



ANNUAL REPORT  
2013/14

# with us





# with



At Cbus our members' best interests and maximising their retirement outcomes drives everything we do.

We actively support and contribute to a sustainable and growing industry and we are committed to inclusion, transparency and accountability in the way we work.

Cbus is open to all and is the leading super provider for people from all occupations in the Australian building, construction and allied industries.

## Contents

### 1. Overview

- p. 2 A message from your Chair and CEO
- p. 4 Major areas of activity

### 2. Investment

- p. 8 Investment overview
- p. 10 Investment approach
- p. 12 Investment performance
- p. 14 Superannuation options
- p. 16 Super Income Stream options
- p. 18 Top holdings
- p. 22 Investment managers
- p. 25 Cbus Property
- p. 27 Environmental, Social and Governance (ESG)

### 3. Governance

- p. 32 Board of Directors
- p. 38 Board Committees
- p. 40 Board skills
- p. 41 Roles and remuneration
- p. 43 Cbus Property CEO and Directors
- p. 45 Cbus CEO and executives
- p. 48 Organisational structure
- p. 50 Risk management

### 4. About us

- p. 54 Who we are
- p. 55 Serving our members
  - new products
- p. 56 Serving our members
  - new technology and innovation
- p. 57 Different ages, different stages
- p. 60 Listening and supporting
- p. 62 Servicing our employers
- p. 63 Cbus culture

### 5. Financials

- p. 66 Cbus annual financial reports
- p. 69 Related parties
- p. 70 Members' funds and reserves
- p. 71 Cbus and the GRI
- p. 72 Glossary

When we talk about returns throughout the Annual Report, we are using Crediting Rates. Crediting Rates are the return minus investment costs and taxes; the Trustee Operating Cost and reserves. Excludes administrative fees.

Cbus national office:  
Level 28, 2 Lonsdale Street,  
Casselden Place, Melbourne.  
Ph: 1300 361 784.

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.



## Cbus at 30

In 1984 super became more accessible to more workers thanks to a lengthy campaign by building unions. Thirty years later, Cbus remains true to these values, providing super to more than 722,000 members and supporting 89,000 participating employers while investing back into the industry through its wholly owned development company, Cbus Property.

Over its 30-year history Cbus has achieved an average annual return to members for the Growth (Cbus MySuper) option of 9.26% to 30 June 2014. Cbus now has total Funds under Management of more than \$27 billion.

Cbus will mark this significant milestone, but the celebrations will be brief. Our focus remains on providing positive outcomes for our members over the next 30 years and beyond.

CELEBRATING  
30 YEARS

## Strategy scorecard

Strategy	2013/14 Achievements	2014/15 Priorities
<b>Maximise long-term investment returns</b>	<ul style="list-style-type: none"> <li>✓ Delivered a 13.9% return for the default super investment option, ranking among the top five super funds<sup>1</sup></li> <li>✓ Moved to a new custodian, delivering ongoing savings</li> <li>✓ Enhanced governance structure with new internal investment committee</li> </ul>	<ul style="list-style-type: none"> <li>• Increase internal resources with a stronger operations focus</li> <li>• Complete investment risk system implementation</li> </ul>
<b>Maintain our low cost focus</b>	<ul style="list-style-type: none"> <li>✓ Consolidated corporate services</li> <li>✓ Reduced costs through new payroll and HR systems</li> <li>✓ Negotiated better outcomes with investment managers</li> </ul>	<ul style="list-style-type: none"> <li>• SuperStream contribution project</li> <li>• Continue to help employers move to the Clearing House</li> </ul>
<b>Help members make good retirement decisions</b>	<ul style="list-style-type: none"> <li>✓ Increased the number of members receiving a full retirement benefit projection statement</li> <li>✓ Made financial planning advice more widely available (22% increase in outbound advice calls)</li> <li>✓ Increased education of young members on the benefit of super</li> <li>✓ Introduced monthly online investment videos (around 3000 views each month)</li> <li>✓ Launched The New Daily</li> </ul>	<ul style="list-style-type: none"> <li>• Further broaden the availability of financial planning advice</li> <li>• Increase the number of outbound advice conversations with members</li> </ul>
<b>Deliver products and services that meet members' and employers' needs</b>	<ul style="list-style-type: none"> <li>✓ Developed Cbus Self Managed</li> <li>✓ Introduced a new default investment option for Super Income Stream members</li> <li>✓ Cbus Coordinators attended worksites to help with super issues (more than 5000 site visits)</li> <li>✓ Developed a Cbus app</li> <li>✓ Set up employer account managers and member experience team</li> </ul>	<ul style="list-style-type: none"> <li>• Expand Cbus Self Managed to include property investments and roll out to Super Income Stream members</li> <li>• Develop the digital strategy</li> <li>• Complement the web offering with other social media platforms</li> <li>• Introduce new systems to better manage and meet employer and members' needs</li> </ul>
<b>Grow the Fund</b>	<ul style="list-style-type: none"> <li>✓ 2.9% growth in membership</li> <li>✓ Attracted 37% more new members to the Super Income Stream</li> <li>✓ Improved the level of Funds Under Management retained within the Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Target white collar workers, set up employer conversations and boost the blue collar membership strategy</li> <li>• Set up a member/employer retention/acquisition think tank promoting innovation</li> <li>• Continue to grow the Super Income Stream</li> <li>• Negotiate new members' insurance for 2015 and beyond</li> </ul>
<b>Maintain and build our brand</b>	<ul style="list-style-type: none"> <li>✓ Refreshed the Cbus look and feel</li> <li>✓ Sponsored Cbus Super Stadium</li> <li>✓ Increased brand visibility on Foxtel, T20 cricket, digital, outdoor and TV</li> <li>✓ Increased Cbus brand affinity through marketing activities</li> <li>✓ Introduced Feedback ASAP (member satisfaction over 87%)</li> </ul>	<ul style="list-style-type: none"> <li>• Grow the brand through better use of the Cbus Super Stadium agreement</li> <li>• Optimise value of The New Daily</li> <li>• Coordinate data delivery and systems capability to comply with new APRA standards</li> </ul>
<b>Build on our sponsoring organisation relationships</b>	<ul style="list-style-type: none"> <li>✓ Planned the first annual members briefing, to be held in October 2014</li> <li>✓ Sponsored events that assist members with their superannuation</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing delivery of member health initiatives</li> <li>• Position Cbus as the leading fund for the wider building and construction industry, including allied 'trades'</li> </ul>

1. SuperRatings SR50 Balanced Survey

Superannuation  
Growth (Cbus MySuper)

↑ **13.9%**  
annual return  
for 2013/14

Total funds under management

↑ **\$27.2<sup>b</sup>**

Cbus Super Income Stream  
(Growth option)

↑ **15.4%**  
annual return  
for 2013/14

Total members

↑ **722,727**

Growth (Cbus MySuper) over 30 years

↑ **9.26%**  
average return per  
annum to 30 June 2014

**cbus**







# A message from your Chair and CEO

This year Cbus turned 30. We've celebrated where we've come from while keeping our eye on where we're going.

Thirty years on, our members are at work in towns and cities across Australia building our future. We know they work hard, and we want them to know we're working hard for them.

Thirty years on, we remain true to our founding values, maintaining our integrity and building the Fund to benefit our members – whether they've been with us for one year or 30 years.

All of us at Cbus share a commitment to operating a sustainable and growing fund. We've shown that we have a strong capacity to manage regulatory and legislative change and deliver durable results. Cbus has continued on from last year and reported against the Global Reporting Initiative's (GRI) 3.1 framework (p. 71).

Cbus strongly supports the Superannuation Guarantee increasing and the benefit it will have in securing a better retirement for our members. The Federal Government delaying the planned increase in compulsory contributions is disappointing. The super system needs a long-term commitment, not short-term change.

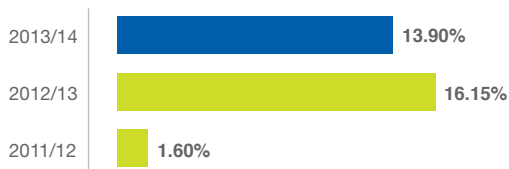
This year, two of our products – Growth (Cbus MySuper) and Cbus Growth Super Income Stream – rank in the top 25% of returns for super funds.<sup>1</sup>

A strong performance in any one year is welcomed but we're in it for the long term. Our focus is on long-term results and relationships, long-term sustainability and long-term opportunities.

## Strong long-term returns for superannuation members

An annual return of 13.9% for the Growth (Cbus MySuper) option was in the top 25% of returns for superannuation funds.<sup>1</sup>

### Superannuation Growth (Cbus MySuper)



## More funds under management

Total funds under management have grown to \$27.2 billion, an increase of more than 19.0% over the past year.

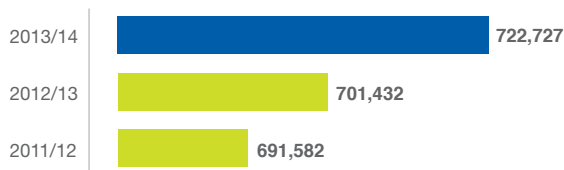
### Funds under management (\$ billion)



## Strength in numbers

Our membership has continued to grow, with more than 20,000 new members joining Cbus over the past year.

### Total members



We want to provide certainty, clarity and confidence to our members, employers and sponsoring organisations. This annual report shows how we consider environmental, social and governance issues in how we invest and how we operate.

Thirty years ago, we'd write to our members and they'd write back. Now, we can reach them in person on site or in the office, online and on the phone. Our new app will make connecting even easier.

Like any 30-year-old we keep learning, growing and maturing. Our members tell us what's working, and what needs to change, and guide the development of new products and services. This year we've introduced two new super options that respond to what members told us they wanted.

The Fund welcomed 39 new employees in 2013/14 enhancing our internal capability across all functional teams. The Cbus staff have again delivered an outstanding result to our members and employers and it has been great to work alongside this group of dedicated professionals around Australia.

In our 30th year we farewell long-standing directors, Peter Tighe, John Haskins AM and Scott McDine who have stepped down from the Board after making significant contributions. Alternate director Tim Ayres also retired.

Earl Setches, Anne Milner, Misha Zelinsky, Anne Donnellan and Ben Davis have been appointed as director and alternate director and we look forward to working with them.

In an increasingly competitive market we continue to grow. As Chair and CEO, and on behalf of all of us at Cbus, we thank you for being with us in the past and look forward to you sticking with us in the future.

This annual report details all that we've achieved over the past year.

David Atkin  
CEO

Hon. Steve Bracks AC  
Chair

# Major areas of activity

### Responding to members' needs

Cbus has continued to innovate in the products and services available to members. Cbus is authorised to offer a MySuper product that provides a straightforward low-cost membership – ideal for members who don't get actively involved with their superannuation. Cbus Self Managed responds to the desire of many members for greater investment choice and to be more hands on with how their super is invested. It will be available to eligible members from September 2014 and to Super Income Stream members next year.

In December 2013, Cbus added a new default option, Conservative Growth, for its pension product, the Cbus Super Income Stream, for members who prefer not to choose an investment option.

### Financial advice services continue to grow

The provision of financial advice services continues to be a focus for Cbus. The Fund has seen a very satisfying response to the service with an increase of 22% in member initiated calls from 2012/13 levels. Cbus initiated contacts exceeded the planned number by over 7,000, with the Cbus Advice Team making just over 30,000 outbound member calls this year.

Recent satisfaction research conducted by Cbus showed the members' rating of the national retirement planning seminar program at 91% (up from 89% in 2012/13) and 96% for the member experience with the Cbus Advice Team for advice over the phone and via online channels, up from 95% in 2012/13.

Cbus is also progressing an innovative financial planning advice service in conjunction with the Financial Planning Association (FPA). The service will make it easier for our members to access professional financial planning advice services through an enhanced geographical network of participating FPA practices.





## Providing greater clarity

Cbus has improved its crediting rate processes by moving from monthly to weekly declared crediting rates, providing better equity and transparency, without impacting the long-term interest of the Fund or its members. Since March 2014 the weekly rates have been published on the Cbus website every Monday (or the nearest business day in the instance of a public holiday).

## Building awareness

The Cbus brand has never been more visible than in 2013/14.

TV, venue and outdoor advertising brought Cbus into living rooms and main streets across Australia.

In January 2014 the Gold Coast Titans home ground was renamed Cbus Super Stadium. Our brand will become a familiar sight to the 5.3 million NRL fans who watch each televised match and the one million patrons who will visit the stadium over the next five years.

Reflecting Cbus' philosophy to reinvest member funds into the industry, sponsorship funds will assist with maintenance, upkeep and venue improvements.

Cbus hit a six with its sponsorship of the Big Bash Cricket League, the event providing more than double the anticipated media exposure.

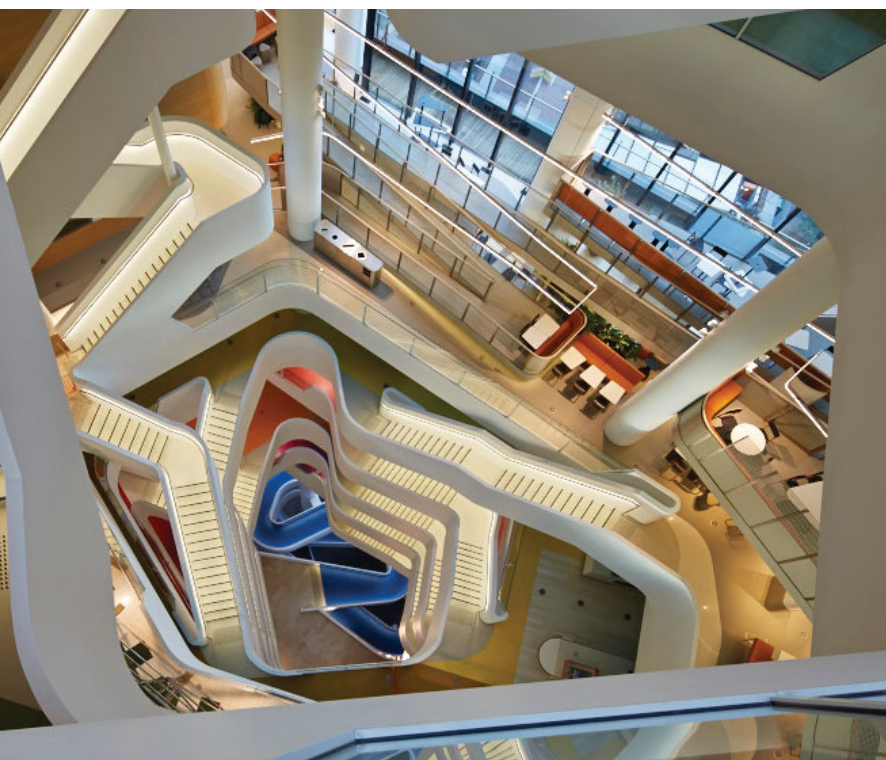
A highlight of the Cbus calendar remains the Mother's Day Classic. Cbus again sponsored this national event, and our staff, friends and family helped to raise more than double the amount of money raised last year.

## Increasing digital capacity

The way members and employers interact with their superannuation is changing. Our website is increasingly used by employers to register and by members to join the Fund, with the website attracting 40% more new visitors than last year. This trend will no doubt continue in the year ahead. Members are also increasingly rolling in their existing superannuation holdings to their Cbus accounts online.

This year Cbus commenced work on our first digital strategy. Member and employer input will help develop the roadmap that will guide our implementation of new services to meet member and employer needs, including our first smartphone app.

Enhancing our digital capacity is about making it easier for members and employers to do business with us.





Cbus actively supports and contributes to a sustainable and growing industry and we are committed to inclusion, transparency and accountability in the way we work.

**invest**





ment

This year Cbus Property, a wholly owned subsidiary of Cbus, established an office in Brisbane and completed significant commercial and residential projects in Sydney and Melbourne. Its core business reflects Cbus' commitment to investing in the industry which employs its members.



# Investment overview

The Growth (Cbus MySuper) investment option achieved another year of double-digit returns (13.9%). All asset classes contributed but the key drivers were Australian and international shares.

The broadening economic recovery led by the United States contributed to strong share market returns. While investor confidence improved, a key feature of the 2013/14 year was the continued 'search for income' from investments. With low interest rates on offer and some lingering concern about the medium-term outlook, investors favoured company shares paying regular dividends, property (with its rental income streams) and core infrastructure.

The low interest rate environment has also contributed to rising house prices, particularly in Sydney and Melbourne. The Reserve Bank of Australia has lowered the cash rate to 2.5% with the aim of boosting the non-mining part of the economy to help offset the slowing in mining and engineering construction as the boom fades.

The focus of the investment team is to provide suitable long-term returns for our members, after accounting for fees, taxes and the impact of inflation. This is reflected in the investment objectives for each Cbus investment option. While the investment options are designed with a high weighting to the long term, Cbus adjusts our allocations to different asset classes to take advantage of medium-term opportunities in investment markets. These arise through inefficiencies in global markets, which often over- and undershoot fundamentals.

Our major position is an underweight allocation to fixed interest reflecting low bond yields in Australia and overseas. The lower weighting to fixed interest has allowed higher exposures to some other asset classes, such as shares and cash. The overweight to cash is higher than would be typical, to maintain a sufficient level of defensive exposure (given the low fixed interest exposure).

The returns from the past two financial years have been very strong, however we expect to see lower returns over the longer term. Over the medium term, we expect moderate economic growth, controlled low inflation, and low official interest rates.

There are several risks to this scenario. One is China experiencing weaker than expected growth. China is Australia's major export market for iron ore and coal. Another risk is that the US recovery falters. Like China, the US is an important global growth engine, but the impact on our markets is different. The impact of the US economy tends to be more indirect through its impact on global trade and global financial markets, whereas the China impact tends to be more direct given that China is Australia's most significant export destination.

We continue to monitor and assess investment risks closely, and these assessments feed into our investment strategy.



## New custodian arrangements to support our business needs into the future

In 2013 Cbus reviewed its investment-custodian arrangements. A full tender and due diligence process led to a change in the custodian from National Asset Services (owned by National Australia Bank) to JP Morgan.

JP Morgan is well positioned to meet the Fund's needs over the long term, by providing:

- enhanced technology support and strong commitment to ongoing technology development
- increased capabilities included as part of its standard level of service, such as a global custody operation and daily unit prices
- greater efficiencies through its products, processes and technologies, such as web portal instruction processes, online vaulting (archiving of documentation, accessible online), and performance and risk analysis systems.

This will help Cbus optimise the investment framework, which seeks to maximise long-term investment returns for members, maintain a low-cost focus, deliver cost-effective products and services and help members make good retirement decisions.

## Maintaining our net-benefit focus

There has been an ongoing focus on identifying and implementing savings by the Cbus investment team. Net savings of more than \$10 million per year have been realised through negotiations with fund managers and changes to the custodian arrangements.

## Declared weekly crediting rates

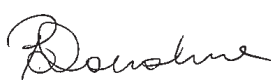
Cbus seeks to maintain a high standard in its processes for passing investment returns to members. In 2013, Deloitte reviewed the Fund's crediting rate process. This led to a move from monthly to weekly declared crediting rates. Since March 2014 the weekly rates have been published on our website every Monday (or the nearest business day in the instance of a public holiday). The change provides members with greater clarity about how Cbus applies crediting rates. Earnings continue to be applied to member accounts at the end of each financial year.

## Cbus Self Managed

Cbus has expanded the investment options to provide more choice for members who want greater control over managing their own investments through the introduction of Cbus Self Managed, available to eligible Cbus members from September 2014.

Under Cbus Self Managed, members with an account balance of at least \$40,000 will be able to invest directly in Australian shares, exchange-traded funds and term deposits. Members can invest in Cbus Self Managed through the Cbus website.

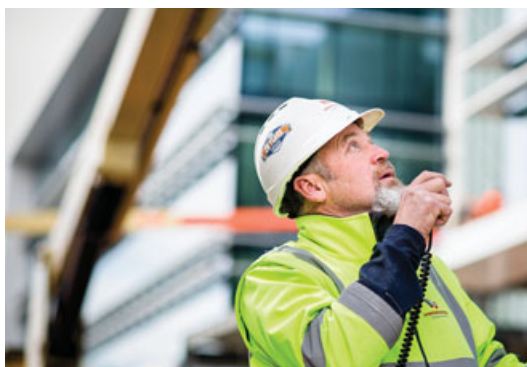
Cbus Self Managed will be available to Super Income Stream members in 2015, with Cbus working towards expanding the investments to include property and infrastructure.



Trish Donohue  
Executive Manager  
Investment Management



Kristian Fok  
Executive Manager  
Investment Strategy



# Investment approach

Members' money is invested in Cbus' investment options. In 2013/14 Cbus offered four investment options for superannuation and five investment options for income-stream members. In selecting an investment option, one of the major risks for members to consider is the risk of not having enough money in retirement, which partly reflects investment risk. Investment risk is often defined as the risk that an asset (or portfolio of assets) will fall in value. It is crucial to consider investment risk in the context of investment return. Investments with higher levels of risk are generally expected, over the medium to longer term, to have higher levels of return.

Cbus' options provide members with a range of investment outcomes, from a lower level of risk and return to a higher level of risk and return.

