternatives	12.88%	11.48%
Essential Super Lifestage 1970–74 option	2019	2020
Australian shares	35.31%	36.37%
International shares	45.05%	46.51%
Property	7.71%	7.79%
Fixed interest	4.08%	1.66%
International fixed interest	1.95%	1.74%
Cash & Alternatives	5.90%	5.93%
Essential Super Lifestage 1975–79 option	2019	2020
Australian shares	36.01%	37.44%
International shares	44.28%	45.49%
Property	7.71%	8.00%
Fixed interest	4.04%	1.67%
International fixed interest	1.94%	1.78%
Cash & Alternatives	6.02%	5.62%

Asset allocation as at 30 June 2020 (%) – Essential Super

Essential Super Lifestage 1980-84 option	2019	2020
Australian shares	36.26%	37.38%
International shares	44.05%	45.77%
Property	7.80%	7.69%
Fixed interest	4.06%	1.49%
International fixed interest	1.96%	1.70%
Cash & Alternatives	5.87%	5.97%
Essential Super Lifestage 1985-89 option	2019	2020
Australian shares	36.00%	37.39%
International shares	44.22%	46.18%
Property	7.66%	7.78%
Fixed interest	3.96%	1.52%
International fixed interest	1.97%	1.68%
Cash & Alternatives	6.19%	5.45%
Essential Super Lifestage 1990-94 option	2019	2020
Australian shares	36.01%	37.47%
International shares	44.00%	46.56%
Property	7.73%	7.72%
Fixed interest	3.95%	1.24%
International fixed interest	1.97%	1.69%
Cash & Alternatives	6.34%	5.32%
Essential Super Lifestage 1995-99 option	2019	2020
Australian shares	35.48%	36.79%
International shares	44.00%	46.55%
Property	7.78%	8.03%
Fixed interest	3.91%	1.42%
International fixed interest	1.92%	1.78%
Cash & Alternatives	6.91%	5.43%
Essential Super Lifestage 2000-04 option	2019	2020
Australian shares	35.28%	37.21%
International shares	43.09%	46.93%
Property	7.43%	7.56%
Fixed interest	3.88%	2.10%
International fixed interest	1.82%	1.84%
Cash & Alternatives	8.50%	4.36%

Performance returns as at 30 June 2020 (%) – Essential Super

	Annual effective rate of net earnings ¹					5 year	Since inception
	2020	2019	2018	2017	2016	compound average rate of return	
Essential Super Australian Share Option	-5.99	11.10	11.86	12.99	1.04	5.93	6.85
Essential Super Balanced Option	0.46	7.15	5.91	6.00	3.85	4.65	5.60
Essential Super Cash Deposit	0.57	1.26	1.28	1.29	1.67	1.21	1.47
Essential Super Lifestage 1945-49 option	-0.89	5.78	4.89	4.85	3.74	3.64	4.59
Essential Super Lifestage 1950-54 option	-1.15	5.66	4.84	4.81	3.63	3.53	4.61
Essential Super Lifestage 1955-59 option	-0.94	-	-	-	-	-	1.49
Essential Super Lifestage 1960-64 option	-2.75	6.70	6.92	7.85	3.41	4.35	6.13
Essential Super Lifestage 1965-69 option	-5.49	-	-	-	-	-	-1.38
Essential Super Lifestage 1970-74 option	-6.52	7.99	8.75	9.78	3.34	4.49	6.28
Essential Super Lifestage 1975-79 option	-6.49	-	-	-	-	-	-2.09
Essential Super Lifestage 1980-84 option	-7.15	8.06	8.73	9.82	3.38	4.37	6.20
Essential Super Lifestage 1985-89 option	-6.88	-	-	-	-	-	-2.39
Essential Super Lifestage 1990-94 option	-6.70	8.09	8.74	9.86	3.40	4.49	6.30
Essential Super Lifestage 1995-99 option	-6.67	-	-	-	-	-	-2.25
Essential Super Lifestage 2000-04 option	-6.43	8.05	8.59	-	-	-	3.54

1 The annual effective rate of net earnings is calculated on an exit price to exit price basis, net of taxes payable and after ongoing fees and expenses, but excluding entry fees and individual taxes.

2 Indicates fund has been in existence for less than one year.

Past performance is no indication of future performance.

