

SuperTrace Eligible Rollover Fund

Product Disclosure Statement

Issue Date: 30 June 2019

Contents

1. About SuperTrace	1
2. How super works	2
3. Benefits of investing with SuperTrace	3
4. Risks of super	4
5. How we invest your money	6
6. Fees and costs	8
7. How super is taxed	13
8. How to open an account	15

For a free paper copy of the Product Disclosure Statement (PDS), the incorporated material or if you have any further questions about SuperTrace, just contact us by:

Phone 1300 788 750 between 8:30 am and 6 pm (Sydney time), Monday to Friday.

Mail Locked Bag 5429, Parramatta NSW 2124

Web supertrace.com.au

SPIN: LGL0515AU

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ABN: 73 703 878 235



Heron does not issue, sell, guarantee or underwrite this product. Go to www.heronpartners.com.au for details of their rating criteria.

SuperTrace

Please note

The Product Disclosure Statement (PDS) is made up of this PDS, the Defined fees flyer and the CBA Group Privacy Policy. Any reference to the PDS includes all of these documents and provides a summary of significant information and contain references to important information. The PDS is for trustees and members.

The information provided in the PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is current as at 30 June 2019, however it is subject to change. If we make a change that is materially adverse, the change will be communicated via the Annual Report or a significant event notice. A paper copy of these changes can be provided upon request. Where a change is not materially adverse, information about the change will be available on our website at **supertrace.com.au**

To improve our overall customer service experience and ensure quicker communication with members, we may use electronic methods such as email and internet to communicate with you about SuperTrace. If you prefer to receive paper forms of communication from us and want to opt out of electronic forms of communication, please give us a call on 1300 788 750 between 8.30 am and 6 pm (Sydney time), Monday to Friday, send a letter to SuperTrace Eligible Rollover Fund, Locked Bag 5429, Parramatta, NSW, 2124 or email us at SuperTrace.Member@cba.com.au

Respecting your privacy

The privacy of your personal information is important to us. Information about how your personal information is dealt with is set out in the CBA Group Privacy Policy which can be accessed at **commbank.com.au/privacypolicy**. You should read the information in this document which forms part of this PDS. You will be taken to agree to the collection, use and disclosure of your personal information as set out in the CBA Group Privacy Policy when you become a member of SuperTrace.

The Trustee

Colonial Mutual Superannuation Pty. Ltd. ABN 56 006 831 983 AFSL No. 235025 (CMS) is the trustee of SuperTrace Eligible Rollover Fund (SuperTrace). CMS holds a Registrable Superannuation Entity Licence under the Superannuation Industry (Supervision) Act 1993 (Cth) and is a wholly owned subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA).

The Administrator

The administrator of SuperTrace is The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA). CMLA is a wholly owned but non-guaranteed subsidiary of CBA.

CBA and its subsidiaries do not guarantee, or in any way stand behind the performance of SuperTrace, or the repayment of capital or interest by SuperTrace. Investments in SuperTrace are not deposits or other liabilities of CBA or its subsidiaries (other than CMLA or CMS). Investment type products are subject to investment risk including delays in repayment and loss of income and principal.

This PDS is issued by CMS.

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.

CMS is 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.

AIA pending acquisition

On 21 September 2017 the Commonwealth Bank of Australia (CBA) announced the proposed sale of its life insurance businesses in Australia and New Zealand to the AIA Group (AIA). Colonial Mutual Superannuation Pty Ltd (CMS) and The Colonial Mutual Life Assurance Society Limited (CMLA) form part of this proposed sale. From the date that the sale is completed, CMS and CMLA will form part of AIA and will no longer be part of the CBA Group. The sale is targeted to complete in the second half of the calendar year 2019 but is subject to a number of conditions and regulatory approvals. Please contact us if you have any questions on the proposed sale or to find out if the sale has completed.

1. About SuperTrace

SuperTrace is an Eligible Rollover Fund (ERF). An ERF is a superannuation (super) product designed to receive money from other funds, generally where a fund has lost contact with a member (lost member).

While being identified as a lost member is a more common reason why a person may be transferred to SuperTrace, it is not the only reason. Another fund can transfer a member to SuperTrace for any reason the fund has disclosed and can include circumstances where the member may no longer meet the criteria necessary to be a member of that fund.