The superannuation default option is Growth (Cbus MySuper) and the Income Stream default is Conservative Growth. Members can choose one option or a mix.

## Investment objectives

Cbus has an absolute return focus, meaning that our focus is on meeting the investment risk and return objectives for each investment option without being constrained by what our peers are doing.

The investment objective for each investment option incorporates:

- a return target – a targeted return above the rate of inflation over a 10-year period
- a risk component – this indicates the expected number of years with a negative return over a 20-year period.

We target a return above inflation to reduce the risk of members' savings being eroded by inflation.

## Investment philosophy

Cbus' investment philosophy is our approach to achieving the investment objectives. It influences how we develop, implement and review the appropriate investment allocation for each investment option.

Several investment beliefs inform our philosophy, including:

- that taking risk over the medium to longer term will lead to returns that outperform inflation
- that asset allocation is a significant driver of performance
- that making dynamic modifications to our asset allocation over the medium term through investment cycles will further improve overall performance.

We also believe that active involvement in environmental, social and governance issues will improve long-term returns.

Risk management is key to our performance. It is vital that key investment risks are appropriately managed through a regularly monitored and reviewed, robust risk-management framework. Diversification of investments is an important component of this framework.

Cbus' investment beliefs and guiding principles are detailed in the investment governance framework policy located on the Cbus website.





## Applying investment earnings

Cbus applies earnings to member accounts at 30 June each year. Although earnings are applied to member accounts yearly, they are calculated from the day contributions are received.

The crediting rates for the investment options are reviewed on a weekly basis. If members switch investment options, roll money out of the Fund or receive a benefit payment during the year, a year-to-date crediting rate is used. This represents the accumulation of monthly crediting rates along with an interim rate for the period between monthly crediting rates.

The rates for the investment options may vary during the year and may be negative for some months. For more information on the investment strategy, asset classes and on how crediting rates are applied, visit [www.cbussuper.com.au/investments](http://www.cbussuper.com.au/investments)

## Investment strategy

Cbus invests across a broad range of asset types, such as cash, fixed interest, property, infrastructure and shares. Each has a different level of return and risk. Shares, property and some alternative investments have the potential for high returns but have a higher risk of a loss in the short term. Cash and fixed-interest investments generally have lower, but more stable returns.

These asset classes are the building blocks of Cbus' investment options. The amount allocated to each asset class largely determines the overall risk and return outcome for each option. The risk and return objectives also consider the positive impact of diversification. By investing across a range of asset types, the overall risk of loss is reduced. This is because not all asset types perform in the same way at the same time: when one investment is performing poorly, another may be performing well.

All options are broadly diversified across asset types, with the exception of the Cash Savings option, which is invested 100% in the cash asset class.

Cbus' asset-allocation framework incorporates two different aspects to strategy:

- The Long Term Strategic Asset Allocation (LTSAA), which can be thought of as the asset allocation that we believe is appropriate over the very long term (more than 20 years), without taking into account what we think will happen in investment markets over the medium term (within the next five years).
- The Target Portfolio is the portfolio that the option targets. It has an asset allocation that reflects our view of how investment markets may perform over the medium term. From 1 July 2014, the Target Portfolio will be reviewed at least quarterly for all investment options.

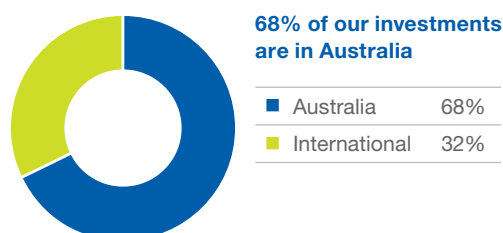
Both the LTSAA and the Target Portfolio asset allocations are set within a strategic range.

During the past year Cbus slightly increased its Target Portfolio weighting to Australian and international shares and reduced its exposure to property and infrastructure investments. Cbus has maintained a low exposure to fixed interest products in the current low interest rate environment.

## Enhancing our team and processes

This financial year we have appointed a further three people to the investment team, to enhance our investment operation activities. We also introduced the Barra One system as a means of enhancing our risk management processes. The introduction of an Internal Investment Committee enables a more formal method for developing and testing new investment ideas for presentation to the Investment Committee.

## Asset allocation



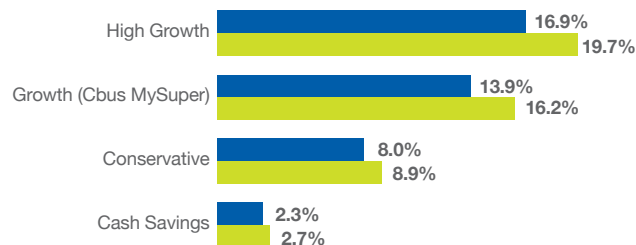
## Fund geographical allocation

	2014	2013	2012	2011
Australia	68%	69%	68%	68%
International	32%	31%	32%	32%

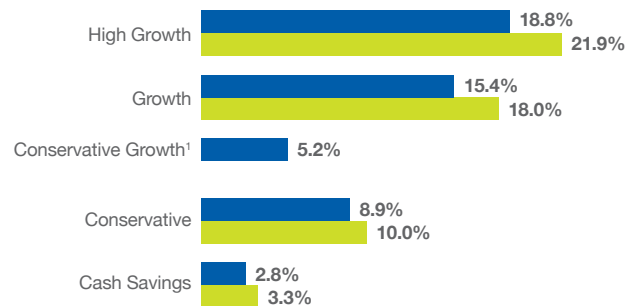
# Investment performance

## Cbus investment option returns

### Superannuation



### Super Income Stream



■ 2013/14  
■ 2012/13

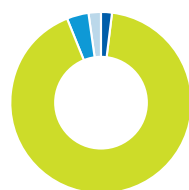
1. Conservative Growth return is for 7 months, option commenced 1 December 2013.

## Changes to target portfolio allocations by investment option

	Growth (Cbus MySuper) and Growth (Super Income Stream)				Conservative				High Growth			
Asset allocation	Range (%)	LTSAA* (%)	Target portfolio (%)		Range (%)	LTSAA (%)	Target portfolio (%)		Range (%)	LTSAA (%)	Target portfolio (%)	
	From 1/07/13	From 1/07/13	13/3/14 to 2/07/14	From 3/07/14	From 1/07/13	From 1/07/13	1/7/13 to 2/07/14	From 3/07/14	From 1/07/13	From 1/07/13	1/7/13 to 2/07/14	From 3/07/14
Australian shares	13.0–43.0	28.0	29.5	29.5	2.5–22.5	12.5	12.5	13.0	25.0–55.0	43.0	42.0	45.0
International shares	3.5–33.5	18.5	20.0	20.0	0–17.5	7.5	8.5	8.0	10.0–40.0	27.0	28.0	29.0
Private equity	} 0–20.0	6.0	6.0	6.0	} 0–5.0	–	–	–	} 4.0–24.0	8.5	8.0	8.0
Opportunistic growth		4.0	3.0	3.0		–	–	–		5.5	4.0	4.0
Infrastructure	0–20.0	10.0	11.0	10.0	0–10.0	5.0	6.0	5.0	0–14.0	7.0	8.0	6.0
Property	2.5–22.5	12.5	13.0	12.5	2.0–12.0	7.0	8.0	7.0	0–18.0	9.0	10.0	8.0
Credit	0–15.0	5.0	7.5	6.5	0–9.0	4.0	6.0	5.0	0–10.0	–	–	–
Fixed interest	1.0–25.0	13.0	3.0	3.0	14.0–74.0	44.0	22.0	22.0	–	–	–	–
Cash	0–20.0	3.0	7.0	9.5	0–50.0	20.0	37.0	40.0	–	–	–	–

\* Long Term Strategic Asset Allocation.

## Money invested



### Cbus Super

	\$m	%
■ Cash Savings	420.2	1.6
■ Conservative	611.8	2.4
■ Growth (Cbus MySuper)	23,822.3	92.0
■ High Growth	1,036.2	4.0
	<b>25,890.5</b>	

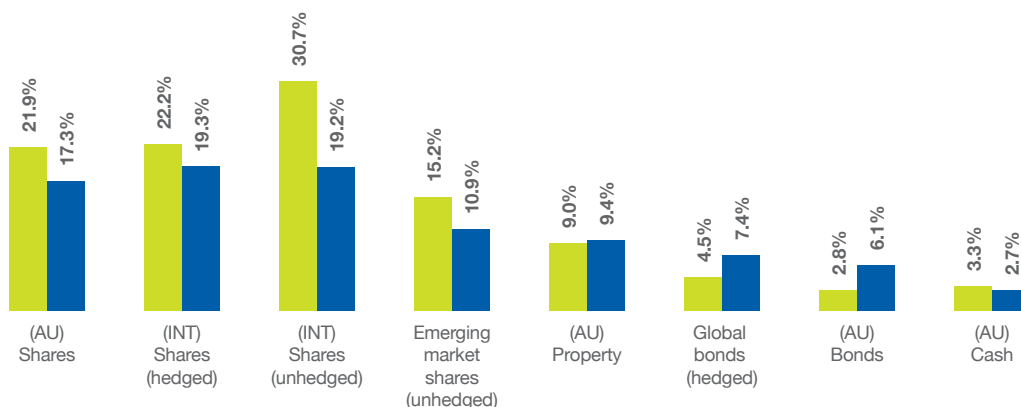
Note: Figures may not sum precisely due to rounding.



### Cbus Super Income Stream

	\$m	%
■ Cash Savings	67.5	7.1
■ Conservative	344.6	36.0
■ Conservative Growth	84.1	8.8
■ Growth	424.9	44.4
■ High Growth	36.2	3.8
	<b>957.5</b>	

## Asset class market returns



■ 2013/14  
■ 2012/13

(AU) Australian  
(INT) International

Australian shares – S&P ASX 300 Accumulation Index  
International shares (hedged) – MSCI AC World ex Aust net AUD (hedged)  
International shares (unhedged) – MSCI AC World ex Aust net dividends in AUD  
Emerging market shares (unhedged) – MSCI Emerging Markets net dividends in AUD  
Australian property – Mercer/IPD Australian Property Pooled Fund  
Global bonds (hedged) – Citi World Government Bond Index (hedged, AUD)  
Australian bonds – UBSA Composite Bond Index  
Australian cash – UBSA Bank Bill Index

Note: The market returns represented above are not Cbus asset class returns. They are returns for each market as measured by standard market indices.

Conservative Growth (Super Income Stream only)						
Asset allocation	Range (%)	LTSAA* (%)	Target portfolio (%)			
	From 2/12/2013	From 2/12/2013	2/12/13 to 11/12/2013	12/12/13 to 12/03/2014	13/3/14 to 2/07/2014	From 3/07/2014
Australian shares	5.0–35.0	20.0	20.0	20.0	20.5	20.5
International shares	0–28.0	13.0	14.0	14.0	14.0	14.0
Private equity	0–10.0	1.5	1.5	1.5	1.5	1.5
Opportunistic growth		0.5	0.5	0.5	0.5	0.5
Infrastructure	0–19.0	9.0	10.0	10.0	9.5	9.0
Property	1.5–21.5	11.5	12.5	12.5	12.0	11.5
Credit	0–15.0	4.5	6.5	6.5	6.5	5.5
Fixed interest	0–58.5	28.5	9.5	11.5	11.5	11.5
Cash	0–41.5	11.5	25.5	23.5	24.0	26.0

\* Long Term Strategic Asset Allocation.

## Introducing a default option for Super Income Stream members

In 2012/13, Cbus considered establishing a default investment option for Cbus Super Income Stream members who were retired or transitioning to retirement. A significant proportion of these members did not seek advice when selecting their investment options and research conducted in 2013 showed that many members wanted us to offer a default option for the Super Income Stream.

After reviewing Super Income Stream members' needs, we determined that the default option for members in retirement should aim to:

- achieve a solid absolute return to help members have sufficient income during their retirement
- have an increased focus on reducing short-term market volatility (particularly downside risk), given that these members are drawing down on their savings and generally have a reduced risk tolerance.

Detailed portfolio analysis and modelling tested a range of alternatives against the stated aims and Conservative Growth was shown to be the preferred default option. Its risk and return objective is positioned between the Conservative and the Growth options, reflecting the need for a more defensive option than the Growth option, while still maintaining enough growth to provide for a comfortable retirement. It is a well-diversified holding investment in shares, bonds, property, infrastructure and cash.

The Conservative Growth option was introduced in December 2013 for new and existing Super Income Stream members. At 30 June 2014 more than \$84 million was invested in it.



Cash Savings											
Investment option description											
Risk profiles	 <b>Very low risk, very low growth</b>										
Description	For members who want a cash-like return.										
Objective											
To deliver an after-tax and investment fees return, over 10-year rolling periods of at least: <sup>1</sup>	Inflation plus 1.00% p.a.										
To limit the likelihood of negative annual returns to:	Negligible in 20 years										
Actual performance <sup>2</sup>											
Average return over 10 years ending 30 June 2014	n/a										
Actual negative annual crediting rates since inception	0 in 5 years										
Since inception returns <sup>3</sup>	3.22% p.a. inception at 1/4/09 (5 years and 3 months)										
Annual returns over the past 5 years	<table> <tr> <td>2013/14</td><td>2.3</td></tr> <tr> <td>2012/13</td><td>2.7</td></tr> <tr> <td>2011/12</td><td>3.9</td></tr> <tr> <td>2010/11</td><td>4.2</td></tr> <tr> <td>2009/10</td><td>3.2</td></tr> </table>	2013/14	2.3	2012/13	2.7	2011/12	3.9	2010/11	4.2	2009/10	3.2
2013/14	2.3										
2012/13	2.7										
2011/12	3.9										
2010/11	4.2										
2009/10	3.2										
Asset allocation											
Asset allocation as at 30 June	<div> <div>2013</div>  <div>Actual allocation at 30/6/2013</div> </div> <div> <div>2014</div>  <div>Actual allocation at 30/6/2014</div> </div> <div>Strategic range at 30/6/2014</div>										
■ Australian shares	— — —										
■ International shares	— — —										
■ Private equity	— — —										
■ Opportunistic growth	— — —										
■ Infrastructure	— — —										
■ Property	— — —										
■ Credit <sup>4</sup>	— — —										
■ Fixed interest	— — —										
■ Cash	100.0% 100.0% n/a										

**Notes:**

1. Expected to be achieved over 10-year rolling periods at least 75% of the time.

2. Crediting rate, % (p.a.) after investment taxes and fees and Trustee operating cost. The inflation rate was 2.73% on average each year over 10 years.

3. The Cash Savings option return for 2009 is not shown as it was not a full year. Cash Savings was introduced on 01/04/09.

4. Credit was a new asset class, from 1 July 2012.

# Superannuation options

Conservative			Growth (Cbus MySuper)			High Growth																																																																																									
 <b>Low risk, low growth</b>			 <b>Medium to high risk, medium to high growth</b>			 <b>High risk, high growth</b>																																																																																									
This option limits the risk of market fluctuations. For members who are prepared to sacrifice high returns over the long term in exchange for lower risk in the short term.			Well-diversified investments with the potential for real growth against the risk of market fluctuations. For members who would like the value of their investments to stay well ahead of inflation and produce medium growth over the long term with medium risk.			The long-term high-growth option for those members able to take a longer-term view of their superannuation savings and who are willing to accept higher risk and more volatile returns.																																																																																									
Inflation plus 2.00% p.a.			Inflation plus 3.50% p.a.			Inflation plus 4.00% p.a.																																																																																									
1 in 20 years			3 in 20 years			4 in 20 years																																																																																									
6.49% (Inflation plus 3.70% p.a.)			7.56% (Inflation plus 4.77% p.a.)			7.37% (Inflation plus 4.58% p.a.)																																																																																									
1 in 14 years			3 in 30 years			5 in 16 years																																																																																									
6.27% p.a. inception at 1/10/99 (14 years and 9 months)			9.26% p.a. inception at 1/07/84 (30 years)			6.85% p.a. inception at 1/01/98 (16 years and 6 months)																																																																																									
<table><tr><td>2013/14</td><td></td><td>8.0</td></tr><tr><td>2012/13</td><td></td><td>8.9</td></tr><tr><td>2011/12</td><td></td><td>5.2</td></tr><tr><td>2010/11</td><td></td><td>6.4</td></tr><tr><td>2009/10</td><td></td><td>7.7</td></tr></table>			2013/14		8.0	2012/13		8.9	2011/12		5.2	2010/11		6.4	2009/10		7.7	<table><tr><td>2013/14</td><td></td><td>13.9</td></tr><tr><td>2012/13</td><td></td><td>16.2</td></tr><tr><td>2011/12</td><td></td><td>1.6</td></tr><tr><td>2010/11</td><td></td><td>8.7</td></tr><tr><td>2009/10</td><td></td><td>9.0</td></tr></table>			2013/14		13.9	2012/13		16.2	2011/12		1.6	2010/11		8.7	2009/10		9.0	<table><tr><td>2013/14</td><td></td><td>16.9</td></tr><tr><td>2012/13</td><td></td><td>19.7</td></tr><tr><td>2011/12</td><td></td><td>-1.3</td></tr><tr><td>2010/11</td><td></td><td>9.4</td></tr><tr><td>2009/10</td><td></td><td>11.0</td></tr></table>			2013/14		16.9	2012/13		19.7	2011/12		-1.3	2010/11		9.4	2009/10		11.0																																										
2013/14		8.0																																																																																													
2012/13		8.9																																																																																													
2011/12		5.2																																																																																													
2010/11		6.4																																																																																													
2009/10		7.7																																																																																													
2013/14		13.9																																																																																													
2012/13		16.2																																																																																													
2011/12		1.6																																																																																													
2010/11		8.7																																																																																													
2009/10		9.0																																																																																													
2013/14		16.9																																																																																													
2012/13		19.7																																																																																													
2011/12		-1.3																																																																																													
2010/11		9.4																																																																																													
2009/10		11.0																																																																																													
<div><div> 2013</div><div> 2014</div></div> <table><tr><th>Actual allocation at 30/6/2013</th><th>Actual allocation at 30/6/2014</th><th>Strategic range at 30/6/2014</th></tr><tr><td>13.5%</td><td>12.5%</td><td>2.5–22.5%</td></tr><tr><td>7.5%</td><td>8.5%</td><td>0–17.5%</td></tr><tr><td>0.0%</td><td>0.0%</td><td rowspan="2">} 0–5.0%</td></tr><tr><td>0.0%</td><td>0.0%</td></tr><tr><td>5.0%</td><td>6.0%</td><td>0–10.0%</td></tr><tr><td>7.0%</td><td>8.0%</td><td>2.0–12.0%</td></tr><tr><td>5.0%</td><td>6.0%</td><td>0–9.0%</td></tr><tr><td>22.0%</td><td>22.0%</td><td>14.0–74.0%</td></tr><tr><td>40.0%</td><td>37.0%</td><td>0–50.0%</td></tr></table>			Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	13.5%	12.5%	2.5–22.5%	7.5%	8.5%	0–17.5%	0.0%	0.0%	} 0–5.0%	0.0%	0.0%	5.0%	6.0%	0–10.0%	7.0%	8.0%	2.0–12.0%	5.0%	6.0%	0–9.0%	22.0%	22.0%	14.0–74.0%	40.0%	37.0%	0–50.0%	<div><div> 2013</div><div> 2014</div></div> <table><tr><th>Actual allocation at 30/6/2013</th><th>Actual allocation at 30/6/2014</th><th>Strategic range at 30/6/2014</th></tr><tr><td>30.5%</td><td>29.8%</td><td>13.0–43.0%</td></tr><tr><td>20.5%</td><td>21.0%</td><td>3.5–33.5%</td></tr><tr><td>7.7%</td><td>7.0%</td><td rowspan="2">} 0–20.0%</td></tr><tr><td>1.5%</td><td>1.6%</td></tr><tr><td>11.8%</td><td>10.1%</td><td>0–20.0%</td></tr><tr><td>14.0%</td><td>12.6%</td><td>2.5–22.5%</td></tr><tr><td>4.6%</td><td>5.1%</td><td>0–15.0%</td></tr><tr><td>1.8%</td><td>2.8%</td><td>1.0–25.0%</td></tr><tr><td>7.6%</td><td>10.0%</td><td>0–20.0%</td></tr></table>			Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	30.5%	29.8%	13.0–43.0%	20.5%	21.0%	3.5–33.5%	7.7%	7.0%	} 0–20.0%	1.5%	1.6%	11.8%	10.1%	0–20.0%	14.0%	12.6%	2.5–22.5%	4.6%	5.1%	0–15.0%	1.8%	2.8%	1.0–25.0%	7.6%	10.0%	0–20.0%	<div><div> 2013</div><div> 2014</div></div> <table><tr><th>Actual allocation at 30/6/2013</th><th>Actual allocation at 30/6/2014</th><th>Strategic range at 30/6/2014</th></tr><tr><td>44.0%</td><td>42.0%</td><td>25.0–55.0%</td></tr><tr><td>27.0%</td><td>28.0%</td><td>10.0–40.0%</td></tr><tr><td>8.4%</td><td>9.8%</td><td rowspan="2">} 4.0–24.0%</td></tr><tr><td>1.6%</td><td>2.2%</td></tr><tr><td>7.0%</td><td>8.0%</td><td>0–14.0%</td></tr><tr><td>9.0%</td><td>10.0%</td><td>0–18.0%</td></tr><tr><td>3.0%</td><td>–</td><td>0–10.0%</td></tr><tr><td>–</td><td>–</td><td>–</td></tr><tr><td>–</td><td>–</td><td>–</td></tr></table>			Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	44.0%	42.0%	25.0–55.0%	27.0%	28.0%	10.0–40.0%	8.4%	9.8%	} 4.0–24.0%	1.6%	2.2%	7.0%	8.0%	0–14.0%	9.0%	10.0%	0–18.0%	3.0%	–	0–10.0%	–	–	–	–	–	–
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014																																																																																													
13.5%	12.5%	2.5–22.5%																																																																																													
7.5%	8.5%	0–17.5%																																																																																													
0.0%	0.0%	} 0–5.0%																																																																																													
0.0%	0.0%																																																																																														
5.0%	6.0%	0–10.0%																																																																																													
7.0%	8.0%	2.0–12.0%																																																																																													
5.0%	6.0%	0–9.0%																																																																																													
22.0%	22.0%	14.0–74.0%																																																																																													
40.0%	37.0%	0–50.0%																																																																																													
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014																																																																																													
30.5%	29.8%	13.0–43.0%																																																																																													
20.5%	21.0%	3.5–33.5%																																																																																													
7.7%	7.0%	} 0–20.0%																																																																																													
1.5%	1.6%																																																																																														
11.8%	10.1%	0–20.0%																																																																																													
14.0%	12.6%	2.5–22.5%																																																																																													
4.6%	5.1%	0–15.0%																																																																																													
1.8%	2.8%	1.0–25.0%																																																																																													
7.6%	10.0%	0–20.0%																																																																																													
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014																																																																																													
44.0%	42.0%	25.0–55.0%																																																																																													
27.0%	28.0%	10.0–40.0%																																																																																													
8.4%	9.8%	} 4.0–24.0%																																																																																													
1.6%	2.2%																																																																																														
7.0%	8.0%	0–14.0%																																																																																													
9.0%	10.0%	0–18.0%																																																																																													
3.0%	–	0–10.0%																																																																																													
–	–	–																																																																																													
–	–	–																																																																																													

Investment warning:  
investment returns can go up and down. Past performance is not necessarily indicative of future performance.
