Other important information

This information is relevant to and forms part of the Annual Report contained in this booklet.

Guarantee under RSE Licence

The Trustee has the benefit of a guarantee of \$5 million from the Commonwealth Bank of Australia (ABN 48 123 123 124) in respect of the due performance of its duties as an RSE Licensee. Commonwealth Bank of Australia is the ultimate holding company of the Trustee. The guarantee is available for inspection by contacting the Company Secretary of the Trustee.

CBA and its subsidiaries do not guarantee the performance of or the repayment of capital by Essential Super. Investments in Essential Super are not deposits or other liabilities of CBA or its subsidiaries, and the investment-type products are subject to investment risk, including loss of income and capital invested.

Indemnity insurance

The Trustee is responsible for its activities and carries professional indemnity insurance.

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 option. Income tax as appropriate is provided for in the unit price for each investment option.

Trustee's policy for the use of derivatives

The Trustee has a detailed Derivative Risk Management Policy which covers the use of derivatives, the controls over

their use, and the processes of assessing compliance with those controls. These policies and controls are intended to ensure proper use of derivatives. Commonwealth Essential Super Fund (the Fund) has an indirect exposure to derivatives through its investments in other managed investment schemes managed by the Trustee. Derivatives are used in the underlying investments as an alternative to direct purchases or sales and not for trading purposes.

Taxation matters

- Taxation considerations are general and based on present taxation laws and may be subject to change. You should seek independent, professional tax advice before making any decision based on this information.
- Commonwealth Bank and the Trustee are also not a registered tax (financial) adviser under the Tax Agent Services Act 2009 and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

Temporary residents

You can receive a Departing Australia Superannuation Payment (DASP) benefit equal to your account balance (less tax), if:

- you are not an Australian or New Zealand citizen, are not a permanent resident in Australia or do not hold a 405 or 410 retirement visa

Other important information

- you leave Australia
- your temporary visa is no longer valid, and
- we get written evidence from the Department of Immigration to confirm these facts.

To claim your DASP benefit:

- Complete the DASP online application at ato.gov.au (search for 'DASP online application system'), and
- Post a certified copy of your original identification document(s) to us for the purposes of anti-money laundering laws.

For further information about superannuation for temporary residents, refer to ato.gov.au

The only other benefits that you may receive from Essential Super as a temporary resident are:

- a death benefit
- a total and permanent disablement benefit
- temporary disability benefit
- a terminal illness benefit, or
- a release authority.

We'll withhold the taxable part of your DASP benefit. Speak to a tax adviser or contact the Australian Taxation Office (ATO) to find out what tax rates apply to your DASP benefit.

It's important to ask for your DASP benefit to be paid to you within six months of the day when your temporary visa expires and you leave the country (whichever happens latest). If you don't, we may have to pay your account

balance to the ATO. In addition, you will no longer be an Essential Super member, your money will no longer be invested in your chosen investment options, and you'll lose any insurance cover you had with the Fund.

According to ASIC Class Order 09/437, we don't have to let you know that we're transferring your benefit to the ATO or give you an exit statement.

You can still claim your account balance after we've transferred it to the ATO. You can do this by using the online application system, which is available on the ATO website at ato.gov.au/Forms/Application-for-payment-of-ATO-held-superannuation-money/

Working holiday makers

From 1 July 2017, Departing Australia Superannuation Payments (DASPs) made to working holiday makers will be taxed at a different rate to those paid to temporary residents. You are classified as a working holiday maker where you hold or have held a 417 Working Holiday visa or a 462 Work and Holiday visa. Please refer to ato.gov.au/Individuals/International-tax-for-individuals/Coming-to-Australia/Working-holiday-makers/

Transfer to the Eligible Rollover Fund (ERF)

If your account is low, or written communications are returned unclaimed (defined as 'lost' under superannuation law), we have the discretion to transfer your benefit to an ERF (after deducting any outstanding fees, taxes and liabilities). We will contact you at your last known address before transferring your account to the ERF.

