

In this issue:

- new financial advisor;
- new investment option;
- new administrator;
- member protection removal;
- investment outlook; and
- contribution caps.

NEW FINANCIAL ADVISOR

Following member demand, CBH has appointed Vantage Wealth Management as the preferred financial advisor for CBH Super members.

Vantage Wealth Management is not aligned to any financial institution and offers independent financial advice to CBH Super members at reduced prices.

Members can seek a range of advice services including making additional contributions, insurance, to full Statements of Advice. Prices start at \$352 to approximately \$1,650 for a full financial plan, depending on the services required and member circumstances. An estimate will be provided before proceeding with any financial advice.

Located in West Perth, you can contact Vantage Wealth Management on 1800 118 848 or visit vantagewm.com.au. Don't forget to mention you are a CBH Super member!

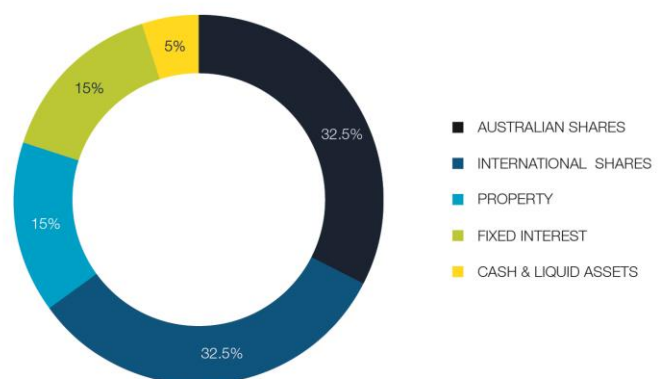
NEW INVESTMENT OPTION

After feedback from members, CBH Super introduced a new investment option – the Growth option from 1 July 2016, for both accumulation and pension members. This allows all members to make an investment choice.

The Managed option has also been renamed to the Balanced option to make it easier for members to distinguish between the two options.

The new Growth option invests in a higher proportion of growth assets (80%) than the Balanced option (70%). Growth assets include Australian and international shares, property and other growth assets and are higher risk than defensive assets such as fixed interest and cash.

The below graph shows the Growth option benchmark asset allocations for 2016-17:



Making an investment choice

Members in the Accumulation section can make an investment choice using the Investment Switch form. Pension section members can continue to use the Pension Investment Switch form.

Fees and costs

There is no cost for making an investment switch however there is a buy-sell spread of 0.40% on the Growth and Balanced options. Members in the Pension section also have the Cash option which has no buy-sell spread. The Investment fee for the Growth option will be calculated in arrears at 30 June 2017, based on actual costs of managing the option. It is expected that the Investment fee will be slightly higher than the Balanced option due to the higher allocation to Growth assets. The Balanced option had an Investment fee of 0.16% of assets for the 2015 financial year.

If you wish to switch your investment choice, please refer to the Product Disclosure Statement (PDS) for the full information before making any changes or seek professional financial advice.

To see the full details of each of the [investment options](#), or to download a [PDS](#) go to the CBH Super website or call Danielle on 9416 6235.

NEW ADMINISTRATOR

The Fund's current superannuation administration software will become obsolete at the end of 2016 and the Trustee has investigated suitable alternatives.



As a result, SuperBPO has been appointed as the outsourced provider

of administration services, effective 1 July 2016. SuperBPO has been a specialist fund administrator for the financial services industry for over 15 years and will be responsible for back office processing, however CBH Super staff will continue to be the first point of contact for all members.

We are currently transitioning member details and once this has been completed, members will have access to an improved online member portal with the ability to complete online investment switches and update your account details. Once the online portal is available to members, we'll contact you with instructions on how to access your account.

What do you need to do?

You don't need to do anything at this time. Your membership will remain unaffected and you can continue to contact us in the same way as you always have.

Member Statements will now be sent in October of each year following the change in CBH Super's financial year end.

