

Changes to your crediting rates 1 June 2020 (for products issued by CMLA)

For the products (listed below) and their capital guaranteed investment options, investment earnings on the underlying investment portfolio are added to your account using a crediting rate which smooths the actual investment performance over time as explained in your product disclosure statement.

On 1 June 2020, many of the crediting rates were reduced to reflect the changing investment market conditions experienced over the past year. The table below shows your new crediting rate from 1 June 2020. For the investment options listed below, you have a guarantee which means your crediting rate will not fall below zero per cent. This means your account is protected from any investment market losses on the underlying assets.

Updated crediting rates (effective 1 June 2020) for impacted ordinary products and their investment options with guaranteed returns.

Product code	Product name	Investment option code	Investment option name	Current crediting rate 01 Mar 2020 - 31 May 2020	Revised crediting rate 01 June 2020 - 31 Aug 2020	Change in crediting rate
EA3	Colonial Rollover Bond	6ROL	Capital Guaranteed	1.45%	0.00%	-1.45%
EB3	Colonial Rollover Bond	6RNF	Capital Guaranteed	1.10%	0.00%	-1.10%
EC3, EF3	Colonial Rollover Bond	6RCG	Capital Guaranteed Fund	1.45%	0.00%	-1.45%
TSB1, TSB1+ (BOND)	Investment Bond	CGTSB1	Capital Guaranteed Fund	0.00%	0.00%	0.00%
SB1, SS1+ (DEFANN)	SuperBridge - Series III, SuperSpan Plus Series III	CGSB1	Capital Guaranteed Fund	0.00%	0.00%	0.00%
SB4, SS4+ (DEFANN)	SuperBridge - Series IV, SuperSpan Plus Series IV	CGSB4	Capital Guaranteed Fund	1.50%	1.50%	0.00%
SSII, SSLO (DEFANN)	SuperSpan II, SuperSpan - Limited Offer	CGSSLO	Capital Guaranteed Fund	0.00%	0.00%	0.00%
BOND	Investment Bond	CGTSB	Capital Guaranteed Fund	0.00%	0.00%	0.00%
SB, SS+, SSLOM, RDA	SuperBridge, SuperSpan Plus, SuperSpan (Limited Offer) Multi Option, Rollover Deferred Annuity	CGSB	Capital Guaranteed Fund	0.00%	0.00%	0.00%

Changing investment conditions and reduced investment returns

In the last three, six and 12 month periods, investment returns on the underlying investment portfolios have been low or negative, which impacts the crediting rates in the investment options listed.

Around 50 per cent of the portfolios are invested in cash. Over the past year, interest rates have fallen considerably and have impacted the returns from cash investments. The interest rate set by the Reserve Bank of Australia has reduced from 1.25 per cent in June 2019 to 0.25 per cent in March 2020.

The underlying investment portfolio is also partially invested in Australian shares and the returns from this asset pool also decreased during the review period.

The table below shows the investment returns over the three, six and 12 month periods.

Table 1 – Investment returns from crediting rate based investment options

Class	Period ending March 2020		
	3 months	6 months	1 year
Ordinary (SF5)	-1.91%	-1.31%	0.65%
Exempt (SF3)	-2.40%	-1.61%	1.16%

Review period

The crediting rate for your investment option is reviewed quarterly (March, June, September and December). The next update of crediting rates will be on 01 September 2020 and will take into account investment portfolio performance for the April to June 2020 period, including changes to cash and interest rates.

It is important to consider whether the product you hold continues to meet your needs. Please speak to your financial adviser or visit moneysmart.gov.au for more information.

If you have any questions on the information above and how it impacts your investment, please call us on the phone number shown on your annual statement, between 8.30 am and 6 pm (Sydney time), Monday to Friday.