

Commonwealth PensionSelect

Effective date: 4 April 2014

Supplementary Product Disclosure Statement

Product update

Issued by Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983 AFSL 235025 (the 'Trustee')

Commonwealth
Financial Services



This is a Supplementary Product Disclosure Statement (SPDS) to the Commonwealth PensionSelect Product Disclosure Statement (PDS) Part 1 (dated 1 January 2013) and PensionSelect PDS Part 2 (dated 1 January 2013) and should be read in conjunction with those parts.

If you have not received both parts of the PDS simply call 13 2015 between 8.30 am and 6 pm (Sydney time), Monday to Friday.

Notices

The trustee of Colonial Super Retirement Fund ABN 40 328 908 469, SFN 2933 419 40 (the Fund) is Colonial Mutual Superannuation Pty Ltd (CMS, Trustee, we, us, or our).

Commonwealth PensionSelect, a pension plan of the Fund, is administered by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA).

Commonwealth Financial Services is a registered business name of CMS and CMLA. CMS and CMLA are both wholly owned subsidiaries of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945.

Commonwealth Bank and its subsidiaries (Commonwealth Bank Group or the Group) 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 Commonwealth PensionSelect are not deposits or other liabilities of Commonwealth Bank or its subsidiaries (other than CMLA or the Trustee) and investment-type products are subject to investment risk, including possible delays in repayment and loss of income and principal invested.

Commonwealth PensionSelect

About this Supplementary Product Disclosure Statement

The purpose of this Supplementary Product Disclosure Statement (SPDS) is to provide you with information about your investment in Commonwealth PensionSelect (PensionSelect) including fees and information on your investment options.

Changes to the PensionSelect PDS Part 1

1. Under section “Starting a PensionSelect pension”, sub-heading “Reduction in the minimum payment amounts for account-based pensions” (page 6 of the PDS):

Delete the heading and all associated text.

2. Under section “Starting a PensionSelect pension”, sub-heading “Can I switch between investment options?” (page 7 of the PDS):

Replace the first paragraph with:

“You can switch all or part of your investment between investment options in PensionSelect as your needs change. A minimum switch amount of \$1,000 applies.”

3. Under the section “Determining your investment strategy and investor profile”, sub-heading “Your choices” (Page 13 of the PDS):

Insert the new heading and text under the sub-heading “Your choices”:

Standard Risk Measure

We have adopted the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period (as outlined in the table below).

The SRM for each option is also a measure of the risk objective of the option. It is a measure of the expected variability of the return of the option. The SRM is not a complete assessment of all forms of investment risk; for instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment option(s). The SRM should not be considered personal advice. Investors should regularly review their investment decision with their financial adviser.

More detail on risks which may affect your investment is included in the ‘What are the risks of investing?’ section below.”

Risk measure categories

Below is a table that outlines our labelling of risk measures and categories.

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

4. Under section “Who manages your investments?”, sub-heading “Consents” (page 17 of the PDS):

Replace the first paragraph with:

“The third parties listed below have consented to being named in this PDS. No third parties, other than CMLA, have caused the issue of, or are responsible for, the statements in this PDS.”

5. Under section “Investment options”:

5.1 Sub-heading “Commonwealth Australian Shares” (page 18 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	High
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5.2 Sub-heading “Commonwealth Shares” (page 18 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	High
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5.3 Sub-heading “Perpetual Wholesale Split Growth” (page 19 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Very high
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5.4 Sub-heading “Commonwealth Growth” (page 20 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	High
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5.5 Sub-heading “Commonwealth Managed” (page 21 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium to high
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5.6 Sub-heading “Colonial First State Diversified” (page 22 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	High
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5.7 Sub-heading “Perpetual Wholesale Balanced Growth” (page 23 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium to high
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5.8 Sub-heading “FirstChoice Multi-Index Balanced” (page 24 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium to high
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5.9 Sub-heading “Commonwealth Balanced” (page 25 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium
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5.10 Sub-heading “Colonial First State Balanced” (page 25 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium to high
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5.11 Sub-heading “BT Active Balanced” (page 26 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Medium to high
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5.12 Sub-heading “Colonial First State Conservative” (page 27 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Low to medium
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5.13 Sub-heading “Commonwealth Capital Defensive” (page 28 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Low
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5.14 Sub-heading “Commonwealth Savings” (page 28 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Low
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5.15 Sub-heading “Commonwealth Capital Secure” (page 29 of the PDS):