1 Overview

2 Investment

3 Governance

4 About us

5 Financials

	Cash Savings	Conservative																				
Investment option description																						
Risk profiles	 Very low risk, very low growth	 Low risk, low growth																				
Description	For members who want a cash-like return (net of tax and fees).	This option limits the risk of market fluctuations. For members who are prepared to sacrifice high returns over the long term in exchange for lower risk in the short term.																				
Objective																						
To deliver an after-tax and investment fees return, over 10-year rolling periods of at least: <sup>1</sup>	Inflation plus 1.50% p.a.	Inflation plus 2.50% p.a.																				
To limit the likelihood of negative annual returns to:	Negligible in 20 years	1 in 20 years																				
Actual performance <sup>2</sup>																						
Actual negative annual crediting rates since inception	0 in 5 years	0 in 5 years																				
Since inception returns	3.86% p.a. inception at 1/7/09 (5 years )	8.09% p.a. inception at 1/7/09 (5 years)																				
Annual returns over the past 5 years	<table><tr><td>2013/14</td><td> 2.8</td></tr><tr><td>2012/13</td><td> 3.2</td></tr><tr><td>2011/12</td><td> 4.6</td></tr><tr><td>2010/11</td><td> 4.9</td></tr><tr><td>2009/10</td><td> 3.8</td></tr></table>	2013/14	 2.8	2012/13	 3.2	2011/12	 4.6	2010/11	 4.9	2009/10	 3.8	<table><tr><td>2013/14</td><td> 8.9</td></tr><tr><td>2012/13</td><td> 10.0</td></tr><tr><td>2011/12</td><td> 5.8</td></tr><tr><td>2010/11</td><td> 7.1</td></tr><tr><td>2009/10</td><td> 8.7</td></tr></table>	2013/14	 8.9	2012/13	 10.0	2011/12	 5.8	2010/11	 7.1	2009/10	 8.7
2013/14	 2.8																					
2012/13	 3.2																					
2011/12	 4.6																					
2010/11	 4.9																					
2009/10	 3.8																					
2013/14	 8.9																					
2012/13	 10.0																					
2011/12	 5.8																					
2010/11	 7.1																					
2009/10	 8.7																					
Asset allocation																						
Asset allocation as at 30 June	<table><tr><td></td><td></td><td></td></tr><tr><td>Actual allocation at 30/6/2013</td><td>Actual allocation at 30/6/2014</td><td>Strategic range at 30/6/2014</td></tr></table>				Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	<table><tr><td></td><td></td><td></td></tr><tr><td>Actual allocation at 30/6/2013</td><td>Actual allocation at 30/6/2014</td><td>Strategic range at 30/6/2014</td></tr></table>				Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014								
																						
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014																				
																						
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014																				
 Australian shares	–	–	–	13.5%	12.5%	2.5–22.5%																
 International shares	–	–	–	7.5%	8.5%	0–17.5%																
 Private equity	–	–	–	0.0%	0.0%	} 0–5.0%																
 Opportunistic growth	–	–	–	0.0%	0.0%																	
 Infrastructure	–	–	–	5.0%	6.0%	0–10.0%																
 Property	–	–	–	7.0%	8.0%	2.0–12.0%																
 Credit	–	–	–	5.0%	6.0%	0–9.0%																
 Fixed interest	–	–	–	22.0%	22.0%	14.0–74.0%																
 Cash	100%	100%	n/a	40.0%	37.0%	0–50.0%																

Notes:

1. Expected to be achieved over 10-year rolling periods at least 75% of the time.

2. Based on the crediting rate, % (p.a.) which is the return minus investment costs; the Trustee Operating Cost and reserves.

Excludes administration fees. These options commenced on 1 July 2009.



# Super Income Stream options

Conservative Growth (default option)			Growth			High Growth		
 <b>Medium risk, medium growth</b>			 <b>Medium to high risk, medium to high growth</b>			 <b>High risk, high growth</b>		
This option is well diversified as it is comprised of a wide range of investments. It is designed for members who would like to see the value of their investments increase moderately faster than inflation over the medium to long term, while providing a medium risk of negative returns.			Well-diversified investments with the potential for real growth against the risk of market fluctuations. For members who would like the value of their investments to stay well ahead of inflation and produce medium-to-high growth over the long term with medium-to-high risk.			The long-term high-growth option for those members able to take a longer-term view of their superannuation savings and who are willing to accept higher risk and more volatile returns.		
Inflation plus 3.25% p.a.			Inflation plus 3.75%			Inflation plus 4.00% p.a.		
2 in every 20 years			3 in 20 years			4 in 20 years		
n/a			0 in 5 years			1 in 5 years		
5.17% p.a. inception at 1/12/13 (7 months)			10.81% p.a. inception at 1/7/09 (5 years)			12.11% p.a. inception at 1/7/09 (5 years)		
2013/14  5.2 2012/13   2011/12   2010/11   2009/10			2013/14  15.4 2012/13  18.0 2011/12  1.8 2010/11  9.5 2009/10  10.1			2013/14  18.8 2012/13  21.9 2011/12  -1.3 2010/11  10.3 2009/10  12.3		
This option commenced from December 2013 			 			 		
Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014	Actual allocation at 30/6/2013	Actual allocation at 30/6/2014	Strategic range at 30/6/2014
–	20.5%	5.0–35.0%	30.5%	29.8%	13.0–43.0%	44.0%	42.0%	25.0–55.0%
–	14.0%	0–28.0%	20.5%	21.0%	3.5–33.5%	27.0%	28.0%	10.0–40.0%
–	1.6%	} 0–10.0%	7.7%	7.0%	} 0–20.0%	8.4%	9.8%	} 4.0–24.0%
–	0.4%		1.5%	1.6%		1.6%	2.2%	
–	9.5%	0–19.0%	11.8%	10.1%	0–20.0%	7.0%	8.0%	0–14.0%
–	12.0%	1.5–21.5%	14.0%	12.6%	2.5–22.5%	9.0%	10.0%	0–18.0%
–	6.5%	0–15.0%	4.6%	5.1%	0–15.0%	3.0%	–	0–10.0%
–	11.5%	0–58.5%	1.8%	2.8%	1.0–25.0%	–	–	–
–	24.0%	0–41.5%	7.6%	10.0%	0–20.0%	–	–	–

Investment warning:  
investment returns can go up and down. Past performance is not necessarily indicative of future performance.

1 Overview

2 Investment

3 Governance

4 About us

5 Financials

# Top holdings

## Top 10 investments

Rank	Top 10 investments – total fund	Asset type	At 30 June 2014 (%)	At 30 June 2013 (%)
1	BHP Billiton Limited	Australian shares	1.9	2.0
2	Westpac Banking Corporation	Australian shares	1.8	1.8
3	Commonwealth Bank of Australia	Australian shares	1.8	1.8
4	Australia and New Zealand Banking Group	Australian shares	1.7	1.6
5	NSW Ports	Infrastructure	1.4	1.6
6	National Australia Bank	Australian shares	1.3	1.3
7	CBW 181 William Street, 550 Bourke Street, Melbourne, Vic	Property	1.2	1.2
8	Melbourne Airport and Launceston Airport	Infrastructure	1.1	1.1
9	Telstra Corporation	Australian shares	1.0	1.3
10	700 Bourke Street, Melbourne, Vic	Property	0.9	0.8
Total holdings as % of total fund			14.1	14.5

## Top 10 infrastructure holdings

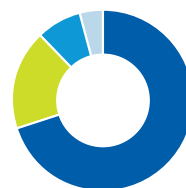
Rank	Top 10 infrastructure investments	Type of infrastructure	Country	Manager	At 30 June 2014 (%)	At 30 June 2013 (%)
1	NSW Ports	Ports and rail	Australia	Industry Funds Management	14.8	14.6
2	Melbourne Airport and Launceston Airport	Airport	Australia	Hastings Funds Management, Industry Funds Management	11.3	10.0
3	Pacific Hydro	Alternative energy	Australia	Industry Funds Management	8.8	11.5
4	Perth Airport	Airport	Australia	Hastings Funds Management, Industry Funds Management	8.5	9.0
6	Port of Brisbane	Ports and rail	Australia	Industry Funds Management	7.7	4.8
5	Manchester Airports Group	Airport	UK	Industry Funds Management	7.7	7.0
7	Brisbane Airport	Airport	Australia	Industry Funds Management	4.5	4.4
8	Anglian Water	Water	UK	Industry Funds Management	3.2	3.4
9	Northern Territory Airports	Airport	Australia	Industry Funds Management	2.6	2.5
10	Arquiva Limited	Telecommunications	UK	Industry Funds Management	2.4	2.2
Total as % of total infrastructure					71.5	69.5

## Types of infrastructure



Infrastructure by type	Assets %
Energy	25.4
Airports	35.7
Water	4.8
Roads	3.7
Ports	23.0
Social infrastructure	5.1
Telecommunications	2.4

## Infrastructure by region



Infrastructure by region	Assets %
Australia	69.8
UK	17.4
US	8.4
Europe (ex UK)	4.3

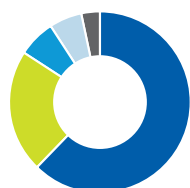
Note: Figures may not sum precisely due to rounding.

## Top 10 property investments

Rank	Top 10 property investments*	Manager	At 30 June 2014 (%)	At 30 June 2013 (%)
1	CBW 181 William Street, 550 Bourke Street, Melbourne, Vic	Cbus Property	10.2	8.9
2	700 Bourke Street, Docklands, Vic	Cbus Property	7.4	6.1
3	140 William Street, Perth, WA	Cbus Property	5.9	5.5
4	1 Bligh Street, Sydney, NSW	Cbus Property	5.0	4.9
5	720 Bourke Street, Melbourne, Vic	Cbus Property	4.7	4.2
6	Estate One, 81-125 Princes Highway, Dandenong, Vic	Cbus Property	4.1	3.8
7	Garden City, Booragoon, WA	AMP	3.4	3.6
8	171 Collins Street, Melbourne, Vic	Cbus Property	2.6	3.8
9	5 Martin Place, Sydney, NSW	Cbus Property	2.6	2.1
10	35 Spring Street, Melbourne, Vic	Cbus Property	2.0	1.7
Total as % of property			47.9	44.6

\* Based on net equity. Apart from valuation changes, percentage changes from the previous year may differ due to restructuring of debt across portfolio holdings.

## Types of property Cbus invests in



Types	2014
Commercial Office	62%
Retail	22%
Industrial	7%
Residential	6%
Other*	3%

\* Includes holdings in cash, overseas property, hospitality and mixed use.

## Where Cbus invests in property



Locations	2014
Vic	44%
NSW	27%
WA	13%
Qld	10%
ACT	2%
SA	2%
Overseas	1%

## Property status



Development* vs existing	2014
Development	23%
Existing	77%

\* Development includes property undergoing major development, redevelopment or expansion.

Note: Figures may not sum precisely due to rounding.



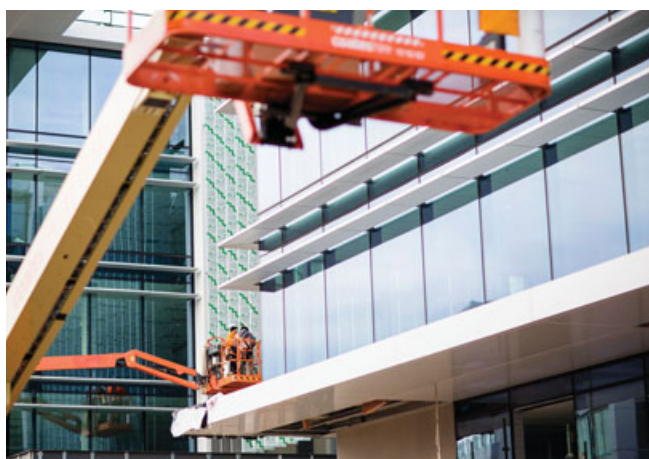
## Top 20 Australian shareholdings

Rank	Top 20 Australian shareholdings	At 30 June 2014		At 30 June 2013	
		% of Australian shares asset class	% of the Growth (Cbus MySuper) option	% of Australian shares asset class	% of the Growth (Cbus MySuper) option
1	BHP Billiton Limited	6.7	2.0	6.7	2.0
2	Westpac Banking Corporation	6.2	1.8	5.9	1.8
3	Commonwealth Bank of Australia	6.1	1.8	6.1	1.8
4	Australia and New Zealand Banking Group	5.7	1.7	5.3	1.6
5	National Australia Bank	4.6	1.4	4.4	1.4
6	Telstra Corporation Ltd	3.4	1.0	4.3	1.3
7	Brambles Limited	2.0	0.6	1.9	0.6
8	Wesfarmers Limited	1.9	0.6	2.3	0.7
9	Woolworths Limited	1.8	0.5	2.0	0.6
10	Suncorp Group Limited	1.6	0.5	0.9	0.3
11	Macquarie Group Ltd	1.5	0.4	1.6	0.5
12	Rio Tinto Ltd	1.4	0.4	1.7	0.5
13	Henderson Group PLC	1.3	0.4	0.7	0.2
14	CSL Limited	1.3	0.4	1.2	0.4
15	Rea Group Ltd	1.3	0.4	1.1	0.3
16	Woodside Petroleum Limited	1.3	0.4	0.9	0.3
17	Insurance Australia Group Ltd	1.2	0.3	1.3	0.4
18	Seek Limited	1.2	0.3	1.0	0.3
19	Oil Search Limited	1.2	0.3	0.6	0.2
20	Resmed Inc	1.0	0.3	0.9	0.3
Total as % of Australian shares		52.4	15.6	50.9	15.5

Note: Figures may not sum precisely due to rounding.

## Substantial shareholdings (>5%) in any listed company

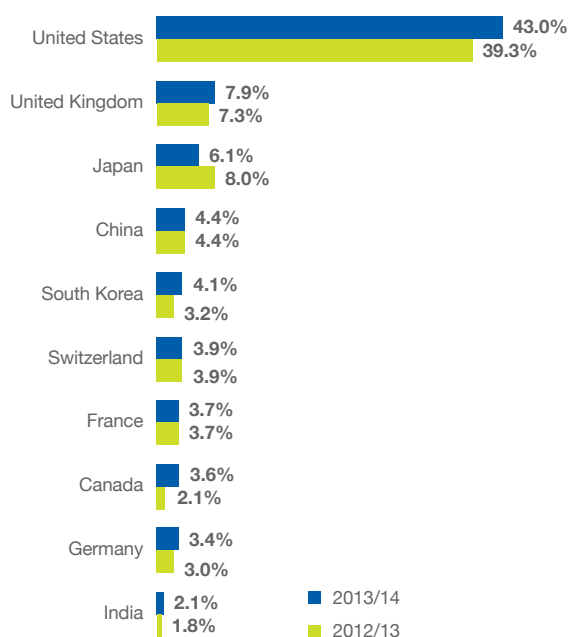
Country	Company	% of company shareholding
Australia	Acrux Ltd	5.09



## Top 20 international shares

Rank	Top 20 international shares	At 30 June 2014		At 30 June 2013	
		% of the international shares asset class	% of the Growth (Cbus MySuper) option	% of the international shares asset class	% of the Growth (Cbus MySuper) option
1	Samsung Electronics	1.3	0.3	1.1	0.2
2	Amazon	1.1	0.2	1.1	0.2
3	Tencent Holdings	1.0	0.2	0.7	0.1
4	Google	1.0	0.2	1.2	0.2
5	Baidu	1.0	0.2	0.9	0.2
6	Nestle	0.9	0.2	0.7	0.1
7	Illumina	0.8	0.2	0.4	0.1
8	Taiwan Semiconductor Manufacturing	0.8	0.2	0.8	0.2
9	Gartner	0.7	0.1	–	–
10	SabMiller	0.7	0.1	0.6	0.1
11	Apple Inc.	0.6	0.1	0.7	0.1
12	Roche Holding AG	0.6	0.1	0.7	0.1
13	Time Warner Inc.	0.6	0.1	0.3	0.1
14	Oracle Corporation	0.6	0.1	0.6	0.1
15	Reckitt Benckiser Group PLC	0.6	0.1	0.5	0.1
16	Novartis AG	0.6	0.1	0.5	0.1
17	Schlumberger N.V.	0.5	0.1	0.4	0.1
18	Microsoft Corporation	0.5	0.1	0.6	0.1
19	AIA Group Limited	0.5	0.1	0.3	0.1
20	Wal-Mart Stores Inc.	0.5	0.1	0.5	0.1
Total		14.6	3.1	12.5	2.6

## International shares – top 10 countries



## International shares by region

By region	At June 2014	At June 2013
North America	47.2%	42.6%
Asia	22.5%	24.5%
Europe	26.0%	26.4%
Central and South America	1.6%	2.9%
Middle East/Africa	2.4%	3.5%
Australia/Oceania	0.3%	0.1%

# Investment managers

Cbus uses Australian and international investment managers. Each investment manager is responsible for a specified amount of the Fund's assets. They are managed in accordance with a mandate as agreed between the manager and the Trustee in consultation with the Fund's asset consultant. The Trustee monitors the performance of each investment manager closely throughout the year and compares it with industry benchmarks.

Selection of fund managers is a responsibility of the Board delegated to the Investment Committee. The decision to appoint or terminate a fund manager rests with the Investment Committee, based on research provided by the asset consultant and the Cbus investment team.

The 18.5% allocation to Industry Funds Management incorporates a 7.5% holding in infrastructure, a 7.0% holding in Australian listed shares (managed on a passive enhanced basis) and also includes investment in private equity, credit and fixed interest.

The adjacent table provides a breakdown of Cbus total investments by investment manager. Related parties are identified in blue italics.

## Management of derivatives

Cbus allows some of its investment managers to use derivatives to reduce risk and/or enhance efficiency. The managers must use derivatives within strict parameters, including that they are not used to gear the Fund and that there are sufficient cash assets to back the derivatives exposures at all times. The derivatives charge ratio (the percentage of the Fund being used as security for derivative investments) was less than 0.5% during the financial year.

The Derivative Management Plan and other investment related policies are located on the Cbus website.

