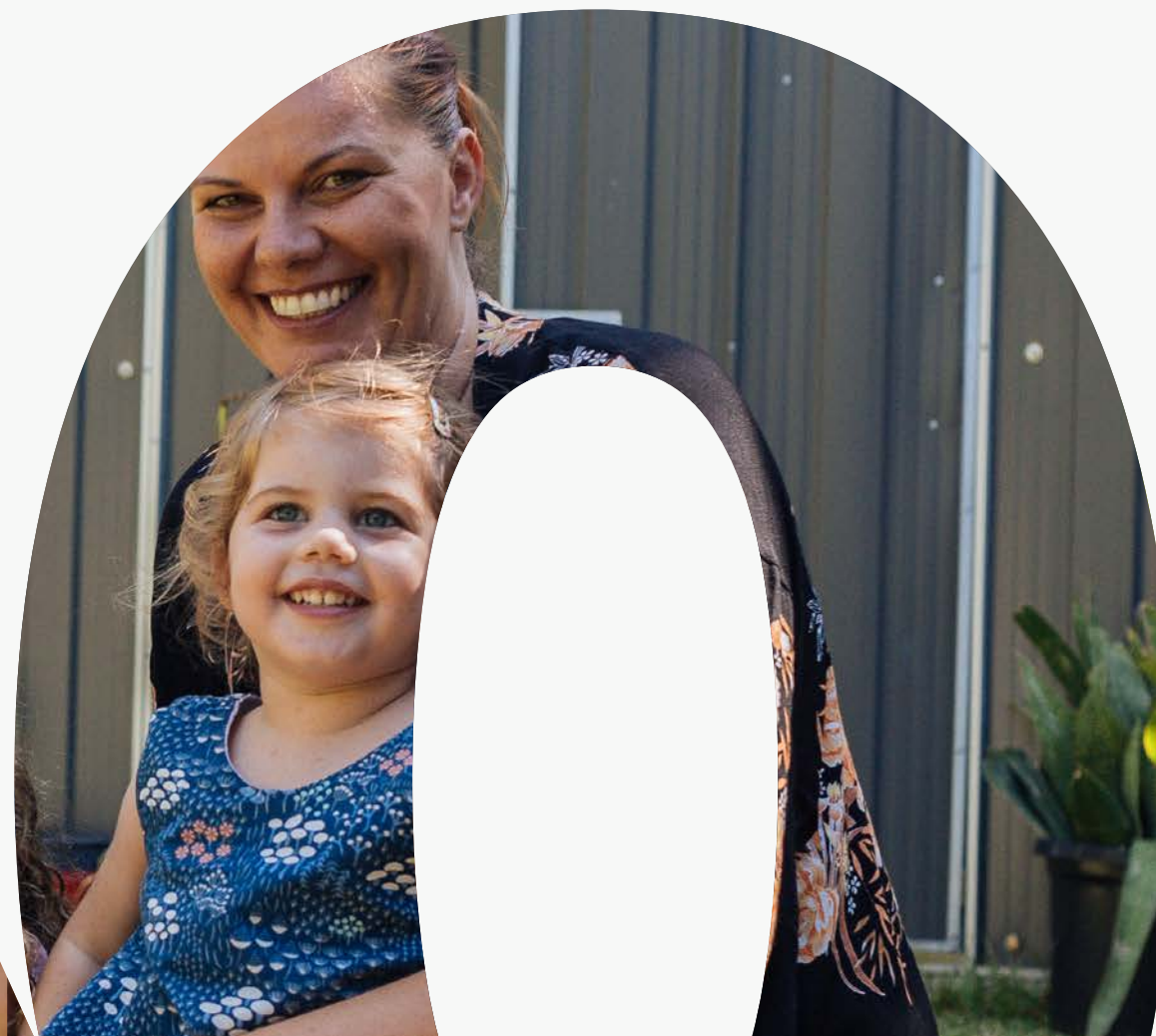


FY24



# Annual Member Outcomes Assessment



About this Assessment

Cbus has been part of the Australian building and construction and related sectors for 40 years. Our mission is to deliver the best possible retirement outcomes for our members.

Each year, Cbus is required to assess the performance of our MySuper and Choice product across key areas and make a determination that Cbus is promoting members’ financial interests.

To reach this conclusion Cbus has assessed the outcomes for members across the following range of dimensions:



1. Comparison Factors of the MySuper and Choice Product

- Investment Returns
- Investment Risk
- Fees & Costs



2. Assessment Factors

- Options, Benefits and Facilities
- Investment Strategy
- Insurance Strategy & Fees
- Scale
- Operating Costs
- Setting of Fees

Cbus has completed the FY24 assessment and has concluded that members holding a MySuper or Choice product are having their financial interests promoted.

There are a number of factors that go into reaching this conclusion. Cbus has balanced the factors and placed relative importance on each of the comparison and assessment factors, in the order the assessment has been undertaken. Meaning, when determining that the financial interests of our members are being promoted, the net returns we provide members are the primary consideration. This is followed by the level of investment risk taken to deliver the investment returns and the fees and costs charged for each product. The assessment factors include the strategies and operational activities that Cbus implement to ensure the Investments Returns, Investment Risk and Fees and Costs are promoting the financial interests of members.

So, whilst these factors have been benchmarked, it is ultimately the comparison factors that provide Cbus the ability to determine that the financial interests of our members are being promoted.

You can learn more about our **MySuper and Choice product here**, and check where your money is invested through the **member online portal**.

This document isn’t relevant for members with Defined benefit products.



About this document

This information is about Cbus Super. It doesn’t account for your specific needs. Please consider your financial position, objectives and requirements before making financial decisions. Read the relevant Product Disclosure Statement (PDS) and Target Market Determination to decide if Cbus Super is right for you. Call 1300 361 784 or visit [cbussuper.com.au](http://cbussuper.com.au)  
Insurance is issued under a group policy with our insurer, TAL Life Limited ABN 70 050 109 450 AFSL 237848.  
Case studies are for illustrative purposes only.  
United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super).

Investment Performance Context

Cbus members can be proud of our investment performance over the 40 years of the Fund’s existence. We continue to safeguard members’ retirement savings, outpacing inflation to make sure their superannuation dollars are working as hard as they do.