Replace the “Risk/return profile” row with:

Risk measure category	Very Low
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6. Under section “Additional information”, sub-heading “When might my benefit be transferred to an Eligible Rollover Fund? (on page 33 of the PDS):

Replace text with:

The Trustee has selected SuperTrace Eligible Rollover Fund ABN 73 703 878 235 (SuperTrace) as the fund to which benefits of PensionSelect may be transferred if:

- you do not have insurance cover and two pieces of written communications to you are returned unclaimed; or
- we are unable to allocate a contribution or rollover to your Account and the transferor will not accept a refund of the monies; or
- you exercise cooling-off rights and the nominated fund will not accept the transfer; or
- you do not have insurance cover, 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; or

- to meet family law requirements; or
- we have not had two-way contact with you for a period greater than three years.

The trustee of SuperTrace is Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983 AFSL 235025. 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 PensionSelect and become a member of SuperTrace and your insurance cover (if applicable) will cease.

You should also note that:

- SuperTrace will apply a different fee structure.
- SuperTrace has a different risk investment approach.
- SuperTrace does not currently offer insured benefits in the event of death and disablement.

You should refer to the SuperTrace PDS for more details. You will need to consider whether this is appropriate for your circumstances at the time of transfer to SuperTrace.

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

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

Contact can also be made with SuperTrace on 1300 788 750 between 8.30 am to 6 pm Monday to Friday, Sydney time or by visiting their website supertrace.com.au.

The Trustee's policy for transferring funds to an Eligible Rollover Fund can change. Details of the policy will be included in the Fund's Annual Report each year.

7. Under section "Additional information", sub-heading "Privacy" (on page 34 of the PDS):

Replace heading and all associated text with:

"Collecting 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.

How we collect it

We can collect and verify customer information in different ways and we will advise you of the most acceptable ways to do this.

The law may require 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. Collecting and verifying information helps to protect against identity theft, money-laundering and other illegal activities. 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.

What we collect

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes 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.

Accuracy

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.

How do we use your personal information?

We collect, use and exchange your personal information so that we can:

- establish your identity and assess applications for our products and services;
- price and design our products and services;
- administer our products and services;
- manage our relationship with you;
- manage our risks and help identify and investigate illegal activity, such as fraud;
- contact you, for example if we need to tell you something important;
- conduct and improve our businesses and improve the customer experience;
- comply with our legal obligations and assist government and law enforcement agencies or regulators; or
- identify and tell you about other products or services that we think may be of interest to you.

We may also collect, use and exchange your information in other ways where permitted by law.

Electronic Communication

If we have your email or mobile phone details we may contact you electronically including by SMS. You may also receive information on the Commonwealth Bank Group's products and services electronically.

Direct marketing

If you don't want to receive direct marketing from us, you can tell us by calling 13 2015.

Gathering and combining data to get insights

Improvements in technology enable organisations, like us, to collect and use information to get a more integrated view of customers and provide better products and services.

The Commonwealth Bank Group may combine customer information it has with information available from a wide variety of external sources (for example census or Australian Bureau of Statistics data). Group members are able to analyse the data in order to gain useful insights which can be used for any of the purposes mentioned above.

In addition, Commonwealth Bank Group members may provide data insights or related reports to others, for example to help them understand their customers better. These are based on aggregated information and do not contain any information that identifies you.

Protecting your personal information

We comply with the Australian Privacy Principles as incorporated into the Privacy Act 1988 (Cth). The Privacy Act protects your sensitive information, such as health information. When we need to obtain this type of information, we will ask for your consent, except where otherwise permitted by law.

Who do we exchange your personal information with?

We exchange your personal information with other members of the Commonwealth Bank Group, so that the Group may adopt an integrated approach to its customers.

Commonwealth Bank Group members may use this information for any of the purposes mentioned under 'How do we use your personal information' above.

Third parties

We may exchange your information with third parties where this is permitted by law or for any of the purposes mentioned under 'How do we use your personal information' above. These third parties include:

- service providers or those to whom we outsource certain functions, for example, direct marketing, statement production, debt recovery and information technology support;
- your employer;
- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial advisor, solicitor, accountant, executor, administrator, trustee, guardian or attorney;
- medical practitioners (to verify or clarify, if necessary, any health information you may provide);
- claims-related providers, such as assessors and investigators, who help us with claims;
- auditors;
- government and law enforcement agencies or regulators; or
- entities established to help identify illegal activities and prevent fraud.