Other important information

The ERF selected by Colonial First State is the SuperTrace Eligible Rollover Fund (SuperTrace) ABN 73 703 878 235 which can be contacted at:

Fund Administrator
SuperTrace Eligible Rollover
Fund (SuperTrace)
Locked Bag 5429
Parramatta NSW 2124
Call: **1300 788 750**

Equity Trustees Superannuation Limited
ABN 50 055 641 757 AFSL 229757
is the trustee of SuperTrace which is
administered by The Colonial Mutual Life
Assurance Society Limited
ABN 12 004 021 809 AFSL 235035.

If your benefit is transferred to SuperTrace, you will cease to be a member of the Fund. You will cease to have rights associated with the Fund, and will no longer receive regular statements from Colonial First State. Being transferred to the ERF may affect your benefits for the following reasons:

- You will become a member of the SuperTrace fund and be subject to its governing rules.
- You can contact SuperTrace to ask for a copy of its PDS.
- SuperTrace will apply a different fee structure. You should refer to its PDS for circumstances in which fees may apply.
- SuperTrace does not offer insurance benefits in the event of death or disablement.
- SuperTrace invests your benefit in a low risk strategy, which directly affects the rate of interest credited to your account. You should evaluate whether this strategy is appropriate to your specific circumstances.

Unclaimed money and lost members

We may be required to pay your account balance to the ATO if:

- you are 65 years or older, we have not received a contribution or rollover in two years, and we have been unable to contact you for five years
- your account is subject to a family law payment split, but we are unable to identify the ex-spouse entitled to the super benefit
- you are deceased, we have not received a contribution or rollover for you in the past two years, and we can't (after reasonable attempts and a reasonable period of time) identify a person entitled to your super benefit
- you are a lost member and either:
 - your account balance is less than \$6,000, or
 - we have not received an amount in respect of you in the last 12 months, and we do not have enough information to identify you and would not be able to pay an amount to you.

You will be a lost member where:

- at least one written communication has been sent back to us undelivered and we believe you can no longer be contacted, or we've never had an address for you, and we have not received a contribution or rollover for you within the last 12 months and you have not contacted the fund or accessed information about your account electronically within the last 12 months, or

Other important information

- you joined the fund as a result of an agreement between your employer and the trustee of the fund, and you have been a member of the fund for longer than two years, and the fund has not received a contribution or rollover in respect of you in five years.

When you become a lost member, we may request your latest contact information from the ATO. If the address the ATO provides us is more recent than the address we hold on file, we may update your address with the address provided by the ATO, and you will no longer be classified as a lost member.

If your account balance is transferred to the ATO, you will no longer be a member of Essential Super and you will lose any insurance cover. You will also no longer be invested in your chosen investment option(s).

From 1 July 2013, interest will accrue on your account balance from the time it is paid to the ATO. You may claim your benefit by completing the online application, or downloading a paper application form, from ato.gov.au

Payment of superannuation contribution surcharge

Payments of the superannuation contribution surcharge if applicable are paid by deductions from your account, or, if the Trustee receives an assessment after you have left, it will generally be forwarded on to the fund or institution to which you have transferred your benefit.

Further information you may request to receive

You may also request the following additional information from the Trustee at any time, free of charge:

- the full audited financial statements for the Fund
- a copy of the most recent Product Disclosure Statement covering the relevant investment strategies and options, contribution levels and insurance cover of the Fund
- audited financial statements for Colonial First State Investments Limited
- the Trust Deed governing Commonwealth Essential Super
- information published on any of the underlying funds that the investment options invest in, and
- performance reports for each of the investment options comprising Essential Super, which are updated quarterly.

Regulatory changes

The information contained in the following sections is general information only and does not take into account your objectives, personal financial situation, or needs. You should assess whether the information is appropriate for you and talk to your financial planner for further information. The information in this section is current as of 19 November 2020.

Recent legislative changes to superannuation

The following are some key changes to superannuation legislation which have taken effect recently.

Increase in the age from which the work test applies for voluntary contributions

Prior to 1 July 2020, once you reached age 65 you had to meet a work test (or alternatively qualify for a work test exemption) to make voluntary contributions to super¹.

From 1 July 2020, people aged 65 and 66 can make voluntary contributions to superannuation without meeting the work test or work test exemption.

Proposed changes to superannuation

The following are some key proposed changes to superannuation. At the time of writing, these proposals have not been legislated.

