**Fact Sheet**

Volatility in markets - what is happening and why

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### General advice warning

This information is about Cbus. It doesn’t take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement to decide whether Cbus is right for you.

Cbus’ Trustee: United Super Pty Ltd
ABN 46 006 261 623 AFSL 233792
Cbus ABN 75 493 363 262
MySuper authorisation 75 493 363 262 473.
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### Why it pays to focus on the end game

‘Australian share market loses $33 billion; falls to 2 year low’

‘Latest share market crash wipes out all of 2018 gains’

We’ve been seeing these attention grabbing-headlines in late 2018. They can make people nervous and wonder whether they should switch how their super is invested. So should Cbus members be worried about their super?

### A few facts to add some perspective

- The Growth (Cbus MySuper) option one year return to 31 January 2019 is 3.20% despite share market falls.
- Long-term investment performance continues to be strong and well above cash and the average balanced fund return.
- Cbus continues to perform in the top 15 balanced superannuation funds.*

<table>
<thead>
<tr>
<th>Returns* at 31 January 2019</th>
<th>FYTD %</th>
<th>1 Year %</th>
<th>5 Years pa %</th>
<th>10 Years pa %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (Cbus MySuper)</td>
<td>0.09</td>
<td>3.20</td>
<td>8.56</td>
<td>8.60</td>
</tr>
<tr>
<td>SuperRatings fund median*</td>
<td>-0.07</td>
<td>2.17</td>
<td>7.15</td>
<td>8.27</td>
</tr>
<tr>
<td>Cash Savings</td>
<td>1.04</td>
<td>1.67</td>
<td>1.78</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### The impact on super returns

Falls in share markets in late 2018 have impacted super fund returns in the last few months. The large swings in global share markets are being driven by:

- rising interest rates in the US
- slowing global growth, and
- the threat of trade war between the US and China.

Cbus closely monitors the current global economic and market environment.

### Looking forward

Cbus has delivered very strong returns over the last five years. However, low economic growth forecasts means returns are unlikely to be as high as over the short to medium term.

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Returns for the Growth (Cbus MySuper) option and Cash Savings option are based on the crediting rate, which is the return minus investment fees, the Trustee Operating Cost and taxes. Excludes account keeping administration fees.

* The average balanced fund return (median) is from the SuperRatings Fund Crediting Rate Survey SR50 Balanced (60-76) Index for January 2019, reported on 22 February 2019. SuperRatings is a rating agency that collects information from superannuation funds to enable performance comparisons. The SR50 Balanced index includes investment options that are broadly similar to the Growth (Cbus MySuper) option, as these funds are all diversified with an allocation to growth assets of between 60% and 76%. Go to www.superratings.com.au for details of its rating criteria.

1. Source: www.abc.net.au
2. Source: www.thewest.com.au
**The impact of switching on super balances**

Changing your investment option is one of the biggest decisions you can make about your super. It’s important to consider the investment time frame and what could be the future impact of changing investment options based on short term share market movements.

This chart shows the difference in value from someone switching to other investment options during the Global Financial Crisis ten years ago and not switching back. This is compared to staying invested in the Growth (Cbus MySuper) option the whole time.

**First invested in the Growth (Cbus MySuper) option – switched with $100,000 balance during the Global Financial Crisis.**

![Graph showing the impact of switching on super balances](image)

These figures are for illustration purposes only and do not take into account tax, fees, insurance or contributions. Calculations are based on historical monthly returns from 31 January 2008 to 31 December 2018, switching on 31 March 2009 with a super account balance of $100,000. Past performance is not a reliable indicator of future performance.

**Diversification – don’t put all your eggs in one basket**

Cbus’ investment strategy aims to reduce the impact that any one asset class such as shares has on member’s super returns.

The Growth (Cbus MySuper) option invests across a range of asset classes including shares, property, infrastructure, fixed interest and cash.

Returns for asset classes like Australian and global shares can go up and down on a daily basis. While markets can have large falls, they may recover quite strongly.

The performance of assets such as infrastructure and property is not impacted by short term movements in share markets. This is why they’re such an important part of Cbus’ investment strategy.

**What you need to know?**

**Super’s a long term investment**

Super can go up and down a lot in the short term, but it’s the returns you receive over many years that make a real difference to your future.

**We’ve delivered strong returns for 34 years**

Most Cbus members have their super invested in the Growth (Cbus MySuper) option. This option has returned an average of 9.29% a year for the last 34 years, which includes recovery from the Global Financial Crisis.

**You can talk to us if you need help**

If you’re worried about your investment choices or what’s happening in the markets, contact Cbus Advice Services on 1300 361 784.

**If members still have questions**

More information is available through Cbus at www.cbussuper.com.au or calling 1300 361 784.

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*These figures represent the contribution of each asset class to the overall return for the period. Data for 12 months to 31 January 2019 sourced from JP Morgan.

*The Growth (Cbus MySuper) option return is based on the crediting rate, which is the return minus investment fees, the Trustee Operating cost and taxes. Excludes account keeping administration fees. Past performance is not a reliable indicator of future performance. The most recent performance figures are available at www.cbussuper.com.au.