Markets are rarely smooth sailing and FY24 was no different. While we faced into some strong headwinds in the early part of the financial year, when conditions did eventually turn, we made strong headway, returning 8.35%<sup>1</sup> (7.95% Net Return<sup>2</sup> when administration fees, costs and taxes are excluded) for our Growth (MySuper) default option, close to our 40-year average of 8.87%<sup>1</sup> per annum.

Performance was driven by strong Australian and overseas share markets as inflation eased back towards target levels and global growth remained solid. Positive returns from global credit and infrastructure assets also contributed to the result.

While we delivered a healthy return for the year, from a peer relative perspective, funds with higher allocations to Australian and Global equities typically achieved higher returns. Our performance was also impacted by higher-than-average exposure to property which has been a feature of our Fund’s strong-long term returns. We maintain a strong conviction in property and infrastructure investments and the future investment and return opportunities they present. Most importantly, over the long-term, our peer relative performance remains very strong. We remain confident in our portfolio positioning and with strong investment capabilities, we expect to deliver strong performance in the years ahead. Across our other diversified accumulation investment options (Choice product) there were also strong positive results in FY24, the high growth investment option delivered a 10.85% return and the Indexed Diversified option 11.42%. The Australian Shares and Overseas Shares options returned 11.41% and 15.72% respectively.

<sup>1</sup> The Growth (MySuper) investment option return is based on the crediting rate, which is the return minus investment fees and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members’ accounts. Past performance isn’t a reliable indicator of future performance.  
<sup>2</sup> Net Returns are calculated as the investment return minus administration and investment fees and costs, transaction costs and taxes, sourced from APRA Quarterly Superannuation Product Statistics – Performance as at 30 June 2024.

Outcomes Assessment Summary

1. Comparison factors



Investment returns

Our Growth (MySuper) investment performance achieved net returns above the median for the 5- and 10-year periods but lower than the median for the 1- and 3- year time periods. It ranked 5th out of 57 MySuper Products in the **APRA MySuper Product Performance Test**. Similarly, most of our other investment choice options achieved above median returns over the 5- and 10-year periods relative to comparable funds, but lower than the median for the 1- year period.



Investment risk

The Cbus Growth (MySuper) option has a ‘Medium to High’ level of risk, with negative annual returns expected in 3 to 4 years over a 20-year period. This level of risk is broadly in line with other MySuper products with a similar growth / defensive asset split. The choice investment options are also within the range of comparable investment options, and both are considered appropriate for our members.



Fees & Costs

Our MySuper total fees and costs remain competitive when compared to the APRA MySuper median, with our total fees<sup>3</sup> on a \$50K balance of 0.84% compared to 0.92% APRA median, and in the second quartile. The fees and costs for Choice investment options were above the APRA median, for some options. This was primarily driven by our administration fees and costs and we have already implemented a cost reduction program to reduce the weekly Account Keeping Fee from \$1.50 to \$1.00 effective 28 September 2024.

<sup>3</sup> Fees are sourced from APRA Quarterly Superannuation Product Statistics – Performance as at 30 June 2024.



Outcomes Assessment Summary

2. Assessment factors



Options benefits & facilities

Cbus continues to be a differentiator in the super landscape delivering tailored solutions for members including our face-to-face service and assistance, affordable insurance, education and advice. The options, benefits and facilities are considered to be appropriate to our members, with the continuous uplift of services having a positive impact for the majority of our members and supporting their financial interests. We acknowledge there is more work to do to rectify the service delays some of our members experienced for insurance claims in FY24 and have implemented a number of measures to address these delays.



Investment strategy

Our Fund investment strategy and each investment option is designed to allow members the flexibility to select an investment option, or a combination of investment options that best suits their financial circumstances and risk appetites. We aim to incorporate responsible investments across our portfolios and asset classes to help support sustainable long-term returns for our members.



Insurance strategy & fees

Our insurance strategy is tailored to accommodate the needs of a variety of occupation categories. This allows Cbus to provide affordable insurance reflecting risks and insurance coverage needs for all members, including those working in hazardous occupations. Our default insurance offering is on average below the 1% of Industry benchmarking best practice, ensuring members' balances are not inappropriately eroded.



Scale

Cbus was the 6th largest industry fund<sup>4</sup> managing \$94.7 billion, for over 900,000 members. This scale enables us to deliver tailored services, appropriate and competitive insurance cover, and fees. Our scale also provides the ability to manage more assets in-house, alongside partnering with external managers at competitive fee arrangements supporting our assessment that the scale of our business is not causing disadvantage.



Operating costs

The Fund's operating expense ratio of 0.31% is comparable to all Industry Fund's, with a ratio of 0.30%, and while operating cost per member is higher than industry peers. It compares favourably to the Total Super System, supporting the assessment that the basis of setting fees is appropriate, and costs are fairly and reasonable allocated across all MySuper products and choice products offered by the fund.



Setting of fees

Cbus follows the same equity and transparency charging principles of the SIS Act in relation to the MySuper product and extends these principles to the Choice products and Cbus Self-Managed products. Although some of our fees were above the APRA median, we have already implemented a cost reduction program, outlined in the Fees and Costs section.

Determination

Based on the outcomes assessment undertaken for the financial year ended 30 June 2024, pursuant to section 52(9,10,10A &11) of the Superannuation Industry (Supervision) Act 1994 (SIS Act), United Super Pty Ltd as the Trustee for Cbus Super has determined:

- 1. The financial interests of members who hold the Cbus MySuper product are being promoted.
- 2. The financial interests of members who hold the Cbus Choice product are being promoted.

<sup>4</sup> Sourced from APRA Quarterly superannuation Fund Statistics as at 30 June 2024.

# Comparison of MySuper Products

Our Growth (MySuper) product is our default investment option, with an investment return objective to deliver a return of inflation plus 3.25% a year over a 10-year period. This option may suit members who can accept some years when returns are negative, but who expect that over the long term, returns will be well above inflation. In assessing our performance, we compared our MySuper investment returns, risk profile and fees with peers<sup>5</sup> with similar risk profiles.

## 1. Investment Return

Our Growth (MySuper) investment performance delivered a Net Return<sup>6</sup> Performance of 7.95%, while this was slightly below the peer group, the option has delivered above median returns over the 5- and 10-year periods.