In all circumstances where our contractors and outsourced service providers become aware of customer information, confidentiality arrangements apply.

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.

Sending information overseas

From time to time we may send your personal information overseas, including to overseas Commonwealth Group members and to service providers or other third parties who operate or hold data outside Australia. Where we do this, we make sure that appropriate data handling and security arrangements are in place. Please note that Australian law may not apply to some of these entities.

We may also send information overseas to complete a particular transaction or where this is required by laws and regulations of Australia or another country.

For more information about which countries your information may be sent to, see the Commonwealth Bank Group Privacy Policy available at commbank.com.au.

Viewing your information

You can (subject to permitted exceptions) request access to your personal information by contacting Customer Relations (see page 32 of the PDS for contact details).

We may charge you for providing access. For more information about our privacy and information handling practices, please refer to the Commonwealth Bank Group Privacy Policy, which is available through commbank.com.au or on request from any Commonwealth Bank branch.

Making a privacy complaint

We accept that sometimes we can get things wrong. If you have a concern about your privacy you have a right to make a complaint and we'll do everything we can to put matters right. For further information on how to make a complaint and how we deal with your complaint please refer to Commonwealth Bank Group's Privacy Policy, which is available at commbank.com.au or upon request at any Commonwealth Bank branch."

8. Under section "Additional information", sub-heading "Family Law" (on page 36 of the PDS):

Delete the heading and all associated text.

9. Under section "Additional information", sub-heading "Anti-Money Laundering and Counter-Terrorism Financing Laws" (page 37 of the PDS):

Replace the second sentence with:

"They impose significant obligations upon CMS and CMLA."

Changes to the PensionSelect PDS Part 2

10. Under section “Contents”, sub-heading “Part 2 – Fees and Tax” (on the inside cover):

Replace the second line with “Buy/sell spreads and Investment Costs”

11. Replace the contents of pages 1 to 5 with the following:

“Fees and other costs

DID YOU KNOW?¹

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You are not able to negotiate to pay lower administration fees.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by the superannuation entity are set out on pages 10-16 of this SPDS.

¹ This consumer advisory warning is required by law.

Commonwealth PensionSelect

Type of fee	Amount ¹	How and when paid
<i>Investment fee</i>	Nil	Not Applicable
<i>Administration fees</i>	\$66.11 ² p.a. per account	The administration fee is deducted annually on the anniversary of your Account opening and on termination (a pro-rata amount if you leave before your next anniversary) by cashing units from your Account.
<i>Buy-sell spread</i>	0% - 0.60% per transaction depending on the option	
<i>Switching fee</i>	Nil	N/A
<i>Exit fee</i>	Nil	N/A
<i>Advice fees</i> relating to all members investing in a particular investment option	Nil	N/A
<i>Other fees and costs</i> <i>Cheque issuing fee</i>	Nil	N/A. Not currently charged.
<i>Indirect cost ratio</i> ³	1.10% p.a. to 2.52% p.a. (estimated)	Accrued daily in the unit price, and deducted monthly in arrears, for each investment option.

1 All figures disclosed include the net effect of GST.

2 Effective from 1 July 2013. The dollar based Administration fee will be indexed on 1 July each year in line with increases in the Consumer Price Index.

3 Please refer to 'Superannuation Supervisory Levy on page 16 of the SPDS for more details.

Investment and Administration Fees and Buy-Sell Spreads

Option name	Buy-sell spread (%)	Indirect cost ratio (p.a.)
Commonwealth Australian Shares	0.30/0	1.60%
Commonwealth Shares	0.35/0	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	0.30/0	1.97%
Commonwealth Managed	0.30/0	1.60%
Colonial First State Balanced	0.30/0	1.75%
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	0.10/0	1.10%

Example of annual fees and costs for the Commonwealth Balanced Investment option

The table below gives an example of how the fees and costs in the balanced investment option of this product can affect your superannuation over a 1 year period. You should use this table to compare this product with other products.

Example – Commonwealth Balanced option		Balance of \$50,000 during the year
Investment fees	Nil	N/A
Plus Administration fees	\$66.11 p.a.	And , a member will be charged \$66.11 in administration fees regardless of their balance
Plus Indirect costs for the Balanced option	1.60% p.a.	And , indirect costs of \$800 each year will be deducted from their investment
Equals Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$866.11 for the Balanced option.