Investment managers managing 5% or above of the total Fund's assets		
	At 30 June 2014 (%)	At 30 June 2013 (%)
Industry Funds Management	18.5	20.3
Colonial First State Asset Management	9.8	9.1
Cbus Property	6.5	6.9
Paradise Investment Management	4.9	5.6



Cbus total investments	At 30 June 2014		At 30 June 2013	
Australian equities	\$m	%	\$m	%
<i>Industry Funds Management</i>	1,897.5	7.0	1,496.8	6.6
Paradise Investment Management	1,348.0	4.9	1,279.6	5.6
Perpetual Investment Management	893.4	3.3	780.2	3.4
Hyperion Asset Management	884.3	3.2	723.7	3.2
Ausbil Dexia	753.7	2.8	670.5	2.9
Ellerston Capital	697.4	2.6	528.0	2.3
Airlie Funds Management	646.7	2.4	542.3	2.4
Allan Gray Australia	525.1	1.9	420.5	1.8
Kinetic Investment Partners	160.2	0.6	136.9	0.6
Novaport Capital Pty Ltd	100.6	0.4	–	–
Kosmos Asset Management	–	–	125.2	0.6
Other <sup>1</sup>	-3.9	–	0.1	–
<b>Total Australian equities</b>	<b>7,903.0</b>	<b>29.0</b>	<b>6,703.8</b>	<b>29.4</b>

International equities	\$m	%	\$m	%
BlackRock Investment Management Australia	889.8	3.3	907.2	4.0
MFS Institutional Advisors	652.2	2.4	476.0	2.1
Baillie Gifford Overseas	552.8	2.0	412.0	1.8
AQR Capital Management	544.9	2.0	–	–
Orbis Investment Management	448.9	1.6	510.4	2.2
Global Thematic Partners	424.5	1.6	–	–
Wellington Management Company	386.7	1.4	305.3	1.3
Walter Scott and Partners	360.4	1.3	313.4	1.4
Altrinsic Global Advisors	323.8	1.2	280.6	1.2
Realindex Investments	309.8	1.1	256.1	1.1
Trilogy Global Advisors	282.1	1.0	249.9	1.1
Genesis Emerging Markets Investment Company	233.5	0.9	205.9	0.9
First State Investment Management	118.6	0.4	107.1	0.5
Mesirow Financial Currency Management <sup>2</sup>	29.6	0.1	-45.8	-0.2
Warakirri Asset Management	1.1	–	1.8	–
Other <sup>1</sup>	0.6	–	–	–
Platinum Investment Management	–	–	123.1	0.5
Lazard Asset Management	–	–	368.6	1.6
<b>Total international equities</b>	<b>5,559.2</b>	<b>20.4</b>	<b>4,471.7</b>	<b>19.6</b>

Property	\$m	%	\$m	%
<i>Cbus Property</i>	1,758.1	6.5	1,569.1	6.9
<i>ISPT</i>	885.7	3.3	842.8	3.7
AMP Capital Investors	500.4	1.8	459.6	2.0
Fortius Funds Management	107.4	0.4	101.3	0.4
BlackRock Investment Management Australia	24.0	0.1	21.5	0.1
Franklin Templeton Investments Australia	5.7	–	6.4	–
Mesirow Financial Currency Management <sup>2</sup>	1.1	–	-0.9	–
<b>Total property</b>	<b>3,282.5</b>	<b>12.0</b>	<b>2,999.7</b>	<b>13.2</b>

Infrastructure	\$m	%	\$m	%
<i>Industry Funds Management</i>	2,036.1	7.5	1,928.7	8.5
<i>Hastings Funds Management</i>	598.9	2.2	557.5	2.4
Access Capital Advisors	0.1	–	19.6	0.1
Mesirow Financial Currency Management <sup>2</sup>	–	–	-1.8	–
<b>Total infrastructure</b>	<b>2,635.1</b>	<b>9.7</b>	<b>2,503.9</b>	<b>11.0</b>

Note: Figures may not sum precisely due to rounding.

Notes:

1. Other includes small holdings and outstanding fees on closed accounts.

2. Mesirow Financial Currency Management manages the currency hedging for Cbus.

Cbus total investments	At 30 June 2014		At 30 June 2013	
Private equity	\$m	%	\$m	%
<i>Industry Funds Management</i>	237.9	0.9	238.6	1.0
Macquarie Investment Management	243.2	0.9	222.6	1.0
Mesirow Financial Private Equity Advisors	212.8	0.8	195.2	0.9
Siguler Guff & Company	171.5	0.6	171.8	0.8
Quay Partners	108.6	0.4	118.9	0.5
<i>ME Bank</i>	153.2	0.6	115.5	0.5
LGT Capital Partners	102.3	0.4	99.4	0.4
Lexington Partners	81.7	0.3	85.9	0.4
ING Investment Management	67.3	0.2	73.5	0.3
Performance Equity Management	78.9	0.3	68.0	0.3
Adveq Management	64.3	0.2	60.2	0.3
<i>Industry Super Holdings Pty Ltd</i>	61.5	0.2	58.6	0.3
Greenspring Associates	55.0	0.2	54.1	0.2
Newbury Associates	62.6	0.2	49.5	0.2
VenCap International	47.0	0.2	41.7	0.2
<i>Superpartners</i>	22.6	0.1	25.9	0.1
Weathergage Venture Capital	36.6	0.1	25.9	0.1
Wilshire Private Markets Group	21.5	0.1	24.2	0.1
<i>Frontier Investment Consulting</i>	1.5	–	1.3	–
Mesirow Financial Currency Management <sup>2</sup>	31.4	0.1	-94.6	-0.4
<b>Total private equity</b>	<b>1,861.6</b>	<b>6.8</b>	<b>1,636.3</b>	<b>7.2</b>
<b>Opportunistic growth</b>	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
Bridgewater Associates	264.4	1.0	220.6	1.0
TPG Opportunities Partners II	90.8	0.3	67.1	0.3
Oaktree Capital Management	27.6	0.1	29.6	0.1
<i>Industry Funds Management</i>	18.9	0.1	27.2	0.1
Artwork	7.9	–	7.3	–
Mesirow Financial Currency Management <sup>2</sup>	2.6	–	-5.7	–
<b>Total opportunistic growth</b>	<b>412.2</b>	<b>1.5</b>	<b>346.0</b>	<b>1.5</b>
<b>Fixed interest</b>	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
State Street Global Advisors, Australia	915.0	3.4	–	–
BlackRock Investment Management Australia	–	–	214.3	0.9
<b>Total fixed interest</b>	<b>915.0</b>	<b>3.4</b>	<b>214.3</b>	<b>0.9</b>
<b>Credit</b>	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
<i>Industry Funds Management</i>	617.3	2.3	629.2	2.8
<i>ME Portfolio Management</i>	247.3	0.9	340.0	1.5
Hayfin Direct Lending	34.2	0.1	–	–
Babson Global Loan Fund	406.1	1.5	372.3	1.6
Mesirow Financial Currency Management <sup>2</sup>	1.7	–	–	–
<b>Total credit</b>	<b>1,306.6</b>	<b>4.8</b>	<b>1,341.5</b>	<b>5.9</b>
<b>Cash</b>	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
Colonial First State Asset Management	2,578.1	9.5	1,968.8	8.6
<i>Industry Funds Management</i>	240.9	0.9	302.1	1.3
<i>ME Portfolio Management</i>	521.2	1.9	237.3	1.0
AMP Capital Investors	25.3	0.1	39.3	0.2
<b>Total cash</b>	<b>3,365.6</b>	<b>12.4</b>	<b>2,547.5</b>	<b>11.2</b>
<b>Total investments</b>	<b>27,240.8</b>	<b>100.0</b>	<b>22,764.9</b>	<b>100.0</b>

Note: Figures may not sum precisely due to rounding.

Notes:

1. Other includes small holdings and outstanding fees on closed accounts.

2. Mesirow Financial Currency Management manages the currency hedging for Cbus.

# Cbus Property

## CEO comment

In 2013/14, Cbus Property delivered a total return of 12.88%. Since its inception in 2006, Cbus Property has returned an annual average of 13.87%. We remain focused on delivering a superior 'risk-adjusted' total return for the Fund from investing in the commercial sector, residential projects and other sectors as deemed appropriate.



Adrian Pozzo  
CEO Cbus Property

## Major successes for 2013/14

Our major successes this financial year include:

- establishing a Brisbane office and local team
- pre-sale of 267 (of 270) apartments at 35 Spring Street, Melbourne
- completing the retail re-activation program at 140 William Street, Perth
- completing development and settlement of the Dominion apartments in Darlinghurst, New South Wales
- completing Warleigh Grove apartments in Brighton, Victoria
- purchasing two significant CBD sites:
  - 130 Elizabeth Street, Sydney – residential conversion to 155 apartments
  - 447 Collins Street, Melbourne – future mixed-use development; end value approximately \$1 billion.

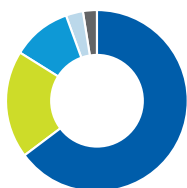
## Sustainable buildings

Cbus Property is committed to the long-term integration of sustainability practices to enhance benefits for Cbus members. Our size also influences building standards across the Australian construction sector. We deliver value by focusing on efficient investment performance.

Our sustainability initiatives include:

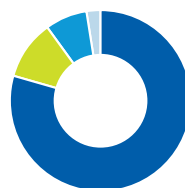
- membership of the Green Building Council and the Property Council of Australia
- targeting a minimum 5.0 Star Green Star Rating and 4.5 Star NABERS for new commercial office developments
- empowering our property managers to implement responsible performance reporting for each (income-producing) investment, which can be integrated into our ongoing business reporting and practices
- ensuring our investments operate as efficiently as possible and therefore achieve significant cost savings
- attracting and retaining high-quality tenants (partners) and creating positive experiences for tenants, employees, consultants, customers and visitors
- future-proofing our investments against the rising cost of natural resources
- continuous review of build systems and processes for both completed investments and developments to meet best-practice standards relevant to individual properties
- support for the Trustee, a signatory to the Principles for Responsible Investment.

## Property investment by state



Cbus Property: property investment by state	2013/14
■ Vic	65%
■ NSW	19%
■ WA	11%
■ Qld	3%
■ SA	2%

## Properties by type



Cbus Property: properties by type	2013/14
■ Commercial	80%
■ Residential	11%
■ Industrial	7%
■ Mixed use	2%

Note: Figures may not sum precisely due to rounding.

### Strong development pipeline

The Cbus Property portfolio is forecast to total \$2.8 billion at year end.

In the commercial sector:

- six projects are under development, totalling in excess of 230,000 square metres of accommodation with an end value of \$1.4 billion
- we have investments valued at \$1.7 billion totalling in excess of 250,000 square metres with a Weighted Average Lease to Expiry (WALE) of nine years and occupancy of 93% across the portfolio
- 447 Collins Street, Melbourne, is currently in the planning and design phase (with a forecast completion value of approximately \$1 billion).

In the residential sector:

- there are in excess of 600 apartments currently under development, with an end value of approximately \$500 million
- 130 Elizabeth Street, Sydney, is currently in the planning and design phase
- a pre-sales campaign for Capel Street, North Melbourne, has commenced
- Dryburgh Street, West Melbourne, is a recent acquisition.

Our development pipeline is in the order of \$3.5 billion.

The complete list of Cbus Property investments is at [www.cbusproperty.com.au](http://www.cbusproperty.com.au)



### 50 Flinders Street, Adelaide

After a long absence from the South Australian property market, Cbus Property is constructing a new home for the People's Choice Credit Union in the Adelaide CBD. Oil and gas group Santos, located next door at 60 Flinders Street, will consolidate staff from a number of local buildings into 50 Flinders Street. The 50 Flinders Street office tower will encompass 21,450 square metres of space across 14 floors, and will include 78 car spaces and offer an onsite crèche facility for staff.

<b>Location:</b>	Corner of Flinders and Gawler streets, Adelaide
<b>Size:</b>	21,450 square metres
<b>Estimated cost:</b>	\$140 million
<b>Completion:</b>	Late 2015
<b>Expected jobs:</b>	Up to 2500 over two years



# Environmental, Social and Governance (ESG)

## ESG focus

Our focus on Environmental, Social and Governance (ESG) continues to grow. The upcoming requirement to publish details of portfolio holdings will give further impetus to this trend and will see super funds increasingly subject to external scrutiny. As the amount of money within the superannuation system increases, there is a growing societal expectation that superannuation funds will play an active and constructive role in the stewardship of the money they manage. The Cbus ESG policy is detailed at [www.cbussuper.com.au/esg](http://www.cbussuper.com.au/esg)

Cbus is a key practitioner of ESG and takes a leadership role in its own disclosure and transparency. It is important for us to demonstrate that we have the policies and processes to manage ESG issues within the portfolio, to reduce financial risk and protect the Fund's reputation.

## Collaboration

One of the critical elements of our ESG approach is collaboration with other investors. Through collaboration we can significantly increase our impact. Cbus has been closely involved with the Australian Council of Superannuation Investors (ACSI), which assists by providing independent research, advice and engagement services to aid its member funds to manage ESG investment risk. For example, Cbus owns less than 1% of most Australian listed companies, but in collaboration with other ACSI members we own about 9% of these companies.

Other collaborative initiatives include being a signatory to the Principles of Responsible Investment, and our membership of the Investor Group on Climate Change (IGCC).

## Engagement

Cbus, alongside ACSI, regularly meets with companies to discuss ESG issues. The issues covered vary depending on the sector in which the company operates. ESG themes have included workplace safety in the construction industry, apparel supply chain management, coal seam gas, climate change, changing energy sources, workplace safety in the construction industry in Qatar, board composition, executive remuneration, asbestos, emerging markets, tobacco, gambling and alcohol.

Cbus has directly engaged with companies on such issues as board composition, remuneration, workplace safety, supply chain management, climate change, audit firm tenure, transparency, IT strategy, marketing, Native Title, and bribery and corruption.

Priorities for the next year will include continuing the existing program with an added focus on:

- asbestos: attempt to identify any examples in portfolio and consider global investor engagement
- workplace safety: focus on unlisted assets (property, infrastructure)
- emerging markets: strategy for engagement with companies with a poor ESG record.

During the financial year ACSI engaged with the boards of 102 ASX300 companies compared to 84 companies in 2012/13. This represented 33% of the companies in our Australian shares portfolio.

## Portfolio exclusions and divestment of tobacco holdings

Usually, Cbus prefers to work with companies to improve their ESG management through engagement and share voting, rather than exclude a particular sector.

In the interest of members and their long-term investment returns, Cbus committed to divesting its direct holdings in companies that manufacture tobacco products. The September 2013 decision was taken after careful consideration by the Cbus Investment Committee and the Cbus Board. Tobacco companies make up about 1.3% of the global share market (at end June 2014).

Cbus also excludes investment in companies involved in controversial weapons manufacture (for example, companies who are involved in making cluster bombs). These companies typically represent less than 0.1% of listed companies globally.

These two exclusions apply across our Australian and international share portfolios, which make up around 49% of the Fund's investments.

### Proxy voting

Cbus believes that as a shareholder it should take an active interest in the way companies operate. Cbus is particularly interested in the extent to which they pay attention to ESG, because we believe that companies that appropriately consider these issues will be more successful over the long term.

Cbus votes at the AGMs of all Australian companies, and a large share of the international companies, in which it invests. It takes advice from ACSI on voting, but it also has internal processes that are used to make the final decision on how to vote. Cbus typically votes against between 8 and 15% of resolutions each year. The most common types of Australian company resolutions that Cbus voted against over the last year related to:

- remuneration (57% of against votes related to remuneration): Cbus voted against poorly structured pay packages that provide CEOs and executives with bonuses for simply doing their job; pay structures that are not aligned with good outcomes for shareholders, termination payments that are too generous, and sheer quantum.
- director election or re-election (25% of against votes): usually on the basis that there were not enough independent directors on the board, and occasionally on the basis of poor director or board performance.

Cbus' ESG policy includes our policy for voting on shares. Cbus' proxy voting listings and review for 2013/14 are available at [www.cbussuper.com.au/esg](http://www.cbussuper.com.au/esg)

### Climate change project

In 2014 Cbus will participate in a global Climate Change and Asset Allocation Project being conducted by Mercer. Cbus will collaborate with 14 to 20 large investors from around the world to develop climate-risk scenarios and model them against our investment portfolios to identify climate change-related risk.

### Fees and costs

**Cbus returns all profits to members, after fees and costs have been applied.**

We apply fees and costs in two ways:

1. Deducting the administration fee directly from member accounts
2. Deducting costs from the returns of the investment options – these include the investment costs and the Trustee Operating Cost. Together, these are the indirect cost ratio (ICR). The return of the investment option after the ICR is deducted is the crediting rate that is applied to member accounts.

Investment costs include fees paid to fund managers, custodians and asset consultants, bank fees and internal investment management costs on a net of GST basis. The Trustee operating cost covers the costs incurred by the Trustee in operating the Fund and includes un-recouped administration fees.

### Emerging markets

Cbus has historically invested in emerging markets through active fund managers. Recently Cbus decided to put some of our emerging-markets portfolio into an indexed portfolio. One of the issues raised by this approach is the risk of exposure to some very poorly performing companies from an ESG perspective. To mitigate this risk, Cbus has worked with a research provider to identify companies with a very severe and systemic ESG risk. The fund manager is able to maximise the portfolio such that the risk of deviating significantly from the index return is minimised. It means that Cbus will not hold shares in companies that have been identified as being involved in some particularly adverse environmental and social behaviours.

### Incorporating all costs into the total cost

Cbus believes that members should be informed of the total investment management cost of their superannuation wherever these costs are clearly identifiable and measurable.

We have separately identified costs for direct managers (who invest directly in assets for the Fund) and 'Fund of fund' managers (who select and invest through other fund managers). Unlike many superannuation funds, Cbus incorporates the fees of the underlying managers as well as the 'fund of fund manager' into our total investment costs.

Investment manager base fees are usually calculated as a percentage of assets managed for Cbus. Some fund managers are also paid a performance fee when their investment returns outperform agreed targets. The increase in performance fees relate mainly to fund manager outperformance, combined with asset realisations.

Total investment costs have remained roughly the same for all investment options, with the exception of the High Growth option - which shows higher investment costs due to changes in asset allocation, largely due to a higher allocation to private equity and opportunistic growth asset classes.

## Investment costs

Investment options	High Growth		Growth (Cbus MySuper)		Conservative Growth <sup>1</sup>		Conservative		Cash Savings	
	2013/14 (%)	2012/13 (%)	2013/14 (%)	2012/13 (%)	2013/14 (%)	2012/13 (%)	2013/14 (%)	2012/13 (%)	2013/14 (%)	2012/13 (%)
<b>Investment Costs by Option</b>										
Base Fee	0.47	0.50	0.42	0.48	0.17	n/a	0.20	0.21	0.05	0.06
Performance Fee	0.14	0.06	0.11	0.05	0.04	n/a	0.04	0.02	0.00	
<i>Direct Investment Manager Fees</i>	<i>0.61</i>	<i>0.56</i>	<i>0.53</i>	<i>0.53</i>	<i>0.21</i>	<i>n/a</i>	<i>0.24</i>	<i>0.23</i>	<i>0.05</i>	<i>0.06</i>
Underlying Fund of Funds Base Fee	0.17	0.16	0.13	0.16	0.02	n/a	0.01	0.04	0.00	
Underlying Fund of Funds Performance Fee	0.07	0.02	0.05	0.02	0.01	n/a	0.00	0.00	0.00	
<i>Underlying Fund of Fund Manager Fees</i>	<i>0.24</i>	<i>0.18</i>	<i>0.18</i>	<i>0.18</i>	<i>0.03</i>	<i>n/a</i>	<i>0.01</i>	<i>0.04</i>	<i>0.00</i>	
<i>Other Investment Costs</i>	<i>0.06</i>	<i>0.06</i>	<i>0.06</i>	<i>0.06</i>	<i>0.04</i>	<i>n/a</i>	<i>0.06</i>	<i>0.06</i>	<i>0.06</i>	<i>0.06</i>
<b>Total Investment Costs</b>	<b>0.92</b>	<b>0.80</b>	<b>0.77</b>	<b>0.77</b>	<b>0.28</b>	<b>n/a</b>	<b>0.31</b>	<b>0.33</b>	<b>0.11</b>	<b>0.12</b>
<b>Super Option Crediting Rates</b>										
<i>Total Earnings<sup>2</sup></i>	<i>17.89</i>	<i>20.59</i>	<i>14.76</i>	<i>17.02</i>	<i>n/a</i>	<i>n/a</i>	<i>8.42</i>	<i>9.31</i>	<i>2.49</i>	<i>2.96</i>
<i>Less: Indirect Cost Ratio</i>	<i>1.01</i>	<i>0.89</i>	<i>0.86</i>	<i>0.86</i>	<i>n/a</i>	<i>n/a</i>	<i>0.40</i>	<i>0.42</i>	<i>0.20</i>	<i>0.21</i>
Total Investment Costs	0.92	0.80	0.77	0.77	n/a	n/a	0.31	0.33	0.11	0.12
Trustee Operating Cost	0.09	0.09	0.09	0.09	n/a	n/a	0.09	0.09	0.09	0.09
<b>= Final Crediting Rate:</b>	<b>16.88</b>	<b>19.70</b>	<b>13.90</b>	<b>16.16</b>	<b>n/a</b>	<b>n/a</b>	<b>8.02</b>	<b>8.89</b>	<b>2.29</b>	<b>2.75</b>
<b>Super Income Stream Option Crediting Rates</b>										
<i>Total Earnings<sup>2</sup></i>	<i>19.75</i>	<i>22.81</i>	<i>16.22</i>	<i>18.83</i>	<i>5.47</i>	<i>n/a</i>	<i>9.28</i>	<i>10.44</i>	<i>2.92</i>	<i>3.47</i>
<i>Less: Indirect Cost Ratio</i>	<i>0.95</i>	<i>0.89</i>	<i>0.80</i>	<i>0.86</i>	<i>0.30</i>	<i>n/a</i>	<i>0.34</i>	<i>0.42</i>	<i>0.14</i>	<i>0.21</i>
Total Investment Costs	0.92	0.80	0.77	0.77	0.28	n/a	0.31	0.33	0.11	0.12
Trustee Operating Cost <sup>3</sup>	0.03	0.09	0.03	0.09	0.02	n/a	0.03	0.09	0.03	0.09
<b>= Final Crediting Rate:</b>	<b>18.80</b>	<b>21.92</b>	<b>15.42</b>	<b>17.97</b>	<b>5.17</b>	<b>n/a</b>	<b>8.94</b>	<b>10.02</b>	<b>2.78</b>	<b>3.26</b>

1. The Super Income Stream's Conservative Growth option commenced in December 2013.

2. Total earnings are gross of indirect costs, net of investment taxes and contributions to the Operational Risk Financial Requirement (ORFR).