On a net benefit basis, Cbus Growth (MySuper) is delivering a higher net benefit to members against the median across the 5-, 7- & 10-year time periods, per reporting by SuperRatings. The net benefit calculation indicates that for a member starting on a \$50k balance on a \$50k salary (escalated 3.5% annually) 10 years ago that has invested with Cbus to 30 June 2024, this member would have grown their balance by \$73,559, which is \$9,192 favourable to the median.

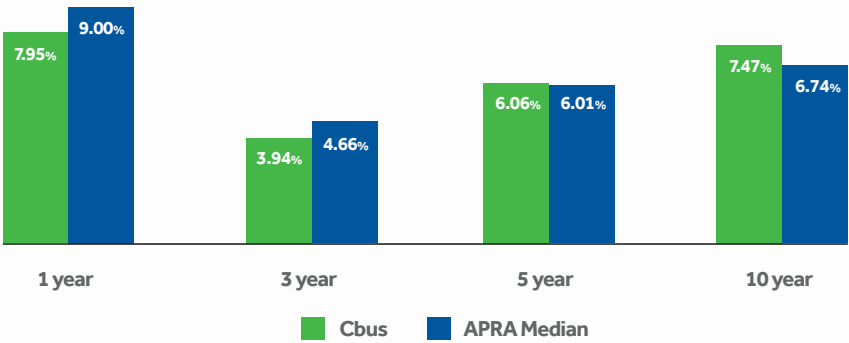
Our analysis of Net Returns (NRs)<sup>7</sup> to all comparable MySuper products in the APRA Comprehensive Product Performance Package and the net benefit performance relative to other comparable funds as reported by SuperRatings is below.

<sup>5</sup> Products included in the APRA Comprehensive Product Performance Package for MySuper and for lifecycle stages, products with a comparable risk profile have been selected to compare and benchmark against.

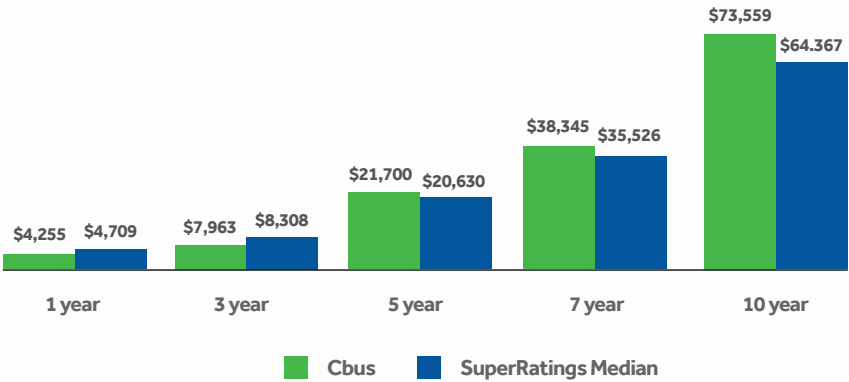
<sup>6</sup> Net Returns are calculated as the investment return minus administration and investment fees and costs, transaction costs and taxes, sourced from APRA Quarterly Superannuation Product Statistics - Performance as at 30 June 2024.

<sup>7</sup> Net Returns are calculated as the investment return minus administration and investment fees and costs, transaction costs and taxes, sourced from APRA Comprehensive Product Performance Package - MySuper as at 30 June 2024.

Net Return Performance



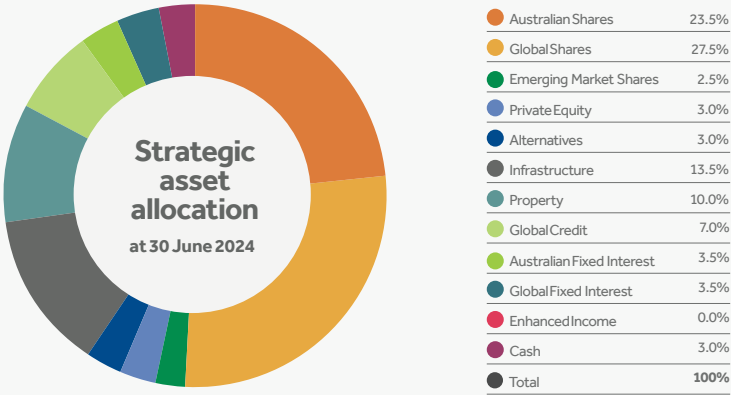
Net Benefit Performance



2. Investment Risk

Below is the level of investment risk for the Cbus Growth (MySuper) option relative to MySuper peers as at 30 June 2024.

Performance Metric	Cbus		Range of comparable products	
	Likelihood of negative annual returns <sup>8</sup>	Risk label	Likelihood of negative annual returns	Risk label
Level of Investment Risk	3.8	Medium to High	2.9–6	Medium to Very High

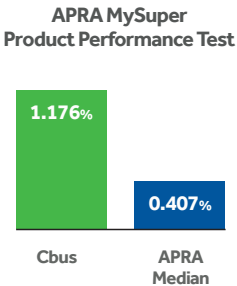
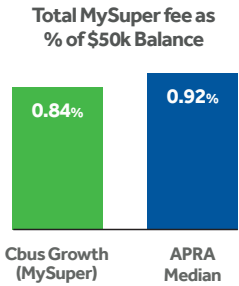


The Cbus Growth (MySuper) option has a 'Medium to High' level of risk, with negative annual returns expected in 3 to 4 years over a 20-year period. This level of risk is broadly in line with other MySuper products with a similar growth / defensive asset split and is considered appropriate for our MySuper members.

3. Fees & Costs

As an industry fund, our objective is to keep our fees and costs as low as possible. We only charge the administration and investment fees needed to run your account, and we negotiate the best possible insurance rates for our members. Our fees consist of both a variable and a fixed component reflecting the nature of the costs incurred by the business. Generally, the fees and costs you pay as a percentage of your balance will be greater for a low account balance and will decrease over time as your account balance grows.

Our fees remain competitive when compared to the APRA MySuper Median, with our total fees<sup>9</sup> on a \$50K balance of 0.84% compared to 0.92% of the APRA median, and in the second quartile.



MySuper Determination

Further, Cbus passed the APRA<sup>10</sup> our Future Your Super Performance Test for the MySuper product – a two-part test that assesses the value added through implementation of the product’s investment strategy, as well as an assessment on the administration fees and other costs. Above is the performance for MySuper, with Cbus ranking 5th among the 57<sup>11</sup> MySuper products. quartile.