These figures are inclusive of the net effect of GST.

Please note that these are just examples. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the options, which also fluctuates daily. Buy-sell spreads also apply. Refer to page 16 of this SPDS.

Additional explanation of fees and costs

Defined fees

The Trustee may only charge the following fees:

Type of fee	Description	Does this fee apply?
Activity fees	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none"> (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> (i) that is engaged in at the request, or with the consent, of a member; or (ii) that relates to a member and is required by law; and (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee. 	N/A
Administration fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:</p> <ul style="list-style-type: none"> (a) relate to the administration or operation of the entity; and (b) are not otherwise charged as an investment fee, a buy sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee. 	Yes – refer to page 10 of this SPDS for details

Type of fee	Description	Does this fee apply?
Advice fees	<p>A fee is an advice fee if:</p> <p>(a) the fee relates directly to costs incurred by the trustee [OR the trustees] of the superannuation entity because of the provision of financial product advice to a member by:</p> <ul style="list-style-type: none"> (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and <p>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.</p>	N/A
Buy-Sell spreads	<p>A buy sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>	Yes – refer to page 16 of this SPDS for details
Exit fees	<p>An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.</p>	N/A
Indirect cost ratio	<p>The indirect cost ratio (ICR), for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.</p> <p>Note: A dollar based fee deducted directly from a member's account is not included in the indirect cost ratio.</p>	Yes – refer to page 11 of this SPDS for details

Type of fee	Description	Does this fee apply?
Investment fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <p>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</p> <p>(b) costs incurred by the trustee of the entity that:</p> <p>(i) relate to the investment of assets of the entity; and</p> <p>(ii) are not otherwise charged as an administration fee, a buy sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.</p>	N/A
Switching fees	<p>A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.</p>	N/A

Increases or alterations to the fees

While we strive to keep fees as low as possible, they may increase as the cost of running PensionSelect varies. We will give you advance notice to any variation to fees, within the time period specified by law. We may:

- increase the Administration fee as at 1 July each year in line with increases in the Consumer Price Index
- increase the fees that form part of the Indirect Cost Ratio to no more than double the current level at the time your PensionSelect Account commenced.

The law and the trust deed allow us to charge reasonable fees for requests for information relating to family law cases and the superannuation splitting provisions. At this time we have elected not to charge these fees; however, we reserve the right to charge them at a later date.

Transaction costs (buy-sell spreads)

Transaction costs such as brokerage, government taxes/duties/levies, bank charges and transaction charges are paid from each option. When you invest, switch or withdraw all or part of an investment, we use what is called a 'buy/sell' spread to recover transaction costs incurred. Because there are costs in buying and selling assets, we use the 'buy/sell' spread to direct these costs to investors transacting rather than other investors in the option. The 'buy/sell' spread that applies to each option is shown in the table on page 11 of this SPDS.

Please note that the 'buy/sell' spreads are not fees paid to us. They are, however, an additional cost to you. They may be altered at any time.

Transaction costs example: If you make a \$50,000 investment in the Commonwealth Balanced option, you will incur transaction costs of \$100.

Adviser commission

No adviser will receive any commission from CMLA in relation to your investment in PensionSelect from the date of this PDS.

Other costs

The Investment fee does not include custody and other operating expenses (e.g. audit fees) where these have been deducted from the underlying assets.

The trust deed also allows for ongoing operating expenses (such as audit and legal expenses) to be paid from the Fund. No limit is placed on the amount of ongoing expenses that can be recouped from the Fund.

Superannuation Supervisory Levy

The Government applies an annual financial industry superannuation supervisory levy. The levy is used to recover operational costs of the Australian Prudential Regulation Authority (APRA) and certain costs of some other Commonwealth departments and agencies. For each year for the period from 2012/2013 until 2017/2018 inclusive, there will be a temporary increase in the levy to cover the costs associated with implementation of the SuperStream measures which were announced as part of the Government's Stronger Super reforms.

The Trustee has determined that the supervisory levy will be recovered from the Fund, where practicable.

The amount of the levy is determined by the Government each year and is deducted from the Fund's assets. Payment of the levy from the Fund's assets will flow through as a reduction in your account balance at the time the levy is applied and will be included as part of your Indirect Cost Ratio for each financial year. This will mean a reduction in unit prices."

CIL1622 140314

13 2015

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

commbank.com.au

Commonwealth
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