3. The Trustee Operating Cost for Income Stream members was reduced to 0.03% a year from 1 May 2013.

# confide

Cbus is open to all and is the leading super provider to people from all occupations in the Australian building, construction and allied industries.





# nce



Meet Geelong's Booth family. Ray, an OH&S Rep, and his sons, Ryan and Todd, both carpenters. All Cbus members, the Booths are one of a growing number of families for whom Cbus has become their family fund.

# Board of Directors

### Fund governance framework

#### The Trustee

United Super Pty Ltd is the trustee company of Cbus. The Trustee has management and control of all matters related to Cbus.

The Trustee has a wholly owned subsidiary company, Cbus Property, which manages Cbus' direct property investment portfolio.

The Trustee holds a Registrable Superannuation Entity (RSE) licence from the Australian Prudential Regulation Authority (APRA) and an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC), which allow the Trustee to provide general financial-product advice to its members.

#### Cbus Fund Governance Policy (FGP) Framework

The FGP details central elements of the Cbus governance framework.

The Trustee, as part of its commitment to open communication with its members and other stakeholders, makes the FGP available at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)

### Conflict Management Framework

The Trustee has a conflict management framework to ensure it identifies and takes all reasonably practicable actions to avoid, or prudently manage, all potential and actual conflicts in its operations.

Should a conflict exist, priority must be given to the duties to and interests of the beneficiaries of the Fund over the duties to and interests of any others. The Trustee must ensure that the duties to the beneficiaries are met despite the conflict and that the interests of the beneficiaries are not adversely affected by the conflict.

Conflict management procedures appear as a standing agenda item for all board and committee meetings.

Any identified conflicts are recorded together with the action taken to avoid or manage the conflicts, in line with the Trustee's Conflict Management Policy.

A summary of the policy and a register of relevant interests and duties can be found at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)



## Hon. Steve Bracks AC

### Board Chair

since February 2009  
(reappointed 12 September 2013)  
Age: 59

### Qualifications:

- Diploma of Business Studies (Accounting)
- Graduate Diploma Education (Economics)
- RG146 for Superannuation
- Honorary doctorates from Ballarat and Deakin universities

### Sponsoring organisation:

Australian Council of Trade Unions

### Skills and experience:

Best known as one of Victoria's longest-serving premiers, Steve has had a distinguished career in public service across education, training, employment, industrial relations and politics.

Since political retirement, Steve has held several director and honorary positions across industry and interest areas, both domestically and internationally. Steve was awarded a Companion of the Order of Australia in 2010 for services to parliament and the community.

### Current role, recent and past directorships held:

- Director of Cbus Property, Jardine Lloyd Thompson Australia Pty Limited, Bionics Institute, Bank of Sydney
- Chair, Union Education Foundation and AFL SportsReady
- Governance Adviser to Prime Minister, Timor-Leste
- Member Industry Advisory Board, IFM Investors

### Cbus meeting attendance:

- Board (Chair) 6/7
- Investments Committee 7/9
- Remuneration Committee 4/5
- Audit and Risk Management Committee 2/4

Note: These numbers reflect the short break the Chair took from the Board between August and September 2013.

### Trust Deed and Articles of Association

The Trustee and Cbus are governed by a trust deed and articles of association. Both are available at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)

### Insurance

The Trustee holds indemnity insurance to protect the Fund from the costs involved in legal actions.

## Composition

The Trustee Board is based on an equal-representation model. Its current composition is:

- Chair (nominated by the ACTU)
- Seven directors nominated by the employer sponsor organisation (Master Builders Association)
- Seven directors nominated by the member sponsor organisations (CFMEU, ACTU, CEPU, AMWU, AWU)
- One independent director

All directors are appointed on a non-executive basis and in accordance with the Fund's fit and proper policy as detailed in its governance policy, available on the website.

To the Fund, an independent director is a person who is not a representative, employee or associate of a sponsor organisation.



## John Dawkins

**Independent director**  
since May 2012

Age: 67

### Qualifications:

- Diploma in Agriculture
- Bachelor of Economics
- Doctor of the University (Honorary) of Ballarat, University of South Australia and Queensland University of Technology
- RG146 for Superannuation

**Sponsoring organisation:**  
Independent Director

### Skills and experience:

John has had a distinguished parliamentary and finance career in both the public and private sectors, holding positions ranging from chair of exploratory mining companies to cabinet minister in the trade, finance and treasury portfolios during the Hawke and Keating governments.

He has advised Commonwealth, state and territory ministers on vocational education and training policy.

As Treasurer, John was responsible for the SGC and SIS legislation. Significant assignments have also been held with the World Bank, OECD, UNDP and UNESCO.

### Current role, recent and past directorships held:

- Chair of ASX-listed Australian Bauxite Ltd, Sovereign Gold Ltd, Precious Metals Ltd and Integrated Legal Holdings Ltd
- Chair and director of numerous non-listed entities and advisory boards

### Cbus meeting attendance:

- Board 6/7
- Investments Committee 9/10



## Scott Beynon

**Director**  
since August 2009  
Cbus member  
Age: 50

### Qualifications:

- RG146 for Superannuation
- Diploma of Financial Services (Superannuation)
- Advanced Diploma of Construction Management
- Adjudicator, Building Management Supervision and Clerk of Works Certificate
- Carpentry and Joinery Certificate

**Sponsoring organisation:**  
Master Builders Australia

### Skills and experience:

Scott has been actively involved with the Master Builders movement for the past 22 years and is an immediate past president and chairman of Master Builders Australia and past president and chairman of the Master Builders Association of NSW.

Scott commenced his career in the commercial sector of the building and construction industry in a trade role, progressively building his career through to management roles and establishing the Proline Group of companies.

### Current role, recent and past directorships held:

- Professional company director
- Director of various companies, mainly in the building and construction industry and financial management, as well as private holdings
- Director, Master Builders Australia Ltd

### Cbus meeting attendance:

- Board 7/7
- Member Services and Marketing Committee 4/5



## Wilhelm Harnisch

**Director**  
since April 2000  
Cbus member  
Age: 64

### Qualifications:

- Applied Finance and Investment studies
- Diploma Company Director
- Bachelor of Arts (Administration/Economics)
- Associate Diploma Mechanical Engineering
- Journeyman's Certificate, Automotive Engineering
- RG146 for Superannuation
- Fellow AICD, Fellow Australian Institute of Management, Senior Associate FSIA

**Sponsoring organisation:**  
Master Builders Australia

### Skills and experience:

Wilhelm has had a distinguished career in building and as a director, holding senior commercial positions throughout Master Builders Australia (including as CEO and chief economist), as well as roles in economics, investment, strategic planning, industrial relations and OH&S law.

Wilhelm has invested significantly in his company-directorship skills and knowledge and was voted AIST 2012 Trustee of the Year.

### Current role, recent and past directorships held:

- CEO, Master Builders Australia
- Various Master Builders directorships
- Focus ACT Ltd, Liveable Housing Limited, Australian Construction Industry Forum Limited and Zennex companies

### Cbus meeting attendance:

- Board 4/5
- Investments Committee 8/10
- Member Services and Marketing Committee 2/5
- Remuneration Committee (Chair) 5/5



## John Haskins AM

**Director**  
since June 2003 – retired from Cbus 30 June 2014  
Age: 74

### Qualifications:

- Three-year TAFE management course
- RG146 for Superannuation

**Sponsoring organisation:**  
Master Builders Australia

### Skills and experience:

A longstanding Cbus director, John has enjoyed an extensive career in contracting, building, civil engineering and management, including leading his own company for 25 years.

John has held the most senior positions within the MBA, as well as with some of the world's most important international contractor associations.

John is an Honorary Ambassador of Canberra and was awarded an AM for his contribution to the construction industry.

### Current role, recent and past directorships held:

- Chair, Exhibition Park, Canberra
- Chair, ACT Gambling and Racing Commission
- Director, Utilities Trust of Australia
- Several previous senior ACT government directorship appointments

### Cbus meeting attendance:

- Board 7/7
- Audit and Risk Management Committee 4/4

Note: At the June 2014 meeting, John announced his resignation from the Cbus Board.





## Ged Kearney

**Director**  
since August 2011  
Age: 50

### Qualifications:

- Bachelor of Education
- Registered Nurse
- RG146 for Superannuation

### Sponsoring organisation:

Australian Council of Trade Unions

### Skills and experience:

Commencing her career as a registered nurse in 1985, Ged has built a skills and experience portfolio across the health, aged care, union and education industries.

A lifelong supporter of the collective, Ged's achievements have included appointments as Australian Nursing Federation federal secretary and president of the ACTU.

### Current role, recent and past directorships held:

- President, ACTU
- Director, Migration Council
- Board Member, Australian Workplace and Productivity Agency
- Board Member, Campaign Action Ltd
- Committee of Management Member, Union Aid Abroad APHEDA
- Director, Campaign Action Ltd
- Director, ACTU Property Pty Ltd and The Union Education Foundation Ltd
- Board Member, Northern Support Services.

### Cbus meeting attendance:

- Board 5/7
- Investment Committee 8/10



## Peter Kennedy

**Director**  
since March 2004  
Cbus member  
Age: 64

### Qualifications:

- Building Diploma studies
- RG146 for Superannuation
- Fellow of the Australian Institute of Building, the Australian Institute of Company Directors and the Australian Institute of Management

### Sponsoring organisation:

Master Builders Australia

### Skills and experience:

Before retirement, Peter spent more than 40 years in the construction industry, leading Hansen Yuncken (one of Australia's most successful private companies, which has achieved turnover in excess of \$1.2 billion) as CEO and director for 17 years.

Peter has held several senior appointments in the MBA, including national president.

### Current role, recent and past directorships held:

- National President, Master Builders Australia (MBA)
- Director of various MBA commercial entities
- Director of Estate Committee – University of Adelaide, Australian Chamber of Commerce and Industry, and International Federation of Asian and Pacific Contractors Associations
- Member, Advisory Committee for the Fortius Active Property Fund 1 and AMP Australian Core Property Portfolio
- Director, Whitehall Flats Pty Ltd
- Director of Kennedy family investment vehicles

### Cbus meeting attendance:

- Board 7/7
- Investment Committee (Chair) 10/10
- Remuneration Committee 5/5



## Rita Mallia

**Director**  
since February 2011  
Cbus member  
Age: 42

### Qualifications:

- Bachelor of Economics/ Law (Hons)
- Practising legal practitioner, New South Wales
- RG146 for Superannuation

### Sponsoring organisation:

Construction, Forestry, Mining and Energy Union

### Skills and experience:

Rita has worked for the CFMEU for 18 years, resulting in an extensive understanding of the construction industry and unions.

She holds significant legal-practice experience across employment, workers' compensation and insurance-related law, and is an experienced manager in union operations.

### Current role, recent and past directorships held:

- President, CFMEU Construction and General Division, NSW Divisional Branch
- Asbestos Diseases Research Institute and Schizophrenia Research Institute
- Workers' Compensation Dust Diseases Board
- Member, Administrative Committee ALP (NSW Branch)
- ACIRT Pty Ltd and Uplus Pty Ltd

### Cbus meeting attendance:

- Board 6/7
- Member, Services and Marketing Committee 4/5
- Remuneration Committee 4/4

Note: Rita was appointed to the Remuneration Committee on 21 August 2013.



## Anthony McDonald

**Director**  
since April 2009  
Age: 49

### Qualifications:

- Bachelor of Arts (Accounting)
- Chartered Accountant
- Diploma, Financial Services
- Registered Tax Accountant and Company Auditor

### Sponsoring organisation:

Master Builders Australia

### Skills and experience:

Anthony has a significant level of skill, education and experience across property, finance, taxation, business management and accounting.

Commencing his career at Deloitte, key positions have included partnership at Cuthel & Bigg Accountants and appointment as CEO and director at property-investment and -development company PrimeSpace Property Investment.

### Current role, recent and past directorships held:

- CEO and Executive Director, PrimeSpace Property Investment
- Director, Cbus Property Pty Ltd
- Director of numerous personal and commercial property-related companies

### Cbus meeting attendance:

- Board 7/7
- Audit and Risk Management Committee (Chair) 4/4



## Scott McDine

### Director

since June 2013 –  
resigned August 2014  
Age: 44

### Qualifications:

- Currently completing RG146 for Superannuation

### Sponsoring organisation:

Australian Workers' Union

### Skills and experience:

Scott has worked extensively across industry and unions his entire working life.

Devoting the past seven years of his career to the AWU, Scott has worked with the union and the national executive to develop and deliver its national direction, as well as consult on key issues.

Prior to his formal appointment to the Board in June 2013, Scott was known to Cbus through his role as alternate director for the AWU, a role he held from February 2011.

### Current role, recent and past directorships held:

- Assistant National Secretary, AWU (since December 2009)
- Director of Resources and Infrastructure Industry Skills Council Ltd
- Previous AWU National Organiser and Mining Division Secretary

### Cbus meeting attendance:

- Board 6/7
- Member Services and Marketing Committee 5/5
- Audit and Risk Management Committee 2/3

Note: Scott resigned from the Audit and Risk Management Committee on 18 December 2013.



## John Murray AM

### Director

since September 1999  
Cbus member  
Age: 62

### Qualifications:

- Bachelor of Economics
- Bachelor of Laws
- RG146 for Superannuation

### Sponsoring organisation:

Master Builders Australia

### Skills and experience:

One of the Fund's original directors, John has enjoyed a prominent career in both the construction-law and building industries.

Some of John's most senior roles have included National Executive Director of the MBA and Legal Manager MBA (Vic). John is a qualified senior arbitrator and adjudicator.

In 2004 John was made a member of the Order of Australia for services to the building and construction industry.

### Current role, recent and past directorships held:

- Director, Australian Super Developments Pty Ltd and Cbus Property Pty Ltd
- Director, SAI Global Ltd, Standards Australia, and Construction Industry Development Agency
- Chair, Building Professionals Board (NSW)

### Cbus meeting attendance:

- Board 6/7
- Investments Committee 9/10



## David Noonan

### Director

since November 2006  
Cbus member  
Age: 50

### Qualifications:

- RG146 for Superannuation
- Various specialist property and investment courses

### Sponsoring organisation:

Construction, Forestry, Mining and Energy Union

### Skills and experience:

David holds extensive senior union leadership experience, developed through positions including National Secretary, Assistant National Secretary and organiser of the CFMEU (Construction and General Division).

Prior to 1988, David worked as a builder's labourer. He has managed major union sites at several iconic Melbourne landmarks.

### Current role, recent and past directorships held:

- National Secretary, CFMEU Construction and General Division
- Director, Cbus Property Pty Ltd and Australian Super Development Pty Ltd

### Cbus meeting attendance:

- Board 6/7
- Investments Committee 9/10
- Remuneration Committee 1/1

Note: David resigned from the Remuneration Committee on 21 August 2013.



## Frank O'Grady

### Director

since February 2011  
Cbus member  
Age: 55

### Qualifications:

- Trade Certificate
- RG146 for Superannuation

### Sponsoring organisation:

Construction, Forestry, Mining and Energy Union

### Skills and experience:

Frank has 40 years' experience in the Australian and New Zealand building industries and is a senior construction union official, having held president, assistant secretary and organiser roles for the Building Workers Industrial Union Victoria and the CFMEU.

Frank was a participant in the pivotal 1984 national union action seeking the establishment of superannuation for the building and construction industries.

### Current role, recent and past directorships held:

- Assistant National Secretary, CFMEU
- Director, Industry Superannuation Property Trust Pty Ltd (ISPT), IGIPT
- Member of governing bodies of CFMEU at state and national levels since 1983
- Committee member, John Cummins Memorial Fund

### Cbus meeting attendance:

- Board 5/7
- Audit and Risk Management Committee 2/4



## Peter Smith

**Director**  
since December 2010

Age: 67

### Qualifications:

- RG146 for Superannuation
- Management Diploma and Electrical Trades Course (TAFE)

**Sponsoring organisation:**  
Master Builders Australia

### Skills and experience:

Peter has extensive experience at all levels of the building and subcontracting industries, having commenced his career as an electrical apprentice.

Peter has held senior roles across the industry, including at group general manager level while also serving as both state and national president of the Electrical Contractors Association.

### Current role, recent and past directorships held:

- Director, Elecnet (Aust) Pty Ltd, Protect Services Pty Ltd and Spec Pty Ltd
- Member of Business Advisory Committee of Gordon McKay Pty Ltd

### Cbus meeting attendance:

- Board 6/7
- Audit and Risk Management Committee 4/4
- Member Services and Marketing Committee 5/5



## Glenn Thompson

**Director**  
since December 2001

Age: 49

### Qualifications:

- Trade Certificate
- RG146 for Superannuation
- Qualified metal tradesman

**Sponsoring organisation:**  
Australian Manufacturing Workers' Union

### Skills and experience:

Commencing in the metals trade, Glenn has more than 14 years' experience within the AMWU, culminating in his appointment as national assistant secretary in 2003.

A longstanding Cbus director, Glenn has considerable board experience arising from numerous industry-based appointments.

### Current role, recent and past directorships held:

- Assistant National Secretary, AMWU
- Director, Australian Construction Industry Redundancy Trust Pty Ltd and NEST Nominees Pty Ltd
- Chair, U-Cover Pty Ltd
- Cbus-appointed director of The New Daily Pty Ltd
- Recent member of the Building Advisory Committee of the Construction and Property Services Industry Skills Council (CPSISC)
- Recent director of the Coal Industry Long Service Leave Corporation
- Chair, Cbus Member Services and Marketing Committee

### Cbus meeting attendance:

- Board 5/7
- Remuneration Committee 2/5
- Member Services and Marketing Committee 5/5



## Earl Setches

**Director**  
since October 2013  
Cbus member  
Age: 46

### Qualifications:

- RG146 for Superannuation

**Sponsoring organisation:**  
Communication, Electrical and Plumbing Union

### Skills and experience:

Completing his plumbing and sprinkler-fitting apprenticeship in 1982, Earl worked on the tools until 1999.

He is the state and federal secretary of the Plumbing Trades Employees Union. Earl is also chair of the Plumbing Industry Climate Action Centre (PICAC), the education arm of the Plumbing Trades Employees Union, where industry stakeholders join together to provide advanced specialist training with a key focus on green plumbing solutions.

Earl's career has included the successful negotiation of an Affiliation Agreement between Australia, the United States and Canada for exchanging skills training and knowledge in emerging technologies.

### Current role, recent and past directorships held:

- Chair, Plumbing Joint Training Fund
- Chair, Indigenous Plumbing Sanitation Fund
- Chair, CEPUTEC
- Chair, PICAC
- Director, Incolink, Plumbing Advisory Council, Building Industry Consultative Committee, International Pipes Trades Fund

### Cbus meeting attendance:

- Board 5/6
- Investment Committee 5/6



## Ben Davis

**Alternate director**  
since August 2013

Age: 41

### Qualifications:

- RG146 for Superannuation
- ACTU Management Course
- Certificate IV in Unionism and Industrial Relations

**Sponsoring organisation:**  
Australian Workers' Union

### Skills and experience:

Ben was appointed secretary of the Australian Workers' Union Victorian Branch on 10 May 2013. He has served the branch as AWU Victorian vice president, and is currently a member of the national executive team. He has been an AWU organiser for over 18 years.

### Current role, recent and past directorships held:

- Committee member, Occupational Health and Safety Advisory Committee (OHSAC)
- Committee member, Workcover Advisory Committee (WAC)

### Cbus meeting attendance:

- Audit and Risk Management Committee (appointed 25 February 2014) 1/1

# Board Committees

## The Trustee Board

The Board's primary role is to provide prudent oversight of Cbus' business operations, financial integrity, and compliance with legal and regulatory frameworks, ensuring the interests of members and beneficiaries are appropriately protected. Responsibilities are determined by each of the Fund's Trust Deed, Articles of Association, Board Charter, prudential regulations, and the applicable laws governing corporations and superannuation trustees in Australia.

The Board is supported in its responsibilities by four committees, each providing critical analysis and oversight of delegated matters on the Board's behalf.