Based on the performance of the Cbus MySuper product across investment return, investment risk and fees & costs, Cbus has determined the financial interests of members are being promoted.

<sup>8</sup> Level of Investment Risk: estimated number of negative net investment returns over a 20-year period, calculated by Cbus Investments team and sourced from APRA Quarterly MySuper Statistics at 30 June 2024. <sup>9</sup> Fees are sourced from APRA Quarterly Superannuation Product Statistics – Performance as at 30 June 2024. <sup>10</sup> Sourced from APRA Your Future Your Super Performance Test. <sup>11</sup> For fund comparison purposes, product with the closest strategic growth asset allocation to Cbus’ 80% is chosen for each fund with lifecycle strategies.

## Comparison of Choice Investment Options

As the Fund has grown, our investment capabilities and options have expanded providing members with greater choice to a range of options depending on their investment timeframe and risk and return requirements. Our pre-mixed options provide members with exposure to a range of asset classes and sectors, and we also offer single sector options. You can learn more about each of these options in our [Investment Handbook](#).

The following analysis shows our investment return, estimated risk measure for each Cbus Choice investment option and fees and costs, benchmarked to comparable Choice products. This is an industry wide Standard Risk Measure (SRM, which is based on the number of expected negative annual returns over a 20-year period).












### 1. Investment Return

Cbus has performed above the median over the medium to long-term time periods for the majority of its Choice products. The **Accumulation Phase** peer comparison of *Choice Products* compared to APRA median<sup>12</sup> is below. The Pension Phase comparison is included in the Appendix.

Choice investment performance	Benchmark	1 year		3 year		5 year		7 year		10 year		Commentary
		Return	Median	Return	Median	Return	Median	Return	Median	Return	Median	
Cbus High Growth*	APRA SAA 90%-100% median <sup>12</sup>	10.85%	12.28%	6.33%	6.11%	8.81%	8.16%	9.28%	8.79%	9.57%	8.85%	Delivered strong absolute performance for members and outperformed the APRA median across the medium-and long-term <sup>13</sup> time periods.
Cbus Growth Plus	APRA SA 70%-90% median <sup>12</sup>	9.45%	10.55%									Cbus Investment options are assessed against the objective over a 10-year time period. If the choice product hasn't been available for 10 years it is not assessed against the objective. However the 1-year return of these options are considered reasonable.
Cbus Indexed Diversified	APRA SA 60%-75% median <sup>12</sup>	11.42%	8.09%									
Cbus Conservative Growth*	APRA SAA 40%-60% median <sup>12</sup>	6.88%	5.81%	3.75%	2.55%	5.11%	3.30%					Delivered strong absolute performance for members, above the APRA median for all time periods.
Cbus Conservative*	APRA SAA 40%-60% median <sup>12</sup>	5.59%	5.81%	2.78%	2.55%	3.53%	3.30%	4.25%	3.70%	4.68%	4.33%	Delivered positive absolute performance for members across all time periods, outperforming the median over the 3-, 5-, 7- and 10- year periods.
Cbus Cash	SR50 Cash Index median <sup>14</sup>	4.12%	4.05%	2.35%	2.25%	1.58%	1.57%	1.59%	1.64%	1.66%	1.71%	Cbus Cash option outperformed the median over the 1-, 3- and 5-year periods.
Cbus Overseas Shares	Overseas shares median <sup>14</sup>	15.72%	17.01%									Cbus Investment options are assessed against the objective over a 10-year time period. If the choice product hasn't been available for 10 years it is not assessed against the objective. However the 1-year return <sup>14</sup> of these options are considered reasonable.
Cbus Australian Shares	Australian shares median <sup>14</sup>	11.41%	11.46%									
Cbus Property	APRA SAA 75%-90% median <sup>12</sup>	-0.25%	10.55%									
Cbus Diversified Fixed Interest	APRA SAA 0%-40% median <sup>12</sup>	4.69%	3.24%									

**Key** ■ Cbus return equal to or exceeded peer median ■ Cbus return below peer median   The option does not have a return for the specified time period

<sup>12</sup> APRA's 2024 Comprehensive Product Performance Package (CPPP) Choice statistics used here. Benchmark is comparing all open non-platform TDP's with a comparable APRA Strategic Growth Asset Allocation Category to the Cbus Choice Investment Options. <sup>13</sup> Medium term refers to a 5-year time period & long term refers to a 10-year time period. <sup>14</sup> Australian shares, Overseas shares and Cash Investment options compared to Super Ratings Data. With all other one-year return comparisons using APRA's 2024 Comprehensive Product Performance Package (CPPP) Choice. \* NOTE: The Cbus investment options return figures above were sourced from APRA CCCP for the year ended 30 June 2024. These may differ to the Fund's investment option returns which are based on the crediting rate, which is the return minus investment fees and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance isn't a reliable indicator of future performance.

Performance Metric <sup>15</sup> @ 30 June-24		Cbus		Range of comparable products
		Likelihood of negative annual returns	SRM risk label	SRM risk label
	Cbus High Growth	5 to 6	High	Medium to High – High
	Cbus Growth Plus	4 to 5	High	Medium to High – Very High
	Cbus Growth	3 to 4	Medium to High	Medium to High – High
	Cbus Indexed Diversified	5 to 6	High	Medium – High
	Cbus Conservative Growth	2 to 3	Medium	Medium – High
	Cbus Conservative	1 to 2	Low to Medium	Low to Medium – Medium to High
	Cbus Overseas Shares	6 to 7	Very High	High – Very High
	Cbus Australian Shares	6 to 7	Very High	High – Very High
	Cbus Property	4 to 5	High	Medium to High – Very High
	Cbus Diversified Fixed Interest	1 to 2	Low to Medium	Low to Medium – High
	Cbus Cash	Negligible	Very Low	Very Low – Low

<sup>15</sup> Data sourced from Cbus Investment Handbook and SuperRatings Fund Crediting Rate Survey – Standard Risk Measure.

## 2. Investment Risk

Cbus offers a range of different investment options to suit our members' goals, investment timeframe, and risk profile. The following analysis shows our estimated risk measure for each Cbus Choice investment option and the range of comparable Choice products. This is an industry wide Standard Risk Measure (SRM), which is based on the number of expected negative annual returns over a 20-year period.

