

# Cbus Policy

## Due Diligence Policy Summary

### Date of this Policy: September 2018

Cbus' Trustee: United Super Pty Ltd  
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09/18



### 1. Purpose and Objectives of the Policy

The purpose of the Due Diligence Policy is to support the Investment Policy Statement and set out an overview of Cbus' principles, policies and guidelines for conducting due diligence and evaluating new investment opportunities.

The principal objective is to ensure proper investigation and analysis is conducted when determining whether a potential investment is appropriate for Cbus, including ensuring compliance with legislative requirements.

### 2. Responsibilities and Accountability

The Cbus Trustee is at all times responsible for Cbus' investments, including developing and implementing an effective due diligence process for the selection of investments.

### 3. General Principles

As set out in the Investment Governance Framework Policy, the guiding principle for investment decision making includes *'appropriately detailed due diligence, aligned to the complexity of the investment'*.

As such, proper due diligence is required to establish the investment merit of any investment proposal and to ensure the investment is consistent with Cbus' investment strategy, investment governance framework, outsourcing framework and risk tolerance.

The general objective of the due diligence process is to ensure potential investments are suitable for Cbus, including gaining a sufficient understanding of the factors that could materially impact the investment achieving its stated objectives and how the investment could perform under a range of scenarios.

Appropriate due diligence is conducted on each investment prior to investing. Cbus will only make an investment where it is comfortable that sufficient due diligence on the investment manager has been conducted in accordance with this Policy.

Where an investment is considered a 'Material Business Activity', the due diligence process on that opportunity will also incorporate additional requirements as set out in Cbus' Outsourcing Framework and the APRA's Prudential Standard SPS 231 – Outsourcing.

### 4. Due Diligence Assessments

The approach to due diligence and analysis of potential investments differs depending on the type, structure and complexity of the proposed investment. In broad terms, the following key aspects will be considered, at a minimum.

- Operational risk
- Investment manager
- Investment philosophy, style and process
- Risk factors, including assessment against Cbus' risk appetite
- Product structure and terms
- Fees
- Taxes
- Responsible investment considerations
- Track record