Board and committee charters can be found at [www.cbussuper.com.au/about-cbus](http://www.cbussuper.com.au/about-cbus)

In 2013/14 the Board met seven times, and undertook the following activities:

- approved the Fund's budget and business plan for the 2014/15 financial year
- approved updates to the Fund's three-year strategy map and statement
- approved the financial statements for the Fund and United Super Pty Ltd
- oversaw the Fund's Cbus MySuper product launch on 1 October 2013
- determined the Fund's highest priority strategic projects
- approved the appointment of JPMorgan as the Fund's new Custodian
- oversaw the Fund's submission to various public policy reviews and enquiries
- oversaw the embedding of the Fund's enhanced risk management framework, risk appetite and tolerance risk reporting
- oversaw the development of the Fund's first member direct investment option product (Cbus Self Managed) to be launched in September 2014
- oversaw a comprehensive strategic and operational review of the Fund's digital capabilities and opportunities
- approved the Fund's first power-of-attorney framework
- oversaw the introduction of the 'Archer' governance, risk management and compliance system
- approved the Fund acquiring naming rights for the (now) Cbus Super Stadium in Queensland
- approved the Fund's first Securities Trading Policy
- renewed the Fund's member insurance contract
- approved the Fund transitioning to a new FPA professional practices model, providing Australia-wide access for members to independent, accredited financial planners
- approved the Fund holding its inaugural annual member briefing (scheduled 28 October 2014)

- conducted a comprehensive internal board, committee and director performance assessment
- held a two-day strategic board off site for directors
- oversaw further development of the Fund's conflicts management framework
- participated in a cross-section of governance and business events over the course of the year
- approved the appointment of new directors Earl Setches (CEPU) and Ben Davis (AWU – alternate director), while farewelling Tim Ayres (alternate director), John Haskins (MBA) and Peter Tighe (CEPU).

## Investment Committee

The Investment Committee assists the Board in implementing the Fund's investment governance framework. This role includes developing, selecting, managing and monitoring the Fund's investments and investment strategies.

The committee met 10 times during the 2013/14 financial year, undertaking the following material activities:

- completing the custodian review and appointment of JP Morgan as the Fund's new custodian in May 2014
- approving the default option for the Cbus Super Income Stream
- approving the Cbus Self Managed investment structure for launch in the 2014/15 year
- enhancing the Fund's dynamic asset allocation approach
- considering investment solutions for members approaching and in retirement.

As part of the ongoing program of work, the Investment Committee also reviewed:

- each asset class (six new investment managers were appointed and three existing managers received new mandates or investment)
- the Cbus Property business plan and funding commitments
- co-investment opportunities in infrastructure investments
- the Fund's liquidity position
- the investment governance framework
- risk thresholds for the Fund
- the Fund's investment policies (including the Valuation Policy and the Investment Policy Statement).



## Member Services and Marketing Committee

The Member Services and Marketing Committee considers and recommends any changes to the Board on:

1. Matters affecting the delivery of member and employer products, services and benefits.
2. Service and product strategy and development.
3. Reviewing the marketing strategy devised by Fund management, ensuring maintenance of the Cbus brand.

The committee met five times during 2013/14 and undertook the following activities:

- risk management of the major administration systems development, spRIGHT
- reviewing post-retirement product solutions
- Fund growth strategies
- service improvement program at Superpartners
- Member Advice Service delivery
- employer electronic payment services, including clearing house services
- brand strategy and advertising
- insurance and claims services review
- member retention strategies
- new digital strategy development
- reviewing member and employer satisfaction survey results
- new business analytics capability.

## Audit and Risk Management Committee

The Audit and Risk Management Committee oversees the Trustee's financial governance and reporting responsibilities and risk management framework for the Board. During 2013/14, the committee met four times and undertook the following activities:

- reviewing and approving external and internal audit programs and review of all audit findings
- reviewing policies such as the risk management strategy, business continuity plan and the fees and cost allocation policy
- reviewing and recommending approval of the annual financial statements
- monitoring key financial metrics of the Fund
- reviewing and recommending approval of the annual and re-forecast Trustee budget

- ongoing risk management reporting, including risk reviews, identifying emerging risks and reporting on key risk indicators
- ongoing reporting on the tax management framework
- reviewing reporting and monitoring closure of items identified from the quality review audit conducted at Superpartners.

## Remuneration Committee

The Remuneration Committee assists the Board to review and manage the remuneration and expenses of all those covered by the Trustee's remuneration policy and ensures that risks associated with remuneration are managed in a manner that supports the Trustee's risk management framework.

The committee met five times during the 2013/14 financial year, undertaking the following activities:

- reviewing and endorsing to the Board the CEO's remuneration against external sector benchmarks
- reviewing and endorsing to the Board the remuneration of Cbus and Cbus Property directors against external benchmarks
- reviewing and endorsing to the Board the CEO's recommendations for executive remuneration in the 2013/14 financial year
- reviewing Cbus Property's performance plan methodology and endorsing it to the Board
- reviewing the remuneration for 'risk and financial control' personnel of Cbus and Cbus Property Pty Ltd
- reviewing and critiquing the committee's results from the externally conducted board and committee performance review
- conducting an annual review of the Cbus remuneration policy.

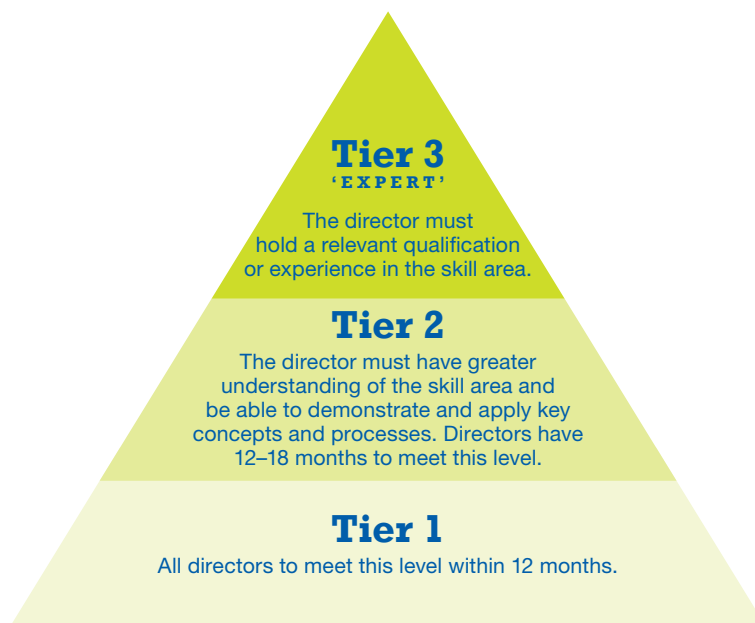
# Board skills

Directors must meet the Fund's minimum training standard within 12 months of joining the Board and complete an annual minimum of 30 hours of training.

The Trustee has identified the necessary skill sets that directors must meet. Each skill set has three tiers (see figure below) and a minimum number of Directors who are required to meet each tier for both Board and Committee composition.

The Trustee utilises the skills matrices in determining the composition of its Committees and they are also used to formulate individual director's training and professional development plans and inform succession planning at the Board level. The skill matrices are reviewed on an annual basis.

Further information on the skills sets and requirements can be found in the Fund Governance Policy available at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)



## Skills matrix

	Committee																			
Skill area	Board members				Audit and Risk Management				Investment				Remuneration				Member Services and Marketing			
Tier:	2		3		2		3		2		3		2		3		2		3	
Investments	8	8	2	5	2	2	0	1	7	7	2	5								
Property	8	11	4	5	2	3	0	2	7	7	2	3	1	3	0	2				
Audit and financial	6	10	2	2	5	5	2	2	2	5	0	1								
Governance and risk management	6	10	2	3	5	4*	1	1	4	5	0	2	1	4	0	2	3	4	0	1
Operational	6	11	2	5	2	4	0	2									6	5*	2	3
Remuneration and people	5	11	2	8									5	5	2	3				

□ Minimum number of directors required to have skill set

□ Actual number of directors with skill set

\* Reflects the fact that new committee members had not met relevant skill requirements at the time of assessment.

# Roles and remuneration

## Role of director

Cbus directors are required to:

- attend Board meetings and be a member of at least one Board committee
- participate in strategy formulation and working parties
- meet the required skill levels and ongoing minimum training requirements
- promote and represent Cbus.

More information on the role of the chair, committee chairs and directors is in the Fund governance policy that can be found at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)

## Remuneration Review – Chair of the Board

As part of the appointment of the Chair in 2013, Cbus undertook an external review of the remuneration paid to the Chair of other relative Funds and the expectations of those positions, compared to the expectations set of the Cbus Chair. As a result of this review, the Remuneration Committee recommended to the Board that a new rate of remuneration be set with the appointment of an incoming Chair.

## Fees

Cbus directors' fees are benchmarked using annual remuneration-survey data. Fee rates are also externally benchmarked at least once every three years. This data helps the Remuneration Committee determine if a fee review is needed. Any recommendations it makes for a fee review must be approved by the Board (usually in August).

At Cbus, directors are paid a base fee and an additional fee for each board or committee meeting attended. The chair and independent director are paid an annual fee. Directors are also reimbursed for expenses incurred in attending meetings, within board-approved limits.

Director fees are paid quarterly in arrears.

## Total Board remuneration

	2013/14	2012/13	2011/12	2010/11
Directors' fee paid	934,041	965,831	761,734	850,090
SG paid on fees	85,768	86,925	47,442	56,292
Total Directors' remuneration paid by the Trustee company on behalf of the Fund	1,019,808	1,052,756	809,176*	906,382

\* Remuneration was lower in 2011/12 due to the vacancy of an independent director.

## Cbus Trustee schedule of fees

	2013/14**	2012/13*
Chair	150,000	112,543
Independent Director	112,801	112,543
Board member (base fee)	20,395	18,499
Board member (attendance fee)	2,240	2,235
Committee chair (attendance fee)	4,479	4,469
Committee member (attendance fee)	2,240	2,235

\* SG 9%.

\*\* SG 9.25%.

## Governance | Roles and remuneration continued

Director	Board and Committee membership	Date commenced	Date left during the period	Year	Fee (if applicable)	SG contributions/ equivalent	Total remuneration paid (AUD)	Fees paid to
S Bracks Chair	Chair of Board Investment Committee – ex officio Remuneration Committee – ex officio Member – Audit & Risk Management Committee	Feb-09		2014	120,274.88	11,060.91	131,335.79	Director
				2013	102,020.75	9,181.88	111,202.63	
J Dawkins Independent	Independent Director Member – Investment Committee	May-12		2014	103,250.00	9,486.11	112,736.11	Director
				2013 <sup>1</sup>	102,020.76	9,181.87	111,202.63	
W Harnisch	Member – Board Chair – Remuneration Committee Member – Investment Committee Member – Marketing & Services Committee	Apr-00		2014	73,594.00	6,745.58	80,339.58	MBA
				2013	83,537.12	7,518.34	91,055.46	
J Haskins	Member – Board Member – Audit & Risk Management Committee	Jun-03	Jun-14	2014	38,744.00	3,557.83	42,301.83	Director
				2013	51,227.12	4,610.44	55,837.56	
P Kennedy	Member – Board Chair – Investment Committee Member – Remuneration Committee	Mar-04		2014	104,344.00	9,584.83	113,928.83	Director
				2013	87,539.12	7,878.52	95,417.64	
G Thompson	Member – Board Chair – Marketing & Services Committee Member – Remuneration Committee	Dec-01		2014	53,094.00	4,869.83	57,963.83	AMWU
				2013	65,381.12	5,884.30	71,265.42	
S Beynon	Member – Board Member – Marketing & Services Committee	Aug-09		2014	38,744.00	3,557.83	42,301.83	Director
				2013	47,225.12	4,250.26	51,475.38	
G Kearney	Member – Board Member – Investment Committee	Aug-11		2014	42,844.00	3,937.08	46,781.08	ACTU
				2013	45,175.11	4,065.76	49,240.87	
R Mallia	Member – Board Member – Marketing & Services Committee Member – Remuneration Committee	Feb-11		2014	46,944.00	4,311.21	51,255.21	CFMEU
				2013	47,225.11	4,250.26	51,475.37	
A McDonald	Member – Board Chair – Audit & Risk Management Committee	Apr-09		2014	46,944.00	4,316.34	51,260.34	Director
				2013	43,223.12	3,890.08	47,113.20	
J Murray	Member – Board Member – Investment Committee	Sep-99		2014	48,994.00	4,500.83	53,494.83	Director
				2013	57,279.12	5,155.12	62,434.24	
D Noonan	Member – Board Member – Investment Committee	Nov-06		2014	48,994.00	4,495.71	53,489.71	CFMEU
				2013	53,179.12	4,786.12	57,965.24	
F O’Grady	Member – Board Member – Audit & Risk Management Committee	Feb-11		2014	34,644.00	3,183.71	37,827.71	CFMEU
				2013	30,923.12	2,783.08	33,706.20	
P Smith	Member – Board Member – Audit & Risk Management Committee Member – Marketing & Services Committee	Dec-10		2014	46,944.00	4,311.21	51,255.21	Director
				2013	53,277.12	4,794.94	58,072.06	
S McDine	Member – Board Member – Marketing & Services Committee	Jun-13	Aug-14	2014	35,279.74	3,246.06	38,525.79	AWU
				2013 <sup>2</sup>				
E Setches	Member – Board Member – Investment Committee	Oct-13		2014	17,534.14	1,621.90	19,156.04	CEPU
				2013 <sup>3</sup>				
Alternate Directors								
T Ayres	Alternate Director for G Thompson Member – Audit & Risk Management Committee	Aug-08	Feb-14	2014	6,150.00	558.63	6,708.63	AMWU
				2013	2,050.00	184.50	2,234.50	
B Davis	Alternate Director for S McDine Member – Audit & Risk Management Committee	Aug-13		2014 <sup>4</sup>				
				2013 <sup>4</sup>				
Former Directors								
C Melham	Member – Board Member – Audit & Risk Management Committee Member – Marketing & Services Committee	Dec-07	Jun-13	2014	3,464.26	311.78	3,776.05	AWU
				2013	45,273.58	4,074.58	49,347.70	
P Tighe	Member – Board Member – Investment Committee	May-01	Oct-13	2014	23,259.86	2,110.18	25,370.04	CEPU
				2013	49,275.12	4,434.76	53,709.88	

Notes:

1. No fees were paid in the 11-12 year as appointed to the Board in May 2012.  
2. No payments in FY13 as appointed to the Board in June 2013.

3. No payments in FY13 as appointed to the Board in October 2013.  
4. No fees have been paid in 2013/14 as appointed to the Board August 2013.



# Cbus Property CEO and Directors

## Cbus Property Board

The Cbus Property Board comprises:

- Up to two directors who are United Super employer directors, currently John Murray and Anthony McDonald
- Up to two directors who are United Super member directors, currently Steve Bracks and Dave Noonan
- Three independent directors who are independent of Cbus Property and United Super and who have substantial experience in property development and/or property-fund management, currently Mark Ford, Ian Costley and Allan Davison.

Cbus directors are appointed for two-year terms and can be reappointed. Independent directors are appointed for three-year terms. The chair must be an independent director and all appointments are made by United Super (Cbus' Trustee).

## Cbus Property director meetings and fees

The Cbus Property Board met eight times in 2013/14.

The Audit Committee met once during the year. Its members are Anthony McDonald (Chair), Allan Davison and John Murray (the Chair attends as an observer). All Cbus Property Board members are invited to attend Audit Committee meetings.

## Board remuneration, Cbus Property

Director	Total fees paid including SG at 9.25%	
	2013/14	2012/13
<i>Independent chair</i>		
Mark Ford Member, Remuneration Committee	244,146	232,520
<i>Independent directors</i>		
Ian Costley	115,097	109,617
Allan Davison Chair, Remuneration Committee and Member, Audit Committee	115,097	109,617
<i>Cbus directors</i>		
Steve Bracks Member, Remuneration Committee	89,287	85,036
Dave Noonan	89,287*	85,036*
John Murray Member, Audit Committee	89,287	85,036
Anthony McDonald Chair, Audit Committee	89,287	85,036

\* Director fee paid to the CFMEU.



## Adrian Pozzo

**Cbus Property**  
**Chief Executive Officer**  
since 2007  
Age: 52

### Qualifications:

- Bachelor of Commerce
- Certified Practising Accountant
- Member, FSIA
- Member, AICD

### Career overview:

Senior positions in corporate office and major projects for property and construction companies including John Holland, The Jennings Group, Fletcher Challenge Group and BHP.

### Responsibility:

Adrian is responsible for an investment portfolio that currently exceeds \$2 billion as well as investments under development that on completion will total more than \$3.5 billion. He has responsibility for the strategic performance and management of all aspects of the Cbus Property direct property investment business, which includes major investments and developments in the commercial, residential, industrial and retail sectors.

### Current role, recent and past directorships held:

- Directorships for all Cbus Property investment entities
- Director, McAldin Pty Ltd



## Mark Ford

**Cbus Property independent director and chair**

since December 2005

Age: 60

### Qualifications:

- Diploma in Commerce
- Chartered Accountant (ACA)
- Fellow, Australian Institute of Company Directors (FAICD) (DIP)
- Fellow, Australian Property Institute (FPA)

### Skills and experience:

Currently a professional non-executive director, Mark has built a strong domestic and international property career through senior management roles in investment banks (notably Deutsche Bank and Macquarie Bank) as well as a suite of industry-based directorship appointments. Mark's expertise extends from accounting, finance and funds management to listed-company management and corporate governance.

### Current role, recent and past directorships held:

- Chair, Kiwi Income Property Trust
- Director, RREEF China Management, The Bond Market
- Formerly a director of the Property Council of Australia

Mark is also an observer at the Cbus Investment Committee.



## Ian Costley

**Cbus Property director**

since January 2006

Age: 70

### Qualifications:

- Fellow, Australian Institute of Company Directors (FAICD) (DIP)
- Fellow, Australian Property Institute (FPA)
- Diploma in Town and Country Planning

### Skills and experience:

Starting his career as a property valuer and town planner, Ian moved into property development and has since had several senior commercial roles in large property companies, including CEO of Mirvac Developments NSW (retired late 2004). Ian also has a strong directorship portfolio and experience base, and has worked with several industry councils and planning institutes.

### Current role, recent and past directorships held:

- Director, Culars No.37 Pty Ltd
- Director, Breakfast Point Pty Ltd
- Formerly a director of Mirvac Projects Pty Ltd



## Allan Davison

**Cbus Property director**

since January 2006

Age: 65

### Qualifications:

- Bachelor of Building (QS)

### Skills and experience:

Allan has enjoyed 40 years in the property and construction industries, commencing as an assistant project manager in 1973 and retiring as managing director of Folkestone Ltd in 2006. Allan has been exposed to all aspects of property development, with his career portfolio extending across CBD offices, hotels, business parks, industrial estates and medium-density residential.

### Current role, recent and past directorships held:

- Director, Breakfast Point Pty Ltd
- Formerly a director of Trafalgar Corporate Group (ASX listed)
- Formerly a director of Folkestone Ltd (ASX listed)
- Member (and Chairman 2006 to 2009), Course Advisory Committee for School of Property, Construction and Project Management at RMIT University.

Allan is also an observer at the Cbus Audit and Risk Management Committee.

# Cbus CEO and executives

Cbus aligns executive remuneration arrangements with the achievement of strategic objectives consistent with our risk appetite and culture.

Executive staff are employed on ongoing contracts (and are excluded from the industrial agreement that operates in the trustee office) that have a set of common working conditions.

The CEO must give six months' notice to the Board. Executive staff must give six weeks' notice (and be given six weeks' notice). There are further requirements that relate to retrenchments and redundancies. No executive staff member, including the CEO, has any termination payments included in their contract on top of their accrued entitlements in the event of a resignation.

If appropriate, Cbus executives receive salary increases based on the achievement of performance measures that are linked to the achievement of the Cbus strategy.

Executive salary recommendations must be endorsed by the Remuneration Committee and approved by the Board at each year's August meeting.

## Remuneration policy

Outside of the Executive, all Cbus staff members are employed under one of the two industrial instruments. The enterprise-agreement increase for 2013/14 was 5%, applied from 1 July 2013. Cbus does not pay bonuses or performance-based incentives to staff.

As part of the collective agreements, staff members have their Superannuation Guarantee payments paid into Cbus.

A summary of the Cbus remuneration policy outlining our remuneration philosophy can be found at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)



**David Atkin**

CEO

Cbus member  
Age: 51

**Appointment date:**  
2008

**Qualifications:**

- Bachelor of Arts (Hons), Master of Arts, Diploma of Financial Services, Distinguished Alumni Award for work in sustainable finance

**Career overview:**

- CEO, ESSSuper (Emergency Services and State Super)
- CEO, Just Super
- National Marketing and Communications Manager, STA Super

**Functional responsibility:**

As the CEO, David works with the Board to ensure that the Fund designs and delivers a strategy that meets the needs of members, employers and sponsoring organisations.