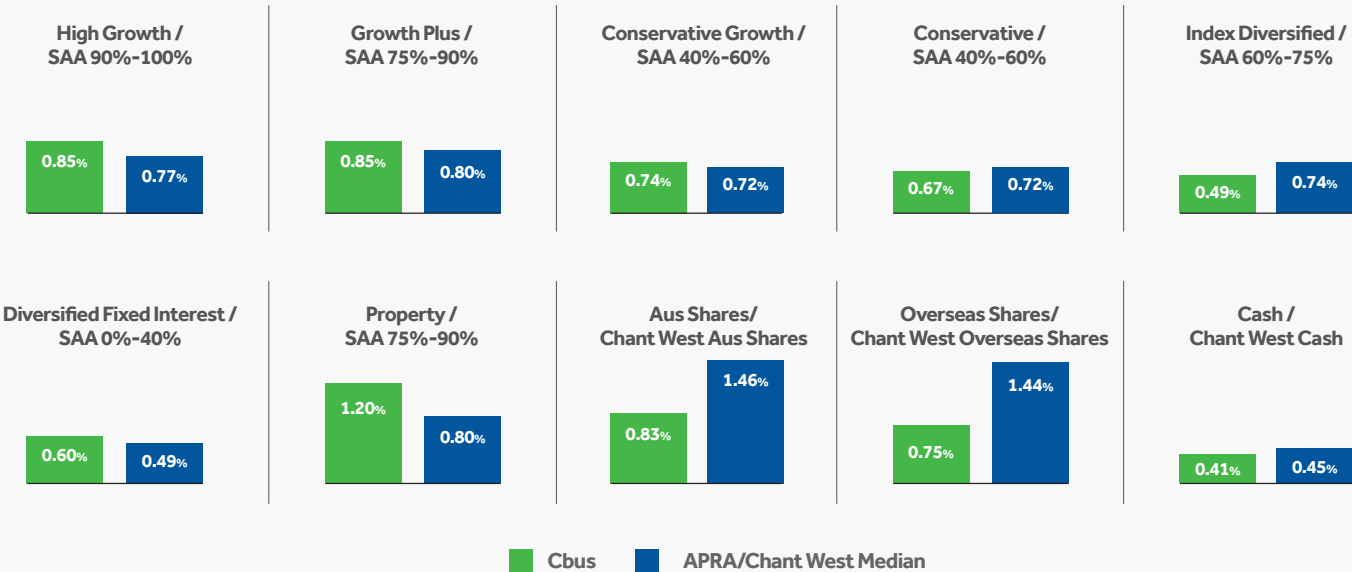
Overall, the risk measures for Cbus Choice options are within the range of comparable investment options. Each Cbus Choice option is designed to suit different members' needs, and the investment menu aims to provide breadth of choice for members across the risk spectrum.



3. Fees & Costs

Here is the assessment of Choice investment option fees, as represented by the Total Fees<sup>16</sup> (%) for a \$50k balance member at 30 June 2024. Our fees consist of both a variable and a fixed component reflecting the nature of the costs incurred by the business, ensuring the charging of fees is equitable to different members with different balances so that no member is disadvantaged.

The total fees and costs for Cbus Choice investment options were above the APRA median, with the exception of the Cbus Conservative and Indexed Diversified options. This was primarily driven by our relatively higher admin fees and costs compared to the median. We implemented a cost reduction program in FY24 which resulted in a reduction of the weekly Account Keeping Fee from \$1.50 to \$1.00, effective from 28 September 2024.



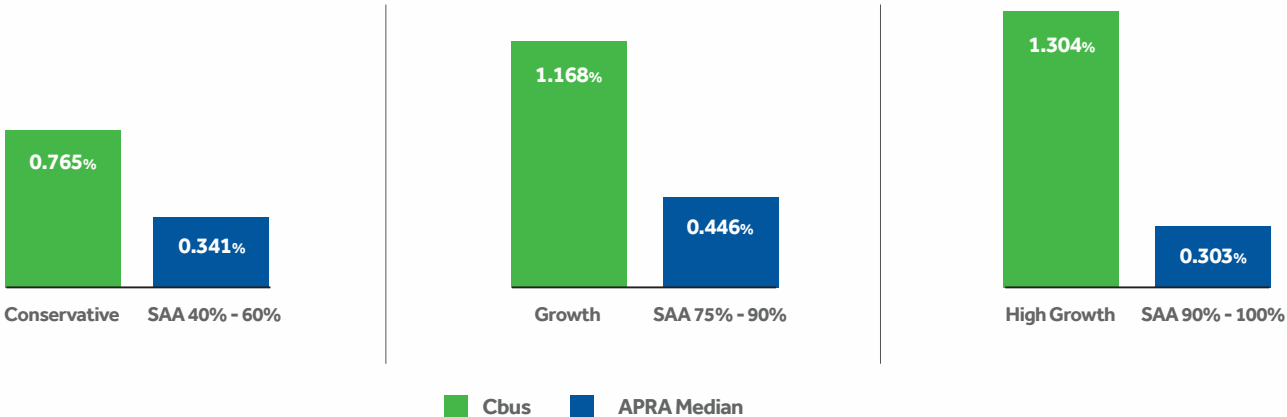
4. Choice Determination

Choice Investment Options - Trustee Directed Products (TPDs) have also all passed the APRA<sup>17</sup> Your Future Your Super Performance Test, with a performance test measure calculated when an option has over 10 years performance history.

Based on the performance of the Cbus Choice product across investment return, risk and fees & costs, Cbus has determined the financial interests of the members are being promoted.

<sup>16</sup> Fees are sourced from APRA Quarterly Superannuation Product Statistics – Performance as at 30 June 2024, with Australian Shares, Overseas shares and cash sourced from Chant West Fee data.  
<sup>17</sup> Sourced from APRA Your Future Your Super Performance Test – Choice.

APRA Choice Performance Test FY24



2. Assessment factors

The following assessment factors applies to the whole of the Trustee’s business operations.