While SuperTrace is designed to be a temporary repository and attempts to reunite members with their super, not all members can easily be found or choose to leave when they have been found. For this reason, SuperTrace maintains a simple indirect fee structure and a single diversified investment strategy which is designed to provide stable returns.

SuperTrace has been operating as an ERF since 1994 and as at 30 June 2018 has helped reunite over 821,000 members with more than 1.88 billion dollars. For 11 consecutive years Heron Partnership has awarded SuperTrace a 5 Star Rating and recognises SuperTrace's commitment to helping members reunite with their super.

For further information about SuperTrace including the CBA Group Privacy Policy, more detailed information about some of the sections of this PDS, and any other information as required by super law (including executive remuneration), please visit the respective websites.

Rollovers and withdrawals from SuperTrace

As SuperTrace is a temporary repository, our main focus is to assist you in consolidating your account in SuperTrace with super money you may hold elsewhere in a nominated active super account. If you meet a condition of release, you may be able to withdraw your benefit (see the website for more information). Simply complete the Benefit Payment Request form which is available on the website.

2. How super works

Super is a long-term investment which is designed to provide you with savings for your retirement.

While super is, in part, compulsory, it generally provides members with the option to make contributions in addition to their employer contributions, within certain limits, by making additional voluntary contributions which may result in a member being eligible to receive government co-contributions. However, as an ERF, SuperTrace does not accept any member contributions or employer contributions.

As an ERF, the main purpose of SuperTrace is to act as a temporary repository for any benefits transferred. What this means is that our primary focus is to reunite members who are classed as 'lost' and to encourage members to consolidate their benefits into a nominated 'active' account.

As super is designed for retirement savings, there are restrictions on when you can access your benefit.

Super also receives a variety of government incentives in the form of tax savings to encourage people to utilise the super system. Most members will also have the flexibility to nominate their chosen super entity to their employer.

If you require general information about how super works, you can access information at

www.moneysmart.gov.au/superannuation-and-retirement
or at **www.ato.gov.au/super**

3. Benefits of investing with SuperTrace

SuperTrace understands the importance of growing your super. In order to increase the retirement savings of Australians our goal is to reunite members with any 'lost' super held in SuperTrace.

The main benefits of investing in SuperTrace are that we:

- offer a single diversified investment strategy designed to provide stable returns;
- have one ongoing fee;
- do not charge benefit payment or withdrawal fees;
- provide a robust and active service to help reunite members with any lost super;
- have a friendly customer service team that you can call to help you understand your membership in SuperTrace;
- have a website that provides you with all the forms and information you need for SuperTrace, including access to our own super search engine which allows members and others to see if they have benefits with us.

Insurance benefits

SuperTrace does not offer any insurance benefits. Any insurance you had in your previous fund may have ceased when you transferred to SuperTrace.

4. Risks of super

All investments carry risk. Different strategies may carry different levels of risk depending on the assets that make up the strategy (shares, property, fixed interest etc). Assets with the highest long-term returns may also carry the highest level of short-term risk. A person's level of risk will vary depending on a range of factors including their age, investment time frames, other investments and risk tolerance.

The value of the investments will vary. Members may lose some of their money. There is also the risk that the amount of a person's super savings (including contributions and returns) may not be enough to provide adequately for their retirement. In addition to this, there is the risk that super laws (including tax laws) may change in the future.

Returns from SuperTrace will vary over time depending on the asset allocation and performance of different asset classes in which the assets of SuperTrace are invested.

The performance of SuperTrace is not guaranteed and future returns may differ from past returns.

Some of the risks that may affect your investment in SuperTrace include:

Economic	Political
Security	Currency
Inflation	Liquidity
Credit	Interest rate

Ways to measure risk

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 on the following page). 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 the proportion of the management fee attributable to administration costs 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.

The Standard Risk Measure Bands

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

5. How we invest your money

The investment objective and approach of SuperTrace are outlined below.