Proposed increase in the maximum age to use 'bring forward rule'

Under current rules, if you are aged under 65 at any time during a financial

Increase in the maximum age for spouse contributions

Most voluntary contributions cannot be made from age 75², regardless of your work status. However, prior to 1 July 2020, contributions that your spouse made for you (eligible spouse contributions) could no longer be made once you had reached age 70.

From 1 July 2020, the maximum age at which spouse contributions can be made for you has been increased to 74².

Extending superannuation choice of fund

Under 'choice of fund' rules, most employees are already able to choose the superannuation fund to which their employer is required to make Superannuation Guarantee contributions.

Choice of fund has been further extended to employees covered by workplace determinations and enterprise agreements made on or after 1 January 2021.

year, you may be able to use a 'bring forward rule' to make up to \$300,000 in non-concessional (after tax) contributions at one time – which is above the standard cap of \$100,000 per financial year.

Effective from 1 July 2020, the Government has proposed allowing access to the 'bring forward rule' to people aged under 67 any time during a financial year.

¹ Excluding downsizer contributions which can be made to super from age 65 if you meet eligibility requirements, regardless of your work status.

² Includes the period up to 28 days after the end of the month in which you turn 75.

Proposed changes to superannuation

A Bill to implement this proposed change has been introduced into parliament. However, as at 19 November 2020, this proposal had not passed parliament or become law.

It is important to note that under existing legislation, your non-concessional contributions cap (including under the 'bring forward rule') may also be reduced based on your total superannuation balance.

Superannuation accounts 'stapled' to a member

Under current rules, where you start a new job and don't nominate a chosen superannuation fund, your employer will make contributions for you to its default superannuation fund. This means that where you have a number of employment arrangements over time, you may have multiple superannuation accounts.

To reduce unintended multiple superannuation accounts, from 1 July 2021 the Government has proposed that where you start a new job and don't nominate a chosen superannuation fund, your employer will need to make contributions to your existing superannuation fund. Contributions will only be made to an employer's default superannuation fund if you don't have an existing superannuation fund and don't nominate a chosen superannuation fund. Under the proposed change, you can generally still nominate a chosen fund.

YourSuper comparison tool

By 1 July 2021, the Government has proposed the introduction of an interactive online YourSuper comparison tool.

The YourSuper comparison tool would:

Provide a quarterly updated table of simple super products (MySuper) ranked by fees and investment returns.

Link you to the super fund's websites when you select a MySuper product from the table.

Show your current super accounts and allow you to select one

Prompt you to consider consolidating accounts if you have more than one.

Annual performance tests for superannuation funds

By 1 July 2021, the Government has proposed that MySuper products will be subject to an annual performance test³.

Under the proposal, if a superannuation fund is deemed to be underperforming, it will need to inform its members of its underperformance by 1 October 2021, and provide them with information about the YourSuper comparison tool mentioned above.

Underperforming superannuation funds would be listed as underperforming on the YourSuper comparison tool until their performance improves.

Superannuation funds that fail two consecutive annual performance tests will not be permitted to accept new members. These funds will not be able to re-open to new members unless their performance improves.

By 1 July 2022, the Government has proposed extending the annual performance test to other superannuation products.

³ APRA will determine a target investment return (after fees and taxes) for every MySuper product. Superannuation funds that underperform their benchmark by 0.5% or more per year, over an 8 year period, will be classified as underperforming.

Investments with a market value of over 5% of the Fund

Investments Directly Held	%	Investments Indirectly Held	%
Lifestage 1960-64	6%	Commonwealth Multi Manager Cash Fund	14%
		Commonwealth Global Share Fund 30	6%
		Colonial First State Investment Fund 50	10%
		Commonwealth Australian Share Fund 26	15%
		Colonial First State Investment Fund 65	5%
		Commonwealth Specialist Fund 36	5%
		Colonial First State Wholesale Indexed Australian Bond Fund	12%
Lifestage 1965-69	7%	Commonwealth Global Listed Infrastructure Fund 6	7%
		Commonwealth Global Property Securities Fund 4	7%
		Commonwealth Global Share Fund 30	6%
		Colonial First State Investment Fund 50	14%
		Commonwealth Global Share Fund 22	10%
		Commonwealth Australian Share Fund 26	24%
		Colonial First State Wholesale Indexed Australian Bond Fund	6%
Lifestage 1970-74	9%	Colonial First State Investment Fund 22	9%
		Colonial First State Investment Fund 78	8%
		Commonwealth Global Share Fund 30	5%
		Colonial First State Investment Fund 50	15%
		Commonwealth Global Share Fund 22	13%
		Commonwealth Australian Share Fund 26	29%
Lifestage 1975-79	11%	Colonial First State Investment Fund 22	9%
		Colonial First State Investment Fund 78	8%
		Colonial First State Investment Fund 50	15%
		Commonwealth Global Share Fund 22	16%
		Commonwealth Australian Share Fund 26	32%
Lifestage 1980-84	15%	Colonial First State Investment Fund 22	9%
		Colonial First State Investment Fund 78	8%
		Colonial First State Investment Fund 50	15%
		Commonwealth Global Share Fund 22	17%
		Commonwealth Australian Share Fund 26	33%