## Michelle Boucher

**Executive Manager, Marketing and Communications**  
Cbus member  
Age: 43



## Maria Butera

**Executive Manager, Workplace Distribution**  
Cbus member  
Age: 54



## Trish Donohue

**Executive Manager, Investment Management**  
Cbus member  
Age: 47



## Kristian Fok

**Executive Manager, Investment Strategy**  
Cbus member  
Age: 44

**Appointment date:**  
2013

### Qualifications:

- Bachelor of Commerce, Master of Organisational Leadership

### Career overview:

- Executive Manager Organisational Performance, ESSSuper (Emergency Services and State Super)
- Executive Manager Member Relationships and Product Development, ESSSuper
- Manager of Marketing and Business Development, State Trustees Ltd

**Appointment date:**  
1997

### Qualifications:

- Bachelor of Commerce

### Career overview:

- Executive Director, Australian Construction Industry Council
- Development Executive, Construction Industry Development Agency
- Manager, Building and Construction Industry Division, Department of Labour, Victoria
- Board member, Royal Women's Hospital 2006 to 2013

**Appointment date:**  
2000

### Qualifications:

- Bachelor of Science, Actuary, CIMA designee, Fellow of FINSIA

### Career overview:

- Investment Consultant, Mercer Melbourne
- Investment and Actuarial Analyst, Mercer Auckland
- Actuarial Analyst, Mercer Melbourne

**Appointment date:**  
2012

### Qualifications:

- Bachelor of Commerce, Fellow of the Institute of Actuaries, Fellow of FINSIA

### Career overview:

- Deputy Director of Consulting, Frontier Advisors
- Deputy Managing Director, Frontier Advisors
- Senior Consultant, Frontier Advisors
- Consulting Actuary, Buck Consultants

## Cbus Executive Remuneration Report 2014

Executive	Date commenced	Date left during the period	Year	Base pay	Superannuation
<b>D Atkin</b> Chief Executive Officer	29/01/2008		2014	555,040	25,000
			2013	514,572	25,000
<b>M Boucher<sup>^</sup></b> Executive Manager Marketing and Communications	15/04/2013		2014	225,000	25,000
			2013	225,000	25,000
<b>M Butera</b> Executive Manager Workplace Distribution	08/12/1997		2014	245,498	25,000
			2013	229,018	25,000
<b>T Donohue</b> Executive Manager Investment Management	04/01/2000		2014	404,380	25,000
			2013	378,194	25,000
<b>K Fok<sup>^</sup></b> Executive Manager Investment Strategy	03/12/2012		2014	475,000	25,000
			2013	475,000	25,000
<b>J Neilsen</b> Executive Manager People and Culture	10/06/2008		2014	190,757	25,000
			2013	157,713	25,000
<b>S Spiller</b> Executive Manager Organisational Strategy and Service Delivery	22/11/2001		2014	235,782	25,000
			2013	219,865	25,000
<b>A Thurstans</b> Executive Manager Governance and Risk	24/05/1999		2014	230,322	25,000
			2013	214,758	25,000
<b>K Wells-Jansz</b> Executive Manager Finance and Corporate Services	16/02/2009		2014	282,115	25,000
			2013	263,370	25,000
<b>Former Named Executives</b>					
<b>C Altis</b> (Former Executive Manager Marketing and Communications)	16/11/2009	30/06/2013	2013	201,611	25,000





## Johanna Neilsen

**Executive Manager,  
People and Culture**  
Cbus member  
Age: 43

**Appointment date:**  
2008

### Qualifications:

- Grad. Dip. Human Resource Management, Master of Human Resources Management

### Career overview:

- Senior HR Consultant, ESSSuper (Emergency Services and State Super)
- Recruitment Advisor, KPMG
- HR Consultant, Arthur Andersen (London)
- HR Advisor, Kraft Foods Ltd



## Stephen Spiller

**Executive Manager,  
Strategy and Operations**  
Cbus member  
Age: 56

**Appointment date:**  
2001

### Qualifications:

- Master of Business Administration, Fellow of ANZIIF

### Career overview:

- Senior Project Manager, Business Strategy/Change Management (IS) AAS (AMP)
- Client Administration and Services Manager, Industry Super SA&A (Suncorp)
- Project Management, Business Systems, Industry Super Nexis (NMLA)
- Client Services Management, Retail, Superannuation NMLA (AXA)



## Angela Thurstans

**Executive Manager,  
Governance and Risk**  
Cbus member  
Age: 42

**Appointment date:**  
1999

### Qualifications:

- Bachelor of Arts, Bachelor of Laws, Master of Laws (Com)

### Career overview:

- Superannuation Consultant, Victorian Superannuation Board
- Compliance Manager, Trust Company of Australia



## Keith Wells-Jansz

**Executive Manager,  
Finance and Corporate Services**  
Cbus member  
Age: 44

**Appointment date:**  
2009

### Qualifications:

- Bachelor of Business, Certified Practising Accountant

### Career overview:

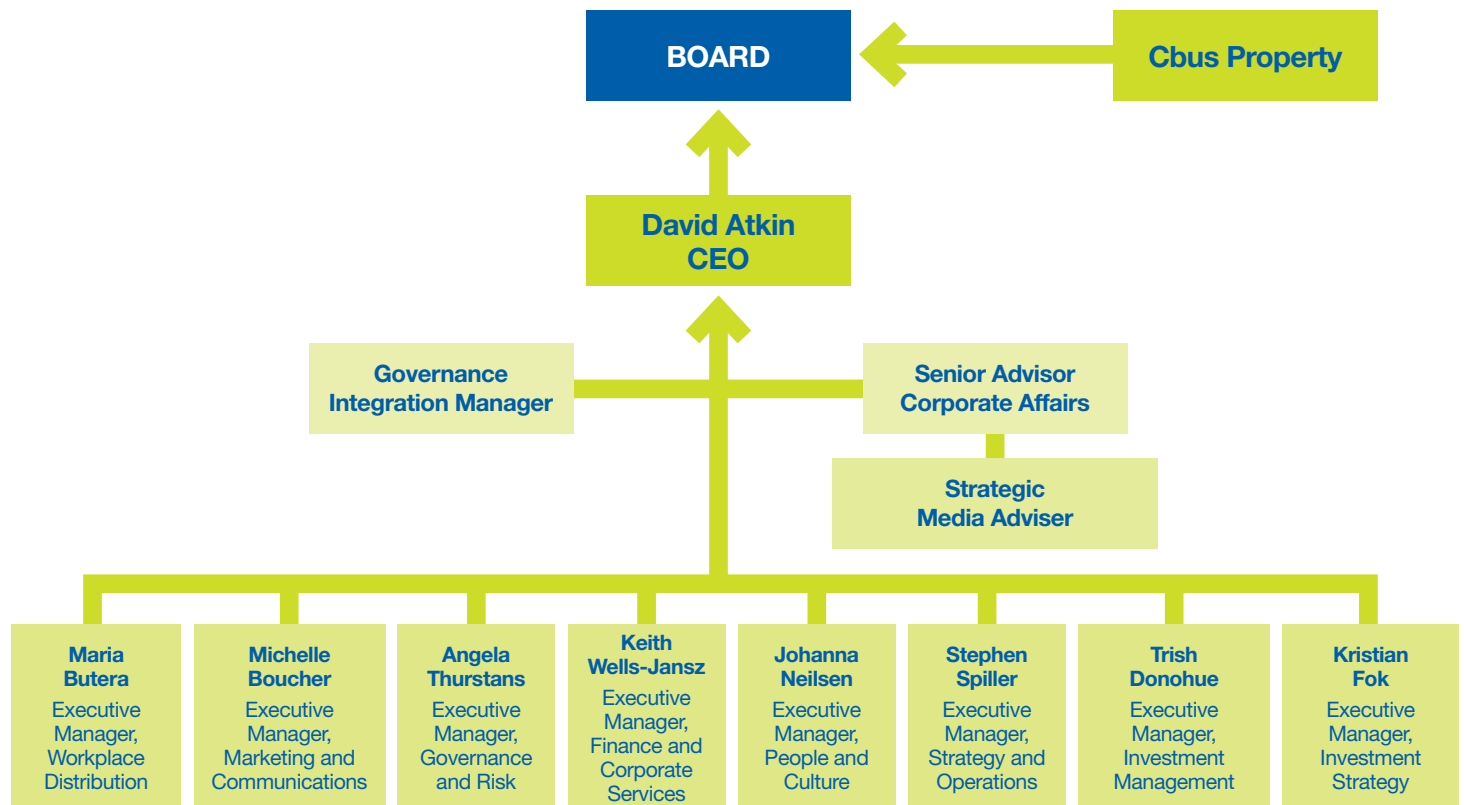
- Manager Investment Control and Fund Reporting, MLC/Plum Financial Services
- Senior Manager, KPMG

Other monetary benefits	Total remuneration package	Other	Further information
–	580,040	Carpark provided	6 months' notice by either party
–	539,572		
–	250,000		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
–	250,000		
4,721*	275,219		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
4,404*	258,422		
5,444*	434,824		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
5,091*	408,285		
–	500,000		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
–	500,000		
2,568*	218,325		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
2,123*	184,836		
–	260,782		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
–	244,865		
3,100*	258,422		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
2,891*	242,649		
–	307,115		6 weeks' notice by either party (additional requirements in relation to a retrenchment or redundancy)
–	288,370		
2,714*	229,325		

\* Leave loading.

^ These salaries were not reviewed during 2013 due to the commencement date of the relevant staffer.

# Organisational structure



## Areas of responsibility

- |  |   |   |   |   |   |  |  |
|--|---|---|---|---|---|--|--|
| <ul style="list-style-type: none"> <li>• Workplace distribution</li> <li>• Sponsorships</li> <li>• Special projects</li> <li>• Key partnerships</li> <li>• Member health programs</li> <li>• Member support with coordinators</li> </ul> | <ul style="list-style-type: none"> <li>• Brand strategy management</li> <li>• Campaign management</li> <li>• Member and employer communications</li> <li>• Website</li> </ul> | <ul style="list-style-type: none"> <li>• Risk management framework</li> <li>• Governance framework</li> <li>• Compliance programs</li> <li>• Legal services</li> <li>• Regulatory relationship</li> </ul> | <ul style="list-style-type: none"> <li>• Group financial control</li> <li>• Group taxation management</li> <li>• Corporate services</li> <li>• Payroll</li> </ul> | <ul style="list-style-type: none"> <li>• Human resources</li> <li>• OHS</li> <li>• Learning and organisational development</li> </ul> | <ul style="list-style-type: none"> <li>• Project management office</li> <li>• Insurance and complaint services</li> <li>• Service delivery – employer and member</li> <li>• Member advice and retirement service and product</li> <li>• Products and business insights</li> </ul> | <ul style="list-style-type: none"> <li>• Management of investment governance</li> <li>• Investment risk and performance monitoring and risk management</li> <li>• Investment implementation</li> <li>• Investment operations</li> <li>• Investment communications</li> </ul> | <ul style="list-style-type: none"> <li>• Investment strategy</li> <li>• Asset class strategies and manager selection</li> <li>• Environmental, social and governance strategy</li> </ul> |
|--|---|---|---|---|---|--|--|

## Legislative and Regulatory Changes

### Increase in the Superannuation Guarantee

The Superannuation Guarantee increased to 9.5% on 1 July 2014, but the rate at which future increases will take effect has been slowed. The compulsory contribution rate will stay at 9.5% until 1 July 2021 and then rise by 0.5% per year, reaching 12% in 2025.

### Increase in the Medicare Levy

The Medicare Levy increased from 1.5% to 2% on 1 July 2014, as part of the funding arrangement for the National Disability Insurance Scheme. This will affect any tax charged on superannuation contributions, which includes the Medicare Levy.

### Temporary Budget Repair Levy

The Temporary Budget Repair Levy is a 2% levy on a person's taxable income which exceeds \$180,000.

### Changes to superannuation contribution limits

<b>Before-tax contributions</b>	\$30,000 for those aged up to 48 years on 30 June 2014
(including SG, salary sacrifice, extra employer and tax-deductible personal contributions)	\$35,000 for those aged 49 years or more on 30 June 2014
<b>After-tax contributions</b>	\$180,000
(including spouse, after-tax and non-deductible personal contributions)	If under 65, you can contribute up to \$540,000 tax free in a three-year period. This period starts from the first year you add more than \$180,000 to your superannuation after tax.

### Ability to withdraw excess after-tax super contributions

It is proposed that anyone who has made after-tax super contributions from 1 July 2013 that exceed the relevant cap will be able to withdraw the excess amount plus the earnings on the excess. Tax will only be payable on the investment earnings at the person's marginal tax rate. Any excess contributions that are not withdrawn will be taxed at the top marginal tax rate plus the Medicare Levy.

### Government co-contribution threshold

The threshold for eligibility for a Government co-contribution will increase to \$49,488 for 2014/15. If you earn under this amount and add to your superannuation after tax, the Government may contribute an additional tax-free amount to your superannuation of up to \$500.

### Public policy

Cbus seeks to advocate policy or practice that maximises fairness and advances the interest of its membership in all submissions it makes on super public policy.

This year Cbus and its affiliated organisations, Industry Super Australia (ISA), Association of Superannuation Funds of Australia (ASFA) and the Australian Institute of Superannuation Trustees (AIST), provided submissions and commentary to government and regulators on various issues.

The election of a new federal government in 2013 brought new emphasis to several public policy debates on superannuation. At the same time, Cbus (and other funds) were implementing new processes required by legislation passed by the previous government.

In 2013/14 Cbus made submissions to the following Government reviews.

November 2013: The Federal Treasury's discussion paper calling for comment on the proposed requirement for super funds to have more independent directors,

reform how funds are given default status in modern awards and alter implementation of stronger super reforms.

November 2013: The Treasurer asked the Productivity Commission to inquire into how infrastructure is funded and financed in Australia, and the cost structure of major infrastructure.

April 2013: Changes to the Fair Work Act in early 2013 required Cbus to seek re-listing as a default fund in several modern awards. Submissions were filed in April 2013 but since then the process has stalled. The Government has indicated it will seek to change the legislative process for how funds are to be appointed to be default funds in awards. In December, the Federal Government established the Financial System Inquiry to lay out a blueprint for the financial system over the next decade including a review of how superannuation provides access to capital for the broader economy. ISA and AIST each made submissions.

ISA has been particularly involved in campaigns to retain the Low Income Superannuation Contribution (LISC) and ensure that the protections to consumers in the Future of Financial Advice (FoFA) are maintained. Cbus has supported both of these campaigns and is disappointed by the recently announced delay to the planned increase in compulsory super contributions.

Cbus believes that the cost of super to government should not unduly advantage high income earners relative to low income earners. Potentially, more than 170,000 Cbus members could access the LISC, providing a tax rebate of up to \$500 for those earning below \$37,000. The FoFA legislation passed in early 2013 took steps toward protecting people from conflicted financial advice. The Government has reduced these protections in recent amendments to the legislation. Cbus supports the need for strong, binding protections that prioritise member interest ahead of those selling products.

# Risk management

The Cbus risk management framework is aligned to the Fund's strategy and allows Cbus to identify and soundly manage different types and sources of risk. The Board is ultimately responsible for maintaining the risk management framework however elements have been delegated to board and executive committees.

During the year Cbus reviewed its risk management framework to ensure that it remains appropriate for its business operations. This included a review of the business plan, risk appetite statement, risk management strategy, policies and procedures and internal control systems.

This review led to Cbus enhancing the framework by transitioning to a new, integrated governance, risk and compliance management software that will augment the Fund's ability to identify, manage and monitor risks and to effectively and efficiently comply with regulatory requirements.

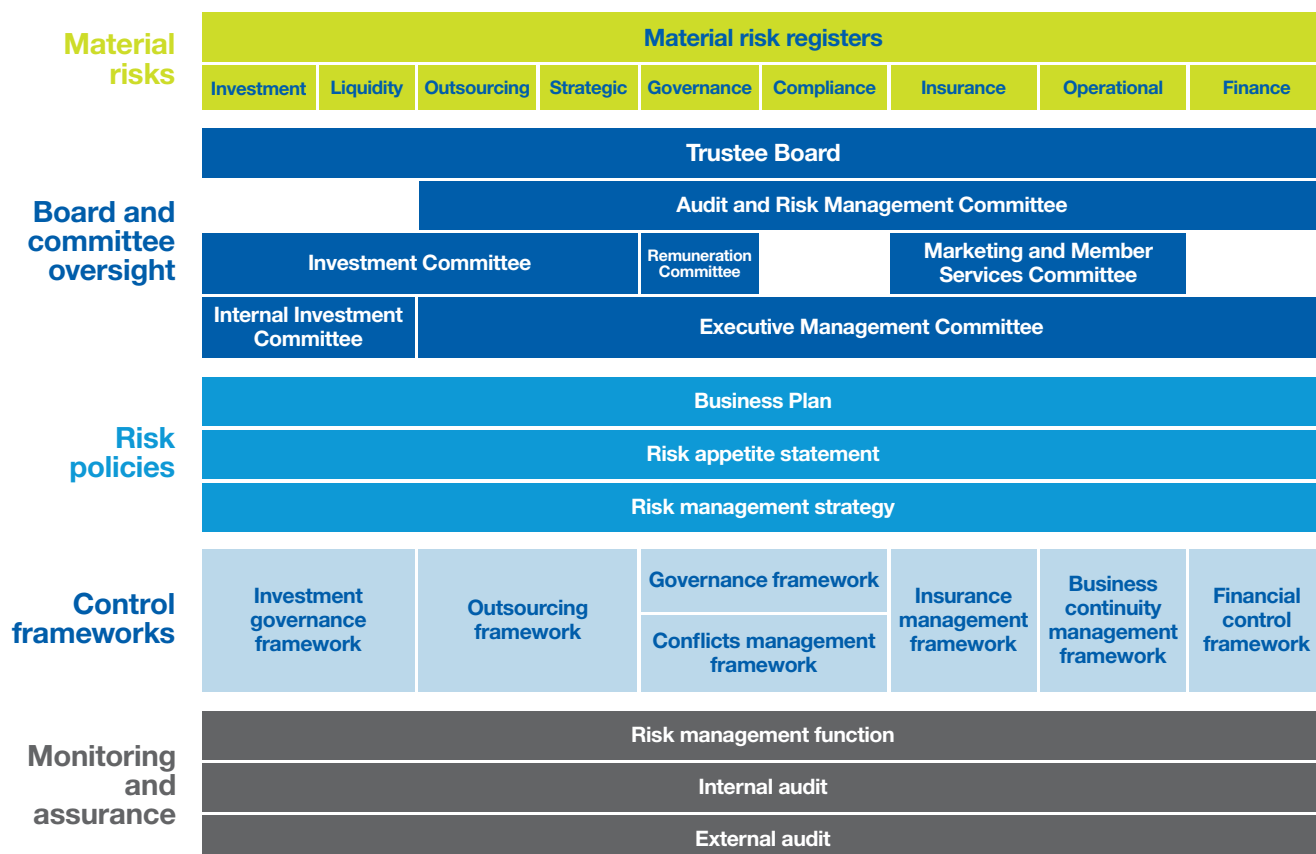
Cbus' internal and external auditors also tested compliance with the risk management framework to ensure that the risk management and internal control systems in place were adequate and operating effectively.

## Risk culture

A strong risk culture is a core element of Cbus' risk management framework. Cbus is committed to fostering a strong risk culture that is consistent with Cbus values and its appetite for risk. The Board has a clear view of the risk culture to which it aspires. It is consistent with the Cbus values of:

- honesty and integrity
- transparency
- responsibility
- independence
- due care and diligence; and
- acting in the best interests of members and beneficiaries.

Cbus undertakes a comprehensive triennial review of its risk management framework. The scope of this review will incorporate an independent assessment of the Cbus risk management culture.





## Risk appetite

Risk appetite describes the nature and degree of the risks that Cbus is willing to accept in pursuit of its objectives. In aggregate, the Board has articulated its risk appetite as follows:


*‘Cbus is willing to accept risk in its activities as long as risk is understood, can be appropriately managed within the parameters of the risk management framework, and is consistent with the Fund’s overarching strategic objectives of focusing on our members’ best interests and maximising members’ retirement outcomes.’*

Cbus’ risk appetite is informed by and is reflective of the interests and expectations of relevant stakeholders, including beneficiaries of the Fund, its sponsoring organisations, employers and regulators.