Investment objective	To invest in a diversified portfolio of assets expected to generate a mix of income and long-term capital growth with an emphasis on stable returns and a reasonably high level of security.		
Investment strategy	Invest in a broad range of assets with a majority allocated in defensive assets.		
Type of investor	Investors with a low risk tolerance or for trustees who do not know the risk/return profile/tolerance of their members.		
Mix of assets	Asset Class¹	Benchmark allocation² (%)	Min-Max allocation range² (%)
	Growth Assets	35.0	15 – 45
	Australian Shares ³	10.0	4 – 20
	Global Shares	10.0	4 – 20
	Alternatives ⁴	15.0	0 – 25
	Defensive Assets	65.0	55 – 85
	Fixed interest ⁵	38.0	25 – 50
	Cash	27.0	15 – 45
Performance Target	Consumer Price Index (CPI) + 2.5% each year over rolling 3 year periods before fees and taxes.		
Minimum suggested time frame	3 years		
Standard Risk Measure	Low – Medium		

¹ For assets held outside of Australia, we have target levels of currency hedging. For Global Fixed Interest we target a 100 per cent hedged currency position. For International Shares, we target a zero per cent hedged currency position. For Alternatives the targeted hedged currency position varies depending on the underlying Alternatives strategy. We reserve the right to change the target levels of currency hedging at any time without prior notice to you. Actual levels of currency hedging may also differ to the target levels of currency hedging over time.

² Benchmark asset allocation and minimum/maximum asset allocation ranges are indicative only. Asset allocations may move outside these ranges temporarily depending on movements in the value of financial markets and cash flow. Benchmark asset allocations and ranges may change over time.

³ Up to 4 per cent of the allocation to Australian Shares may be invested in International Shares, with currency hedging at the discretion of the manager.

⁴ These are investments in non-traditional sectors that may be illiquid in nature, they may include but are not limited to private equity, direct property, infrastructure, alternative betas, and hedge funds. Alternative investments offer the opportunity for enhanced returns and further portfolio diversification.

⁵ Both Australian and International bonds.

As SuperTrace offers only one investment option, members are not able to choose or switch to a different investment option. The annual investment returns (credited to your account as an annual crediting rate, effective 30 June) can be found in the current Annual Report to Members available on the website.

Please note when investing in this option, members must consider the likely investment return, risk and investment timeframe.

All assets of SuperTrace are invested in the investment policy (Policy) issued to CMS by CMLA. The Policy is currently invested solely in the Capital Stable Fund in the CMLA No. 2L Statutory Fund. The Capital Stable Fund and the CMLA No. 2L Statutory Fund invest in assets that can fluctuate in value. Any changes to the investment will be made through changes to the Policy.

Labour standards, environmental, social and ethical considerations

CMS and CMLA do not have a predetermined approach for considering labour standards or environmental, social or ethical considerations when making investment decisions for SuperTrace. However, should sustainability of earnings of those companies we invest in be adversely affected due to poor labour standards or activities considered environmentally, socially or ethically unacceptable, we may divest ourselves of the investment. Hence, these factors may sometimes be considered when investment decisions are made.

Responsible investing

Environment, Social and Governance (ESG) factors, can have a material impact on investment outcomes and therefore ESG considerations are embedded into CMLA's investment decision making and active ownership practices. CMLA has adopted the CBA Responsible Investing Framework (visit commbank.com.au) and is a signatory to the Principles for Responsible Investment (PRI), which provides a framework for the mainstream global investment community to incorporate ESG factors into their investment processes.

CMLA has embedded ESG considerations in the process used to select managers and managers are encouraged to actively engage with companies and to incorporate ESG factors into their investment processes.

CMLA's ESG approach is reflected in its PRI ratings, receiving an A rating in six out of seven categories in 2018.

6. Fees and costs

DID YOU KNOW?

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 account 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 or your employer, as applicable, may be able to negotiate to pay lower fees*. Ask the fund or your financial adviser.

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 (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

** Please note: Although we are required by law to include this wording, SuperTrace fees are not subject to negotiation.*

This section shows the 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 super entity as a whole.

Taxes are set out in the 'How super is taxed' section of this PDS. You should read all the important information about fees and other costs, including the 'Defined fees' flyer, because it is important to understand their impact on your investment before making a decision. Go to our website, **supertrace.com.au** and select the 'Forms & Documents' tab. The material relating to 'Defined fees' may change between the time you read this statement and the time when you acquire the product.