1. Options, Benefits & Facilities

Cbus offers a range of face-to-face delivery of member services and education through workplace coordinators, front counter offices and employer engagement managers. Over-the-phone support, which includes end-to-end intra-fund and personal advice is also available to members. This is supplemented by online self-service options like a member online portal, online calculators, chatbot, live chat and a mobile app. These online tools enable members to have easier viewing of balances and transactions, the ability to switch or split between investment options, modify their insurance cover, consolidate super, transfer insurance cover from other superannuation funds or insurers, nominate beneficiaries, and update contact details whenever they want. The facilities to engage and inform members allows Cbus members to seek and action advice on their super, leading to stronger member outcomes.

- Cbus does not directly charge members for the above services (outside of the current External Advice Fees or Advice Essentials Plus that was introduced in October 2024), which are incorporated into the administration fees of the overall product and provides members access to these options, benefits and facilities.
- Further, our overall member satisfaction score for those who have transacted with us across our engagement channels, including the Advice Team, Front Counter Team, Coordinators, Seminars, Live Chat, MUFG Contact Centre and MUFG Email Enquiry, resulted in a weighted average satisfaction score of 7.5 out of 10, a slight increase on FY23.

Cbus continues to be a differentiator in the super landscape for our options, benefits and facilities which are tailored to the needs and experiences of our members. The options, benefits and facilities are considered to be appropriate to our members, with the continuous uplift of services provided having a positive impact on our members and supporting their financial interests.

2. Investment Strategy

Cbus sets the investment strategy for the fund and for each investment option. On an annual basis, we conduct a comprehensive strategy review that assesses the investment strategy for each of the investment options against its objectives to ensure they remain appropriate for our members and the investment outlook.

The overall objective for the fund is to maximise the retirement outcomes for members, which from an investment perspective is measured by long term net returns, on an after fees and taxes basis. Risk and return investment objectives are formulated for each investment option, and we also set internal targets that are used when constructing and monitoring the investment strategy for each investment option.

We offer an investment menu that includes 6 pre-mixed options (including the MySuper option) and 5 single sector options, designed to allow members the flexibility to select an investment option, or a combination of investment options that best suits their financial circumstances and risk appetites. We aim to incorporate responsible investments across our portfolios and asset classes to support sustainable long-term returns for our members.

We have reviewed and adjusted our investment strategy where appropriate, considering the investment objectives, SAAs, and SAA ranges for our MySuper and Choice investment options. As a result of the review, we have determined that our investment strategy is

appropriate for delivering strong long-term returns for our members and is in the best financial interests of our members.

The risk and return objectives, SAAs, and SAA ranges for each of our investment options are available in our [investment handbook](#).

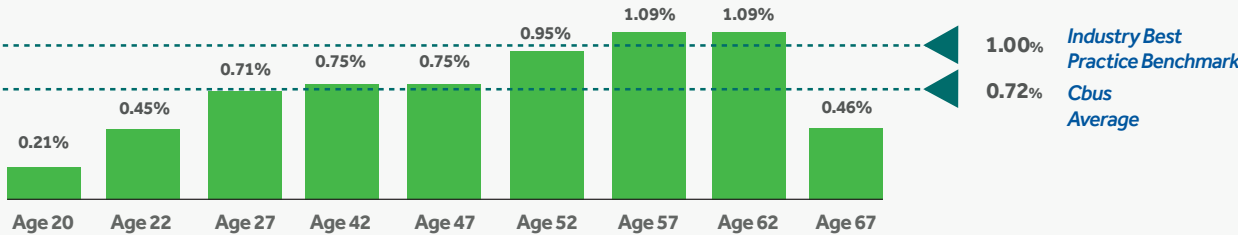
3. Insurance Strategy & Fees

Our members are predominantly from the building and construction, energy and related sectors with a high proportion of members working in higher risk occupations. We also have members in the printing, media entertainment and arts industries. Our [insurance strategy](#) is tailored to accommodate the needs of all members, based on a variety of occupation categories set up by Cbus that are relevant to each product. This allows Cbus to provide affordable insurance reflecting risks and insurance coverage needs of that occupation, evidenced by better than benchmark performance for the average default premium as a % of salary for workers performing manual labour in the construction industry. The benchmark of 1% aligns with regulatory reform and Industry benchmarking best practice and is calculated as a lifetime measure.

Benchmarking of insurance engagement has also been analysed and compared to other funds results using the Chant West Annual Survey, with higher engagement levels compared to the median indicating that Cbus is performing for its members.

Further insurance information can be found [here](#).

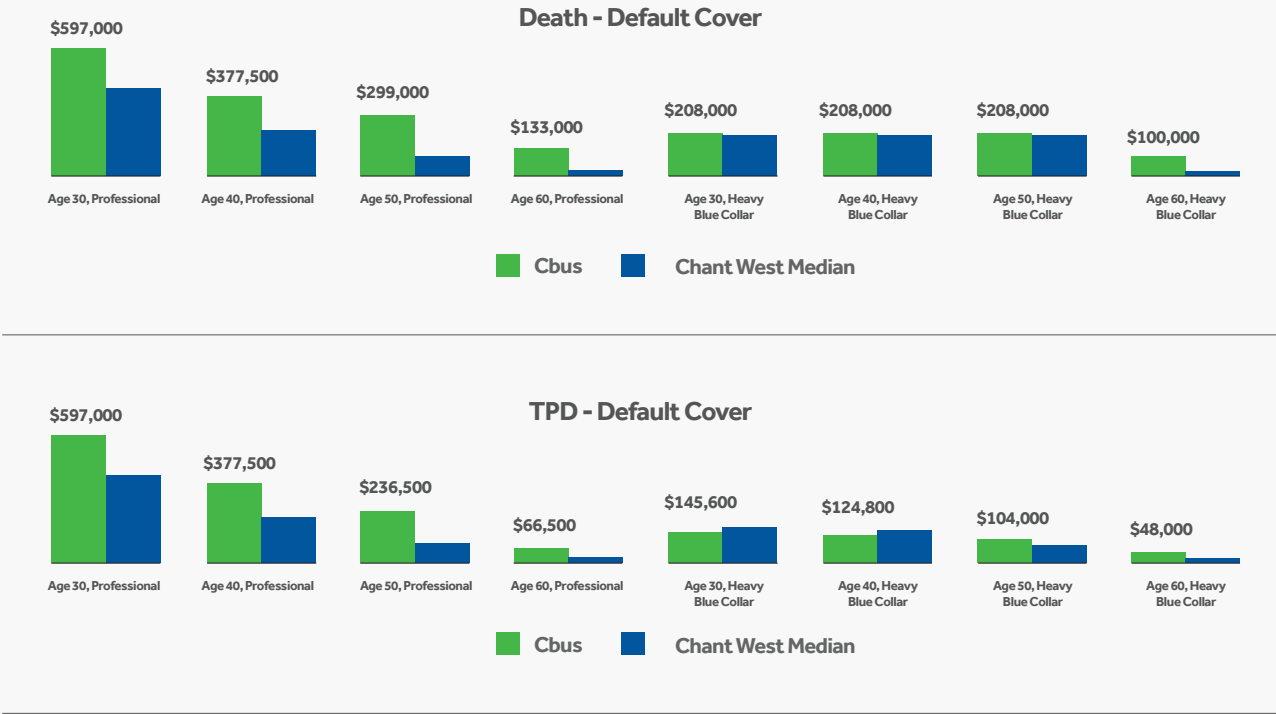
Affordability - Default Premium as a % of Salary by Age for Construction Workers Performing Manual Labour



