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THE NEW LOOK CBH SUPER

If you thought you noticed something different about this newsletter, you're right! CBH Super has a fresh new look for our documents and communications.

We'd like to thank the Corporate Affairs team for their assistance in developing the new CBH Super branding.

6 MONTH RETURNS

The Fund's returns (based on the change in unit price) for the period 1 November 2014 to 30 April 2015 are:

| | |
|-------------------------------|--------------|
| <i>Managed option</i> | <i>6.65%</i> |
| <i>Pension Managed option</i> | <i>5.69%</i> |
| <i>Pension Cash option</i> | <i>1.09%</i> |

INVESTMENT UPDATE

During the month of April, share markets around the world were driven by local factors. The Australian share market declined by -1.7% over the month, while the US and many Asian markets rose. European markets remained flat.

Australian bank shares were sold off towards the end of April as Westpac's first-half earnings were below expectations and concerns regulatory changes may impact mortgage lending.

The fall in Bank stocks was somewhat offset by an increase in the resource sector with rises in shares such as Fortescue, Rio Tinto and BHP. World oil prices also increased strongly during the month leading to rises in the Energy Sector and stocks such as Santos, Woodside and Oil Search.

The Reserve Bank cut the official cash rate to a record low of 2% at its meeting on 5 May 2015. The decision to cut the cash rate by 0.25% reflected lower mining investment, a slowdown in China and mixed Australian economic data. It is expected the RBA may now sit on its hands over the coming months to assess the impact of recent rate cuts on the economy.

The Australian dollar continued its roller-coaster ride against the USD with it reaching 0.81 mid-month before falling to 0.76 by the end of the month.

Going forward, markets are expected to remain volatile given the current environment of low interest rates, high asset valuations and changing economic fundamentals.

The Fund currently holds a diversified portfolio of assets that should assist in minimising any volatility of returns to members. Brendon Shepherd reviews the portfolio positions on a daily basis and will review each asset class over the coming months to ensure they remain appropriate for the changing economic environment.

CBH SUPER TURNS 70

On 5 April 1945, the trust deed establishing the CBH Superannuation Fund was signed. At 70 years young, this makes your fund one of the oldest in Australia!

To celebrate this milestone, our past and present directors, fund staff and a small group of members who have been with us since 1985 got together to reminisce about the life of the fund.

And how we've changed...

When CBH Super commenced in 1945 it was a defined benefit fund and if you wanted to join, you had to be male, aged 45 or less and a permanent 'white collar' employee of CBH. On retirement, you received a lifetime pension from the fund.

Fast forward 43 years to 1988 and females became eligible to join, the age and 'white collar' restrictions were dropped and members became able to take their benefit as a lump sum instead of as a pension.

The changes have come more rapidly since the turn of the century, with the following happening since 2000:

- benefit design changed from defined benefit to accumulation benefits;
- members can retain their benefit in the Fund after leaving CBH;
- other employers can pay into the Fund;
- insured death, total and permanent and salary continuance benefits available;
- the spouse of a member can join;
- members can access their account details online;
- account-pension pensions available; and
- grain growers of Western Australia become eligible to join the Fund.

The Fund has been a significant benefit to members and I thank the CBH Board for their decision to start the Fund and for their continued support through the good and bad times.

I thank all past and present Directors, Fund Secretaries and fund staff for their work over the past 70 years. This milestone would not be possible without your contribution.



Chairmen of the Fund: Allan Watson (1996-2003) and Terry Cunningham (2003-current).



Fund Secretaries: Rob Burns (2003 – 2011), Donna Adam (2011-current) and Ian Bayles (1993-2003).

Finally, I thank all of you, the members of the Fund, for your ongoing feedback, support and promotion of the Fund. We'll be having celebrations at a number of sites during the year to give members a chance to mark this tremendous milestone.

FEDERAL BUDGET 2015

Despite considerable comment recently in the mainstream media about the affordability of superannuation concessions, the 2015 Federal Budget did not contain any changes to the taxation of superannuation or to the preservation age (the age where you can access your benefits). Further, the Coalition stated that they do not intend to make any changes.

“There will be no changes to super, no adverse changes to super in this term of Parliament, and we have no plans to make adverse changes to super in the future”.

– Tony Abbott, May 2015

The announcement that may affect retirement plans is the proposed change to the assets test to be eligible to receive the Age Pension. Note that the assets test does not include the family home.

The changes which would take effect from 1 January 2017 are:

- An increase in the lower limit to qualify for the full pension:
From \$286,500 to \$375,000 (couples)
From \$202,000 to \$250,000 (single people)
- A change to the taper rate for people on a part pension:
Currently the pension reduces by \$1.50 per fortnight for every \$1,000 in assets over the lower limit.
This will change to \$3.00 per fortnight for every \$1,000 over the lower limit.
- A decrease in the upper limit to qualify for a part pension:
From \$1,151,500 to \$823,000 (couples)
From \$775,500 to \$547,000 (single people)

NEW STARTER

I am thrilled to advise that Brendon Shepherd commenced as our Investment Manager on 20 May 2015.

Brendon has nearly 20 years of investment experience on behalf of superannuation fund members through his previous roles at Health Super (where he was the Chief Investment Officer for over 8 years), GESB, Unisuper and BHP Superannuation Fund.

ALOHA

Our Fund Secretary is off on a well-earned holiday to Hawaii. Donna will be away from the 8th to the 29th of June. In her absence, Jenni, Leanne and Brendon are ready to give you the great service you always get from Donna. You can continue to contact the fund during this time through Donna's email and phone number.

FURTHER INFORMATION

If you have any superannuation questions you can go to www.cbhsuper.com.au or contact Donna Adam on 9237 9707 or at donna.adam@cbh.com.au.



T W Cunningham
Trustee Chairman

THE SUPER TEAM HAS A NEW HOME

The superannuation team have moved to level 3 of Gayfer House.

Drop by any time to chat with Donna and the team about your super.

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