CMS can amend these fees at any time and will provide at least 30 days prior notice for any increase to these fees.

SuperTrace Eligible Rollover Fund

Type of fee	Amount (Gross of tax)	Amount (Net of tax [^])	How and when paid
Investment fee	Nil charged directly to your account - see ICR below	Nil charged directly to your account - see ICR below	Included in the ICR below
Administration fee	Nil	Nil	Not applicable
Buy-sell spread	Nil	Nil	Not applicable
Switching fee	Nil	Nil	Not applicable
Exit fee	Nil	Nil	Not applicable
Advice fees Relating to all members investing in this product.	Nil	Nil	Not applicable
Other fees and costs (p.a.) Please refer to the Additional Explanation of Fees and Costs below.	See Additional Explanation of Fees and Costs below.	See Additional Explanation of Fees and Costs below.	No other fees and costs are charged directly. However please see Additional Explanation of Fees and Costs below.

Type of fee	Amount (Gross of tax)	Amount (Net of tax [^])	How and when paid
Indirect cost ratio (ICR) (p.a.)*	2.51%	2.14%	Calculated as a percentage of your share of the assets of SuperTrace (net of tax), which is deducted before the crediting rate is applied.
made up of:			
Investment fees (underlying)	2.32%	1.97%	
Transactional and operational costs	0.19%	0.17%	
Please refer to the Additional Explanation of Fees and Costs below.			

* These figures are estimated and based on costs incurred in the 30 June 2018 financial year.

[^] The amount of fees and costs you actually pay is reduced to allow for the benefit of the tax deductions passed onto you.

Borrowing costs

Borrowing costs are costs that relate to credit facilities and are incurred in relation to some of the statutory fund's underlying investments. These costs are estimated to have been 0.03 per cent for the financial year ended 30 June 2018 and may change from year to year. Borrowing costs are deducted from the investment option assets before unit prices are determined and are an additional cost to you, but are not paid to any investment manager and neither CMLA nor the Trustee earn any income from them.

Implicit costs

Implicit costs are the excess amount payable to acquire an investment above the price that it could be disposed of at the time it is acquired, and are incurred in statutory fund's underlying investments. These costs are estimated to have been 0.04 per cent for the financial year ended 30 June 2018 and may change from year to year. These amounts are not paid to any investment manager and neither CMLA nor the Trustee earn any income from them. Where relevant, these costs are deducted from the investment option assets before unit prices are determined.

Example of annual fees and costs

This table gives an example of how the fees and costs for SuperTrace can affect your superannuation investment over a one year period. You should use this table to compare this superannuation product with other superannuation products.

Example	Amount (Gross of tax)	Amount (Net of tax [^])	Balance of \$50,000
Investment fees	Nil	Nil	For every \$50,000 you have in the product you will be charged \$0 each year.
PLUS Administration fees	Nil	Nil	And , you will be charged \$0 in administration fees regardless of your balance.
PLUS Indirect costs Made up of:	2.51%	2.14%	And , indirect costs of \$1,255 (or \$1,070 Net of tax [^]) each year will be deducted from your investment.
Investment fees	2.32%	1.97%	\$1,160 (or \$985 Net of tax [^])
Transactional and operational costs.	0.19%	0.17%	\$95 (or \$85 Net of tax [^])
Please refer to the Additional Explanation of Fees and Costs below.			
EQUALS Cost of product			If your balance was \$50,000, then for that year you will be charged fees of \$1,255 (or \$1,070 net of tax [^]) for the product.

[^] The amount of fees and costs you actually pay is reduced to allow for the benefit of the tax deductions passed onto you.

Additional Explanation of Fees and Costs

Indirect cost ratio (ICR)

The 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.

Effective from 30 September 2017, the Trustee has formally elected to treat any costs not payable out of the Fund as an indirect cost (including Investment fees).

Components of the ICR:

These components are represented by both Gross of tax and Net of tax figures and are calculated based on costs incurred in the 30 June 2018 financial year.

Investment fee

The Investment fee includes investment costs for the investment managers and the responsible entities of the underlying trusts in which CMLA's statutory fund invests. The fee is calculated as a percentage of the total assets invested in the underlying investment option and varies from time to time. It is deducted from the investment option assets before the annual crediting rate is determined and will be reflected in the Indirect cost ratio.