Investments with a market value of over 5% of the Fund

Investments Directly Held	%	Investments Indirectly Held	%
Lifestage 1985-89	18%	Colonial First State Investment Fund 22	9%
		Colonial First State Investment Fund 78	8%
		Colonial First State Investment Fund 50	15%
		Commonwealth Global Share Fund 22	17%
		Commonwealth Australian Share Fund 26	32%
Lifestage 1990-94	12%	Colonial First State Investment Fund 22	9%
		Colonial First State Investment Fund 78	8%
		Colonial First State Investment Fund 50	16%
		Commonwealth Global Share Fund 22	17%
		Commonwealth Australian Share Fund 26	32%

Abridged financial report

The financial report of Essential Super (the Fund) has been audited by PricewaterhouseCoopers, and in their opinion, presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2020 and the results of its operations for the year ended 30 June 2020. Set out below is an abridged version of the accounts for the Fund for the year to 30 June 2020 along with comparatives for the year to 30 June 2019. The abridged financial report is unaudited and only the annual financial report has been audited. For a better understanding of the financial report and auditor's report, the abridged financial information should be read in conjunction with the annual financial report for the year ended 30 June 2020.

Statement of Financial Position as at 30 June 2020	2020	2019
	\$'000	\$'000
Assets		
Cash and cash equivalents	243,375	212,516
Contributions receivable	4,300	-
Receivables	91	140
Financial investments	3,006,305	3,570,994
Deferred tax assets	27,399	1,282
Total assets	3,281,470	3,784,932
Liabilities		
Benefits payable	4,780	-
Other payables	1,218	2,261
Income tax payable	3,795	1,452
Total liabilities excluding member benefits	9,793	3,713
Net assets available for member benefits	3,271,677	3,781,219
Defined contribution member liabilities	3,272,208	3,777,756
Total net assets	(531)	3,463
Equity		
Unallocated surplus/(deficit)	(531)	3,463
Total equity	(531)	3,463

Income Statement for the year ended 30 June 2020	2020 \$'000	2019 \$'000
Superannuation activities		
Interest revenue	1,452	2,972
Distribution income	138,978	437,648
Net changes in fair value of financial investments	(424,589)	(178,366)
Other income	433	128
Total income	(283,726)	262,382
Administration expenses	15,667	18,659
Total expenses	15,667	18,659
Results from superannuation activities before income tax expense	(299,393)	243,723
Income tax benefit/(expense)	38,859	7,603
Results from superannuation activities after income tax expense	(260,534)	251,326
Net benefits allocated to defined contribution members	256,540	(248,632)
Operating result after income tax	(3,994)	2,694

Statement of Changes in Member Benefits for the year ended 30 June 2020	2020 \$'000	2019 \$'000
Opening balance of member benefits		
	3,777,756	3,395,939
Member contributions	36,155	36,199
Employer contributions	541,086	574,865
Transfers from other superannuation funds	91,567	80,147
Transfers to other superannuation funds	(302,533)	(350,502)
Income tax on contributions	(82,350)	(85,446)
Net after tax contributions	283,925	255,263
Benefits to members or beneficiaries	(536,258)	(110,763)
Death and disability benefits credited to member accounts	18,497	16,015
Insurance premiums charged to members	(15,172)	(27,330)
Net benefits allocated comprising:		
- Net investment income	(240,873)	267,291
- Net administration fees	(15,667)	(18,659)
Closing balance of members benefits	3,272,208	3,777,756



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