2. Assessment factors (continued)

- Insurance premiums are affordable and unlikely to inappropriately erode retirement income of members, averaging 0.72% of salary for workers in construction, below the benchmark of 1% for the majority of age cohorts. As a general premise the cost of insurance cover progressively increases with an increase in age. Benefit design typically has reducing levels of cover at older ages to balance cost and need. With long term fund membership and ‘stapling’ membership legislation that encourages longer term fund membership, this is also a key reason for using a Lifetime basis of assessing the 1% of salary as opposed to individual cohorts.
- The default insurance cover option for Cbus is the Manual occupation category, which is the highest risk occupational group. There is also Non-Manual, Professional and Electtech occupational categories. These are lower risk occupational groups with lower salary ratios. The benchmark of 1% of Salary used by Cbus is a Lifetime Basis measure. The 1% measure is widely used and has been accepted for many years as the Industry benchmarking best practice for such assessment, against what is the appropriate test for acceptable erosion of retirement benefits.
- Death and TPD cover is competitive across Professional and Heavy Blue-Collar categories compared to peers, with heavy blue collar being a comparable benchmark for higher risk categories.

**Outcomes for Media Super Insured Members:** Media Super underwent two material benefit design changes prior to the merger with Cbus. These were implemented in December 2020 and July 2021. The insurance benefit designs for Media Super members on joining Cbus in April 2022 was a replication of their existing design and has been retained within Cbus. Since the merger two premium rate reviews have been undertaken that have maintained the pricing structure for members. The weighted average default premium as a % of salaries for Media Super is 0.53%, with all age cohorts being below the 1% benchmark of salary, as a lifetime measure This is an excellent outcome for members, ensuring the risk of erosion of their retirement savings due to fees is reduced and in delivering premium stability for Media Super members who experienced significant premium volatility prior to the merger.



**Outcomes for Cbus Insured Members:** Having established a multi segmented approach to default cover (with access to additional insurance product type or cover levels) that encompasses insurance cover type, benefit design and premium structure Cbus has assessed that its insurance strategy and product offering is appropriate for its members and beneficiaries, and it is operating in members’ best financial interests.

**Overall Outcomes:** The insurance strategy aims to strike a balance between the levels of cover provided and the cost to members, ensuring higher risk occupations have adequate cover. Cbus has also assessed that given the average premium level for the default offering is below the 1% of salary threshold for both Cbus Super and Media Super and coupled with good levels of

member engagement by industry standards for members to tailor insurance cover to their preferred levels that the fees charged for insurance do not inappropriately erode the retirement income of members.

Cbus notes that some of its members and claimants have experienced delays in the processing of insurance claims during the period to which this assessment applies. Cbus has worked to clear the backlog of claims. Cbus has doubled the size of the case management team, has retrained the contact centre staff, so they are more helpful when our members make claims and established a compensation program for those affected to restore beneficiaries to the financial position they would have been in if processing errors had not occurred and had benefits been paid in a more timely manner.

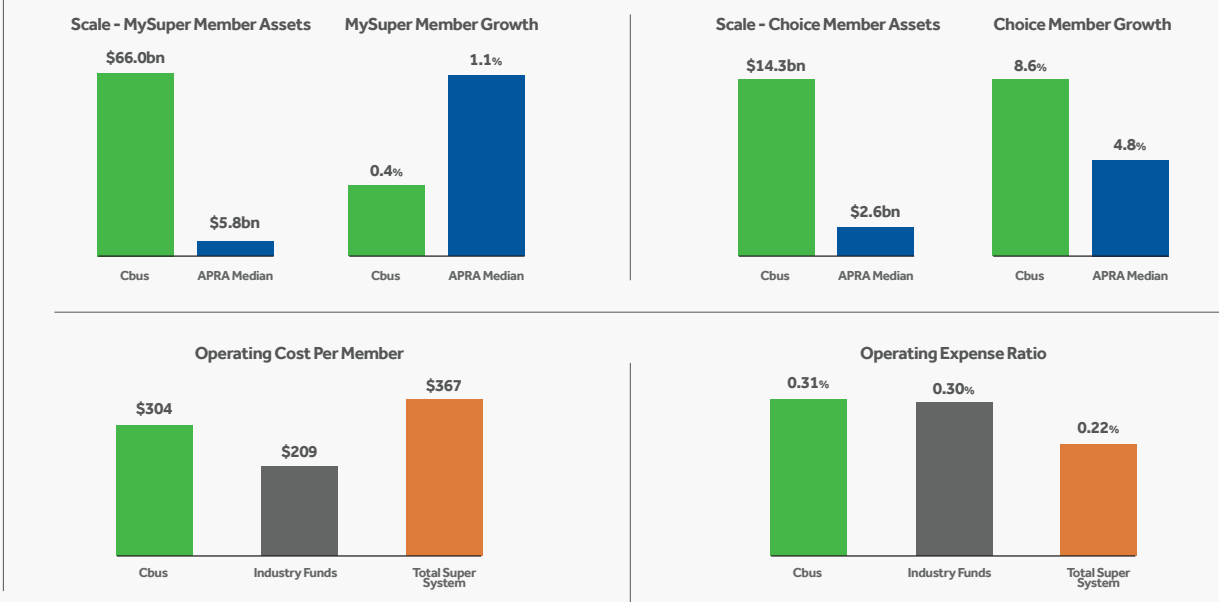
4. Scale

Cbus is the 6th largest industry fund with over 900,000 members. The scale of Cbus allows us to provide services tailored to our members, appropriate and competitive insurance cover and provides Cbus the ability to manage more assets in-house, alongside partnering with external managers at competitive fee arrangements. The scale<sup>18</sup> of Cbus' business operations and management is appropriate and not disadvantaging the financial interests of members, with results shown to the right.