Transactional and operational costs

There are transactional and operational costs incurred in the underlying investments in which CMLA's statutory fund invests. These costs include buy-sell spreads, costs of transacting over the counter (OTC) derivatives, custody and clearing costs. They are not paid to investment managers and neither the Trustee nor CMLA earn income on them.

7. How super is taxed

We have only provided general information on taxation and how it is applicable to SuperTrace. You should seek professional advice regarding your own specific circumstances.

Tax is payable on benefits paid to you in accordance with the following table. Tax (where applicable) is deducted from the payment of super benefits and paid directly to the ATO.

Rollovers are generally not subject to tax.

If you take your super as cash	Your benefits will be taxed as follows	
	Taxable component	Tax-free component
Age 60 or over	Tax-free	Tax-free
Preservation Age*	Tax-free up to \$205,000** and 17% ^{>} thereafter	Tax-free
Below preservation age [#]	22% ^{>}	Tax-free

* Your preservation age (the age at which you can access your super) depends on your date of birth. For details on your preservation age, see the ATO website at www.ato.gov.au

** The current low rate cap for the 2018 - 2019 income year.

[>] These amounts include the 2 per cent Medicare levy.

[#] Restrictions apply to this age group. Super law permits withdrawal under limited circumstances only.

In addition to this all investment earnings are taxed in SuperTrace up to 15 per cent. This tax is deducted from the investment before the returns are passed back to members.

Tax File Number (TFN)

It is important that you provide us with your TFN.

It is not an offence not to provide your TFN to us, however there are consequences if you choose not to provide your TFN, including for example, having a higher level of tax payable when you are paid a benefit.

We are authorised to collect your TFN under the Superannuation Industry (Supervision) Act and by providing your TFN you consent to our using it for lawful purposes, including:

- calculating the tax on any benefits you're entitled to;
- providing information, including your TFN, to the Commissioner of Taxation;
- if you ever ask us to roll over your benefits to another super fund, giving your TFN to that fund; and
- locating and consolidating other super amounts you may have in SuperTrace.

Your 'Welcome kit' will advise if we hold a TFN for you. If not, you can provide your TFN at any time either by calling us or completing the Tax File Number notification form available on the website.

8. How to open an account

As an ERF, members do not choose to open an account in SuperTrace. Members are transferred to SuperTrace from other complying super funds and retirement savings accounts in certain circumstances.

SuperTrace does not have a cooling off period.

Enquiries and complaints

CMS is obliged to provide you with any information you reasonably require to understand your benefit entitlements.

Most enquiries can be resolved quickly by simply talking with us. You can call us on 1300 788 750 between 8.30 am and 6 pm (Sydney time), Monday to Friday, so we can help.

If your enquiry is not resolved to your satisfaction, you may lodge a complaint by talking with us. Alternatively, you may lodge your complaint in writing by sending your complaint to:

Group Customer Relations
Reply Paid 41
SYDNEY NSW 2001

Or via email to: **CMLAcustomerrelations@cba.com.au**

Please mark your letter 'Notice of complaint'.

When you make a complaint we will:

- acknowledge your complaint;
- give you a reference number and contact details so that you can follow up if you want to;
- make sure we understand the issues and investigate the cause of your concern;
- do everything we can to fix the problem;
- respond to you as quickly as possible;
- keep you informed of our progress if the matter can't be resolved quickly; and
- keep a record of your complaint.

External Dispute Resolution - Australian Financial Complaints Authority (AFCA)

If you're not satisfied with our handling of your complaint or our decision, you may refer your complaint to the Australian Financial Complaints Authority (AFCA). AFCA offers a free independent dispute resolution service for consumer and small business complaints.

You can contact AFCA on 1800 931 678 between 9 am and 5 pm (Sydney time), Monday to Friday from anywhere in Australia, online at **www.afca.org.au**, or by writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

CIL1238 300619

This Product Disclosure Statement is issued by Colonial Mutual Superannuation Pty.Ltd. ABN 56 006 831 983 AFSL No. 235025, the trustee of SuperTrace Eligible Rollover Fund ABN 73 703 878 235.

SuperTrace