MEMBER PROTECTION REMOVAL

Member protection means that employee members with an account balance under \$1,000 are not charged an Administration fee greater than the amount of earnings they received for that financial year.

The government recently amended legislation to allow funds to remove member protection as these members were being subsidised by larger account balance holders.

To ensure that all members are treated equally, CBH Super has removed member protection for members with account balances of under \$1,000 effective 1 July 2016. This means all members will pay the same Administration fee of \$65 per annum.

INVESTMENT OUTLOOK

The Australian share market rose steadily in both April and May, but then suffered a reversal in June as the impact of global events tempered returns. The Australian share market fell -2.4% in the month following the surprise outcome from the UK 'Brexit' referendum. The result served as a stark reminder of increasingly fragile link between the financial economy and the real economy.

In the wake of heightened geopolitical uncertainty and renewed concerns around economic growth, investors sought 'safe haven assets' such as bonds. Commodities were also stronger in the month, with iron ore rising by 11% to \$US54 in June after a 25% fall in May. The increase was driven by China's bringing forward infrastructure projects and the continued strength in its property market.

The pullback in Australian shares over the month was widespread with only a few sectors posting

gains. Utilities (+6.2%) and Property Trusts (+3.5%) and Resources (+2.1%) were the better performers. The technology and financial sectors were the worst performers over the month.

The outlook for 2016 remains challenging as the market seeks clarity on Brexit, the outcome of the US election and the shape of Australia's Parliament. Short term uncertainty added to the likelihood of central banks around the world lowering interest rates or other measures to support the economy.

Financial markets have experienced a tough year with low returns due to subdued growth, low interest rates and events that have shocked investor confidence (terrorist attack, political uncertainty, commodity price falls etc). The Australian Shares ASX 200 Accumulation Index has seen a modest 0.6% 1-year return, with the unhedged International Shares asset class at 0.4%.

Global growth remains flat with many central banks continuing to try to stimulate economic activity by reducing interest rates. Given the geo-political uncertainty, slow economic growth and historically low interest rates, returns from assets are expected to be low in the near future.

The Fund continues to implement a diversified portfolio approach in order to minimise the potential impact of events and market volatility. However, it is expected that the Fund's returns to 30 June 2016 are likely to be flat. Final fund returns will be available upon audit completion.

CONTRIBUTION CAPS

The concessional contribution cap from 1 July 2016 – 30 June 2017 remains unchanged.

The concessional contributions cap is the maximum concessional contributions you can make into superannuation in a financial year without being subject to additional tax. Concessional contributions include all employer contributions, salary sacrifice and any amounts where an income tax deduction is allowed (generally contributions made by self-employed people).

The 2016-17 concessional contribution caps are:

- \$35,000 for people aged 49 or over on 30 June 2016; and

- \$30,000 for people under age 49 on 30 June 2016.

If you exceed your concessional cap, the amount over the cap will be included in your assessable income and taxed at your marginal tax rate plus an excess concessional contributions (ECC) charge. Alternatively you can have the excess contributions refunded to you from your super fund via the Australian Taxation Office.

It is the Government's intention to impose a lifetime limit of \$500,000 for the non-concessional contribution cap which will be backdated to contributions made from 1 July 2007. However this is reliant on government legislation being passed. This cap will apply to any post-tax contributions you have paid or intend to pay into super.

We will keep members up to date with changes as details become available.

To find out more about making contributions, call 9416 6235 or read the [PDS](#).

FURTHER INFORMATION

If you have any superannuation questions you can go to www.cbhsuper.com.au or contact Danielle Purdye on 9416 6235 or at danielle.purdye@cbh.com.au.



T W Cunningham
Trustee Chairman

Disclaimer - Past performance may not be an indication of future performance. This information does not take into account your own situation and you should consider the information in the PDS or seek professional financial advice before making any decisions.

Issued by CBH Superannuation Holdings Pty Ltd
ABN: 99 008 684 268 RSE Licence: L0001625
as Trustee of CBH Superannuation Fund ABN: 84 433 159328
RSE Registration No: R1005165