5. Operating Costs

The analysis of Cbus operating costs has been compared against all Industry Funds operating costs and Total Super System costs<sup>19</sup>. The operating cost assessment applies to the whole of the Trustee's business operations. Here is the performance of the operating cost metrics<sup>20</sup>.

Operating costs of the Fund are not inappropriately affecting the financial interests of the members. The Cost Per Member is below the Total Super System costs and the Operating Expense Ratio is in-line with Industry Funds overall.



6. Setting of Fees

Cbus follows the same equity and transparency charging principles of the SIS Act in relation to the MySuper product and extends these principles to the Choice products and Cbus Self-Managed products. As a profit-to-member industry fund, the trustee sets fees in accordance with its duty to act in members' best financial interests under the SIS Act. This includes ensuring fees are reasonable and reflect the costs of delivering services, maintaining financial resilience through prudent reserves (as required under APRA's CPS 190), and investing in capabilities that enhance retirement outcomes for members. The trustee ensures that any costs borne by members are necessary and directly linked to advancing their long-term financial interests.

For Cbus members, the investment fees charged will differ by the investment choice chosen, with the Administration fee comprised of a fixed and variable portion. The Administration pricing structure effective for FY24 accumulation and retirement products was as follows:

- Account Keeping Fee \$1.50 per week.
  - Asset Based Fee at 0.19%, capped at \$1,000 a year.
  - RG97 disclosure: 0.02%. This is a requirement, effective from 30 September 2022, to disclose any additional costs funded directly from the Administration Reserve gross of contributions tax refunds.
- Whilst the basis of setting fees is appropriate, and costs are fairly and reasonably allocated across all MySuper products and Choice products offered by the Fund, Cbus implemented a cost reduction program which has resulted in a reduction in the weekly Account Keeping Fee, from \$1.50 to \$1.00 effective from 28 September 2024.

Determination for the year ended 30 June 2024

Based on the outcomes assessment undertaken for the financial year ended 30 June 2024, pursuant to section 52(9) of the Superannuation Industry (Supervision) Act 1994 (SIS Act), United Super Pty Ltd as the Trustee for Cbus Super, determines that:

- the financial interests of the beneficiaries who hold the MySuper product (Cbus Growth) offered by United Super Pty Ltd are being promoted having regard to section 52(10) and 52(11) of the SIS Act;
- the financial interests of the beneficiaries who hold the choice products offered by United Super Pty Ltd are being promoted having regard to section 52(10A) and 52(11) of the SIS Act; and
- It is promoting the financial interests of the beneficiaries of Cbus Super as assessed against benchmarks specified in regulations and the APRA Performance Test. [s52(9)(a) of the SIS Act].

<sup>18</sup> Sourced from APRA Quarterly Superannuation Product Statistics – Performance as at 30 June 2024. Table 4a for MySuper and Table 5a for Choice. <sup>19</sup> Data sourced from APRA Quarterly Superannuation Performance Statistics (Table 3a for Industry Funds & Table 1a for Total Super System - all funds) and Quarterly Superannuation Fund Level Statistics (Table 1) as at 30 June 2024. Cbus data sourced internally. <sup>20</sup> Operating Cost per Member = Administration and Operating Expenses / Total Members, Operating Expense Ratio = Administration and Operating Expenses / Net Assets at the end of the period.

## Appendix

## Superannuation Income Stream (SIS) option performance

Cbus has also assessed the performance of our SIS products offered to our retired members. The tax advantaged Pension Phase<sup>21</sup> assessment of Cbus Conservative Growth (Default) and Choice Products crediting rates from SuperRatings is below.

SIS option performance	Benchmark	1 year		3 year		5 year		7 year		10 year		Commentary
		Return	SR Median	Return	SR Median	Return	SR Median	Return	SR Median	Return	SR Median	
Cbus SIS High Growth	SRP50 (77-90) median	11.87%	11.87%	6.19%	5.99%	9.15%	8.19%	9.86%	8.81%	10.31%	9.03%	Outperformed the median across all periods.
Cbus SIS Growth	SRP50 Balanced (60/76) median	9.30%	10.11%	4.90%	5.17%	7.15%	6.89%	8.02%	7.51%	8.68%	7.75%	Outperformed the median over the 5-, 7- and 10-year
Cbus SIS Conservative Growth	SRP50 (41-59) median	7.59%	7.86%	2.44%	4.22%	5.29%	5.29%	6.25%	6.03%	6.87%	6.40%	Outperformed the median over the 7- and 10-year periods
Cbus SIS Conservative	SRP50 (20-40) median	6.00%	6.27%	1.97%	2.74%	3.23%	3.68%	4.24%	4.36%	4.85%	4.84%	Outperformed the median over the 10-year period
Cbus SIS Cash	SRP50 Cash Index median	4.72%	4.64%	2.71%	2.61%	1.84%	1.83%	1.89%	1.92%	2.00%	2.03%	Outperformed the median over the 1-, 3- and 5-year periods.
Cbus SIS Overseas Shares	Overseas shares median	1.72%	18.56%									Cbus Investment options are assessed against the objective over a 10-year time period. If the choice product hasn't been available for 10 years it is not assessed against the objective. However, the 1-year return of these options are considered reasonable.
Cbus SIS Australian Shares	Australian shares median	12.67%	12.79%									
Cbus SIS Growth Plus	Growth (77-90) median	10.35%	11.85%									
Cbus Indexed Diversified	Balanced (60-76) median	13.00%	10.22%									
Cbus SIS Property	Property median	-0.64%	4.58%									
Cbus SIS Diversified Fixed Interest	Diversified Fixed interest median	5.57%	3.58%									

**Key** ■ Cbus return equal to or exceeded peer median ■ Cbus return below peer median ■ The option does not have a return for the specified time period

<sup>21</sup> All pension phase return data is from SuperRatings Fund Crediting Rate Survey.



