

Changes to your crediting rates 1 June 2020 (for products issued by CMLA on behalf of ETSL)

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 superannuation 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 |
|-------------------------------------|---|------------------------|-------------------------|---|--|--------------------------|
| ED3 | Colonial Superannuation Bond | 6SBD | Capital Guaranteed Fund | 1.65% | 0.00% | -1.65% |
| WA3 | Colonial Money Plan Super | 6SMY | Capital Guaranteed | 1.65% | 0.00% | -1.65% |
| Retirement, Retirement2, RetirePlus | Retirement Saver, Retirement Saver Series 2, Retirement Saver Plus | BK | Capital Guaranteed Fund | 0.00% | 0.00% | 0.00% |
| Superwise4, Superwise5 | SuperWise Series 4, SuperWise Series 5 | K | Capital Guaranteed Fund | 0.00% | 0.00% | 0.00% |
| SUPERCLU | Personal SuperCARE, SuperGuaranteeCARE, SuperUnits, SuperLink, SuperLink Plus Series 2, SuperLink Plus Series 3 | GC | Capital Guaranteed Fund | 0.00% | 0.00% | 0.00% |
| SUPERCLU | Personal SuperCARE, SuperGuaranteeCARE, SuperUnits, SuperLink, SuperLink Plus Series 2, SuperLink Plus Series 3 | PC | Capital Guaranteed Fund | 0.00% | 0.00% | 0.00% |
| PRUPS, ADFPS, CMPS | Colonial Select Personal Superannuation | SCOKAT | Capital Guaranteed Fund | 0.35% | 0.00% | -0.35% |
| PRUPS, MPSP, PRUINO | Colonial Select Personal Superannuation, CPSL Wholesale Investment Portfolios | SCOLFG | Capital Guaranteed Fund | 0.35% | 0.00% | -0.35% |

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 |
| Super (SF1) | -2.36% | -1.61% | 1.14% |

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.