Cbus’ risk appetite for key risk exposures is summarised below:

<b>Strategic &amp; tactical</b>	<p>Cbus understands that the Fund needs to continue to grow and will strongly pursue opportunities to retain and increase membership nationally in the building, construction and allied industries.</p> <p>Cbus seeks to enhance and leverage its strategic partner relationships with sponsoring organisations and employers to sustain growth and to maintain and develop a competitive and sustainable distribution model.</p> <p>Our growth strategies are underpinned by developing and offering products and services that meet our member and employer needs, and that present value for money in a competitive environment. Cbus understands that technology is a key enabler in delivering its service strategy.</p>
<b>Governance</b>	Cbus will not engage in any activities that are inconsistent with its duty to act in the best interests of members and beneficiaries. Cbus has established a sound governance framework that supports open and transparent disclosure to its members and other stakeholders on how the Fund is governed and is performing.
<b>Investment</b>	Cbus accepts investment risk to the extent that it is required to achieve its investment objectives. The principal objective is to achieve returns in excess of inflation (with the aim of protecting the purchasing power of members’ accounts) whilst limiting the number of negative returns over the long term (to protect against downside risk). Other internal objectives are to achieve returns that are above the median performance of other superannuation funds (to protect against peer or competitor risk) and to recover any investment losses within a certain timeframe.
<b>Liquidity</b>	Cbus will maintain and manage sufficient liquidity to allow the investment strategy to be optimised whilst considering member equity and ensuring that all member benefits, switches and rollovers out can be processed within required timeframes.
<b>Compliance</b>	Cbus will take all reasonable measures to minimise compliance risk and to ensure it has the right systems and processes to maintain its operating licences and comply with the relevant laws. The Fund will optimise its position by seeking to influence legal and regulatory change in the best interest of our members by understanding and forecasting impacts and ensuring the Fund’s strategies are formulated taking these into account.
<b>Operational</b>	Cbus seeks to maintain a strong internal control environment with respect to all operational activities and takes all reasonable measures to minimise exposure to fraudulent activity and crediting rate inaccuracies. Cbus expects full functionality, reliability and security of its core operational systems and processes, with minimal unforeseen disruptions. Cbus will take all reasonable measures to improve, maintain and monitor the integrity of its data assets.
<b>Financial position</b>	Cbus recognises the importance of effective cost management and complete, accurate and timely financial reporting to ensure that the financial position of the Fund is maintained. Cbus will take all reasonable measures to ensure that its exposure to risks affecting the financial position of the Fund are minimised.

Cbus’ risk appetite is supported by quantitative and qualitative risk tolerances and indicators that are monitored by management on an ongoing basis and reported to the Trustee in accordance with escalation thresholds. This allows Cbus to continually assess levels of risk relative to its risk appetite and respond appropriately.



At Cbus our members' best  
interests and maximising their  
retirement outcomes drives  
everything we do.

**grow**





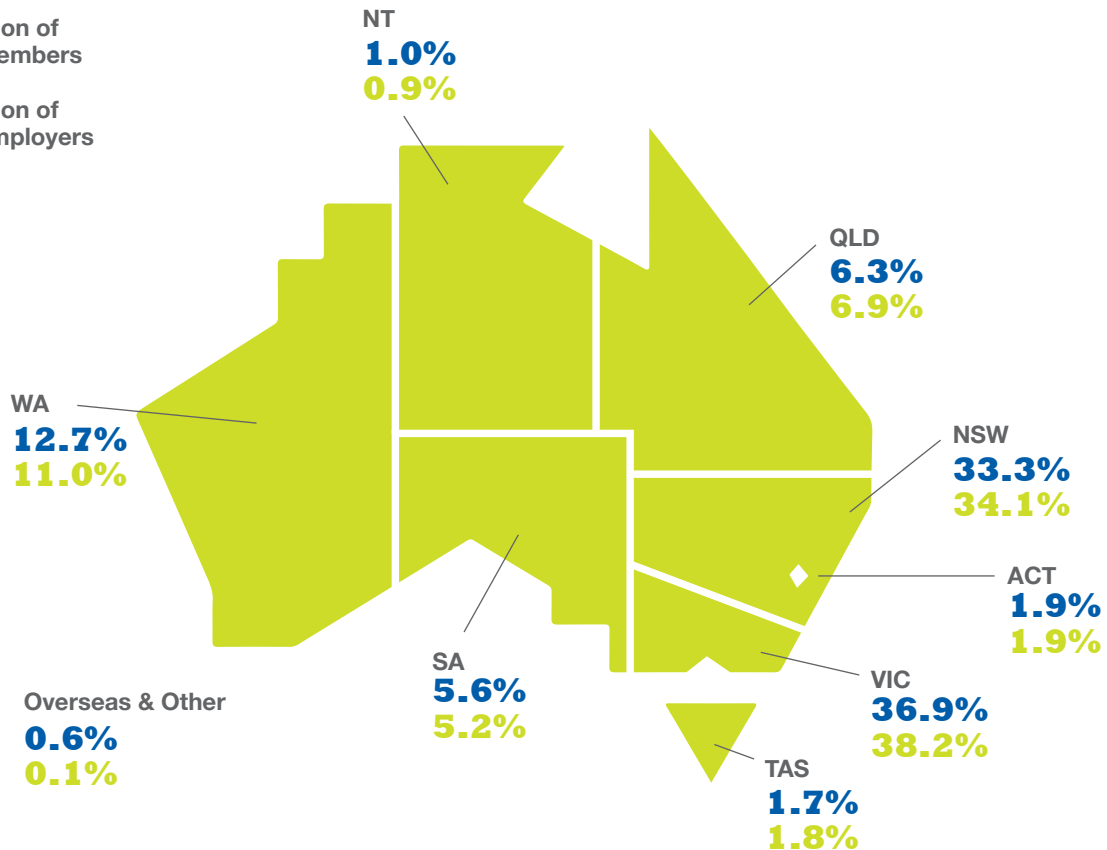
th

For Perth scaffolder Roger Hill, being with a large, trustworthy fund means a lot. He thinks Cbus is one of the best things that's happened to the building and construction industry. And he should know, he's been a member since 1984.

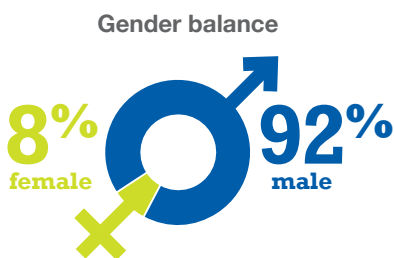
# Who we are

Cbus now has members, employers and coordinators in every Australian state and territory. Membership grew from 700,000 last financial year to just over 722,000 this year. 3,066 members who joined the Fund in 1984 are still with us 30 years later.

- Location of our members
- Location of our employers



## Our members



## Our employers



Paper returns have declined in the past year



\* Against 2012/2013 results.



# Serving our members – new products

Cbus has continued to innovate and adapt its product and service offerings to meet the needs of members in a changing retirement-needs and planning environment.

## Cbus Self Managed

Launched in September 2014, Cbus Self Managed allows members with larger account balances to access a broad range of member-directed investments, approved by the Trustee. Members will also be provided with choice of investments and a much higher degree of control over their super investments. From early 2015 members will be able to directly access a property-investment option, an infrastructure-investment option.

Retired Cbus members can expect to be able to access the Cbus Self Managed platform in 2015.

## Super Income Stream

Cbus added a new investment option for its pension product, the Cbus Super Income Stream, in December 2013. The Conservative Growth option is a true 50/50 option balancing defensive assets and growth assets. For members in retirement with a lower tolerance for investment risk, the new option has been welcomed. This has been established as the default option for members electing not to make explicit investment-choice decisions when commencing a new Cbus Super Income Stream. Cbus Super Income Stream is one of the most cost-effective pension solutions offered in the market.

## Financial planning advisory services

Cbus has established an innovative financial planning advice service for its members that provides financial advice from certified financial planners and professional practices that meet strict service and professional criteria. An initial consultation is free and it otherwise operates on a fee-for-service only basis, without commissions or other hidden costs. This new service complements the Fund's financial advice services delivered over the phone, through online channels and the Cbus national seminar program for members.

## beCbus

The beCbus program continues to enhance capabilities and culture across service teams at our administrator (Superpartners). Most recently the insurance-claims service team streamlined the claims-assessment process with the Fund's insurer and aligned key assessor roles to this model. This new service provides members with a faster response rate and ensures claimants are receiving better service. The other area of focus for the Fund was the development of a member experience team that delivers an enhanced service to members, including financial-advice conversations. This service complements the current advice service offering for members.

# Serving our members – new technology and innovation

We serve our members in person, on site and in the office, on the phone and, increasingly, online.

Whatever we do, our members' best interests and maximising their retirement outcomes drives us. Our service model responds to the needs of members and employers to make sure joining and staying with Cbus is easy.

As we enter new markets across Australia, Cbus needs to ensure that we have the staff and technological capability to capitalise on the opportunities and challenges that come with growth.

In 2014/15 Cbus will hold its first annual member briefing. Open to all Cbus members, the event will allow members to hear first-hand from the CEO and Chair. Members will also be able to ask questions. For those unable to attend, questions can be submitted in advance and the proceedings can be viewed online.

### On site and in the office

In 2013/14 Cbus coordinators visited more than 5000 sites across the country.

During the year a second coordinator joined Cbus in Western Australia, while a new Northern Territory-based coordinator was appointed.

Through its partnership with ME Bank, Cbus members can access the Building Financial Confidence tool on site or online to help make better decisions about using and managing their money.

ME Bank is the only bank in Australia to provide Cbus members with face-to-face workplace banking.

### On the phone

For many members and employers, the service centre remains an important touch-point with Cbus.

In April 2014, Cbus introduced Feedback ASAP, allowing us to obtain feedback from members on their interaction with us within 24 hours of calling the service centre. Feedback is acted on and provided to the relevant staff member to help make improvements. Member satisfaction is reported as exceeding 87%.

Our service centre remains at the forefront of call-centre technology, introducing self-service and a virtual call-back facility in 2013/14. The use of voice contracts was extended across a broader range of transactions.

### Digital capacity

Our online presence is increasingly how employers register and members join Cbus. This trend is expected to continue. Members are also increasingly rolling in their existing super to their Cbus accounts online.

During the year, members and employers contributed to the development of our digital strategy, a roadmap that will guide our use of digital services to best meet member and employer needs.

Enhancing our digital capacity is focused on making it easier for members and employers to do business with us.

### Cbus app

An important element of the digital strategy is the development of the Cbus app.

Exhaustive research informed the design of the app. Members told us a weather tracker and ability to plan their RDOs were essential features.

Set to go live in September 2014, the app also acts as a digital wallet, holding copies of induction verifications, membership cards and other relevant accreditations.

It is expected that the app will be a useful tool in Cbus' young member strategy to attract and, more importantly, retain young members.

# Different ages, different stages

Whatever stage you are at in your life and your career, Cbus is there for you.

At Cbus we want to make sure that the next generation of members knows their fund is there for them from the day they join until after they retire.

## Young member strategy

The construction and building industry continues to be a popular career choice for young Australians.

More than 30% of Cbus members are aged under 30. This age group is very transient, tending to move in and out of the building and construction industry and being exposed to a number of super funds.

Cbus wants to keep these members and ensure all their super is with one fund.

Detailed research helped provide Cbus with a deeper understanding of the needs and concerns of its younger members. Findings have informed a multi-pronged young member strategy that includes targeted media advertising, social media, an app and the use of more videos on the website.

Underpinning the strategy is a financial-literacy program to raise awareness and interest in super to make sure young workers get on the right track with super from the start.

## nextGEN program

The nextGEN program has been a series of business transformation projects designed to improve services to members through redesigned systems and new technologies. The program was being undertaken by the Fund's administrator, Superpartners, on behalf of its shareholders including Cbus.

As previously reported, the requirements of Cbus are evolving and growing in complexity as we continue to grow, member expectations change and regulatory compliance obligations increase.

Faced with this growing complexity, the implementation of the new core administration system known as spRIGHT has been continually delayed. Steps were taken to comprehensively review the technology development and the broader nextGEN improvement program.

Challenged with the risk of further delays and the requirement for additional capital investment, the shareholders determined in December 2013 to suspend the spRIGHT project and commence a detailed assessment of available options.

At the time of releasing this report, the shareholder review of the options is nearing completion. The final decision, outcomes and progress will be reported on the Cbus website.



### MySuper

Cbus has a MySuper product offering that meets the requirements of the Australian Prudential Regulation Authority (APRA).

MySuper is a new, simple and cost-effective superannuation product that has replaced the former default product. Cbus is authorised to offer a MySuper product that provides a straightforward, good-value, low-cost membership. This is ideal for members who don't get actively involved with their superannuation. Over 90% of Cbus members leave their super contributions where they automatically land when they join: in the Cbus default option Growth (Cbus MySuper).

### Pre-retirement planning

Cbus is continuing to research solutions to reduce investment risk as members approach retirement. In December 2013 a default Conservative Growth option for the Super Income Stream was introduced.

### Insurance

#### The value of insurance cover for our members

With our members working in some of the toughest conditions of any industry, Cbus considers that providing insurance cover is essential to protecting the income and welfare of members and their families in the event of death or serious illness or injury. The Fund has provided insurance since its inception in 1984, and for many of our members in occupations deemed 'high risk', insurance cover would have otherwise been beyond their reach.

There has been a significant increase in the number of total and permanent disablement (TPD) claims paid in the past few years. Although this has put pressure on the cost of insurance, it reinforces the importance of cover in providing valuable financial support and protection for members who have become seriously ill or injured.

#### Insurance cost increase

The Fund's insurance premiums have not risen in the past 15 years and during that time we have significantly enhanced members' benefits including extending death cover to age 70, improving benefit levels, increasing automatic acceptance limits and introducing terminal illness benefits.

In the second half of 2013/14 it was necessary for Cbus to renegotiate its insurance contract with Hannover Life Re of Australasia Ltd. In a tough insurance market, and as we faced a significant recent increase in claim payments, members' existing access to and levels of cover were maintained, but premiums were unavoidably increased. The cost of default cover increased from \$1.95 per week per unit of death and TPD to \$3.58 per week for manual, non-manual and spouse members for the next financial year.





‘In the circumstances the Fund achieved the best possible outcome and believes that our insurance offering is still one of the most competitive in the market based on accessibility and levels of cover for people working in the construction and building industry.’ [David Atkin, CEO](#)

Insurance claims paid	2013/14		2012/13		2011/12	
Death	655	In excess of \$86m	669	In excess of \$91m	682	In excess of \$85m
TPD	1296	In excess of \$88m	1010	In excess of \$60m	798	In excess of \$45m
Terminal Illness	152	In excess of \$19m	145	In excess of \$19m	114	In excess of \$11m

#### Getting involved early – the Assisted Resolution of Claims (ARC) process

The distribution of death claim benefits can be a complicated process and disputes among potential beneficiaries are common. Cbus has adopted an early intervention initiative to, where appropriate, engage claimants in facilitated discussions, with the aim of achieving an agreed outcome at the earliest possible opportunity. In addition to helping to resolve claims quickly, the ARC process contributes to a reduction in complaints to Cbus and to the Superannuation Complaints Tribunal (SCT), which benefits all parties. The process of engaging claimants in direct discussion with a Trustee Representative also enables the parties to gain a better understanding of the superannuation death benefit payment rules, and also empowers claimants by contributing to claim outcomes.

#### Complaints

Complaint numbers	2013/14	2012/13	2011/12
Total number of complaints	448, with 121 related to administration matters and 327 related to insurance and claims	469, with 211 related to administration matters and 258 related to insurance and claims	436, with 156 related to administration matters and 280 related to insurance and claims
Total number of SCT complaints lodged	59, with 5 related to administration matters and 54 related to insurance and claims	30, with 6 related to administration matters and 24 related to insurance and claims	63, with 15 related to administration matters and 48 related to insurance and claims
Total number of SCT complaints conciliated	33	24	34
Total number of SCT complaints resolved at conciliation	21 (64%)	17 (71%)	21 (62%)
Total number of SCT complaints awaiting SCT decision following conciliation	12 (36%)	7 (29%)	13 (38%)

# Listening and supporting

## Member engagement

Providing members, employers and other Cbus stakeholders with opportunities to tell us how we are performing is a priority.

It is only by being told what we do well and what we could do better that we can improve our service, products and performance.

As a member-driven organisation, research informs much of our activity, from marketing campaigns to new product offerings.

Overall satisfaction among Cbus members has risen for the second year in a row. Satisfaction among Cbus members has increased from 7.85 in 2013 to 7.94 in 2014. Pleasing for the Fund, overall satisfaction across all age demographics increased, with the largest satisfaction increase among members aged 50 plus, increasing from 7.90 in 2013 to 8.11 in 2014.\*

We don't just ask members for their views, we act on what they're telling us. During 2013/14 members told us they wanted more information on investments, so we started to produce monthly investment videos that are available online. Analytics show up to 3000 views each month. It is anticipated that the appetite for more detailed and more regular information will increase with the imminent introduction of Cbus Self Managed in 2014/15.

In April 2014, Cbus introduced Feedback ASAP to seek the views of callers within 24 hours of engaging with the service centre. By seeking members' views so soon after contact, Cbus captures member insights that are real, relevant and, most significantly, recent.

## Privacy matters

In accordance with the *Privacy Act 1988*, Cbus has a Privacy Policy and Personal Information Collection Statement, which are available on our website and set out how Cbus collects and uses personal information provided to the Fund. Members and employers are made aware of these policies when they join the Fund.

The policy and statement both make clear to whom and for what purpose members' personal information may be provided to third parties including:

- our debt collection service provider and sponsoring organisations, to assist in recovering any outstanding employer contributions.

Cbus believes it is important to ensure that members receive their correct superannuation entitlements and that a level playing field is maintained for the majority of employers who pay their employees' superannuation entitlements regularly and on time. Cbus, through its arrears process, recovered more than \$100 million in superannuation payments for members in 2013/14.

During the year, allegations were made in media reports and individual statements to the Royal Commission into Trade Union Governance and Corruption that Cbus had improperly released personal information. The Cbus Board established an investigation to review releases of personal information. The investigation found no widespread, improper release of personal information. Independent legal advice also confirmed the release of personal information for the purpose of ensuring that superannuation entitlements of members have been paid by employers, is lawful and in accordance with the Fund's Privacy Policy.

Our response to the allegations can be found at [www.cbussuper.com.au/about-cbus/news/latest-news/cbus-media-statement-in-response-to-royal-commission-hearings](http://www.cbussuper.com.au/about-cbus/news/latest-news/cbus-media-statement-in-response-to-royal-commission-hearings)

\* Scores are rated from 0 (very dissatisfied) to 10 (very satisfied) and then averaged.  
Scores of 8+ are considered very high.

## Partnerships and sponsorships

All sponsorships must align with the Cbus sponsorship strategy.

During 2013/14 Cbus continued to sponsor activities delivered through its partnership with the Construction, Forestry, Mining and Energy Union; Australian Workers' Union; Australian Manufacturing Workers' Union; Communications, Electrical and Plumbing Union; Master Builders Australia; National Electrical and Communications Association; Master Plumbers Association; Master Painters Association; Air Conditioning and Mechanical Contractors' Association; Construction Forecasting Council; Association of Consulting Architects; Financial Planning Association of Australia; Consult Australia; and Australian Institute of Building.

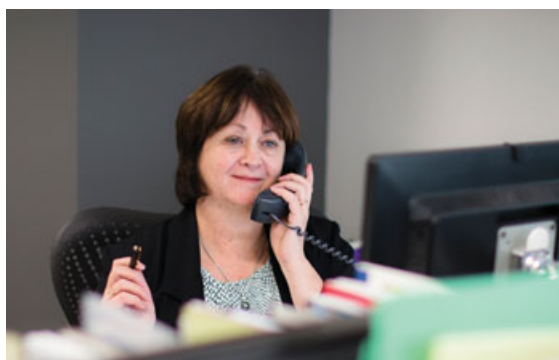
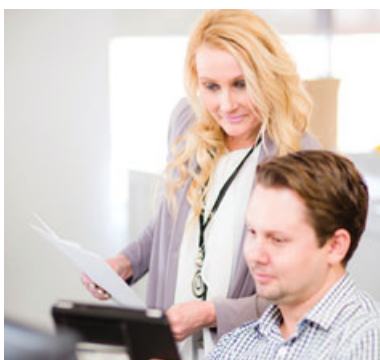
Sponsored activities included awards functions, workplace meetings, presentations, conferences, events advertising and social events. In 2013/14 sponsorship costs were \$1,855,171 (\$1,767,638 in 2012/13). Cbus does not make any donations to political parties or politicians.

## The New Daily

In 2013/14 Australia's largest industry super funds, including Cbus, established The New Daily, a free online newspaper with a focus on breaking news, sport, entertainment, lifestyle and business stories. It also covers personal finance, financial literacy and superannuation issues.

By providing members with subscriptions, a Cbus-branded email with a link to the day's headlines arrives in members' in-boxes each day – another way we stay relevant to our members.

Launched in November 2013, The New Daily now has more than 50,000 subscribers.



## Member Health Program

As Cbus broadens its reach to include a more diverse mix of workers, including architects, engineers and surveyors, its Member Health Program has also expanded.

Once known as the Men's Health Program, in 2013/14 it was renamed the Member Health Program. This year, the program also entered a previously neglected area: mental health.

Cbus was the primary sponsor of the inaugural Construction Industry Mental Health Conference in Brisbane in February 2014. Set to become an annual event, it brings together construction and health professionals.

The results of a Cbus-commissioned study of suicide in the construction industry were launched at the conference. Findings will help improve interventions across the industry. In the year ahead, Cbus will introduce a new approach to building support and awareness for better member-health outcomes across the industry, part of our commitment to working with its partners, with a focus on large employers, on this most important of issues.

## Member Experience Team

A new premium-service Member Experience Team with general advice capability was launched in December 2013.

The team takes more complex calls, working closely with the Cbus Advice Team.

The team aims to raise the level of service provided to Cbus members, and improve retention and brand through an enhanced experience.

Training will help develop team members' questioning and conversational techniques as well as technical knowledge.

# Servicing our employers

## Clearing House

Cbus Clearing House arrangements simplify superannuation payments for large and small employers. This saves time and money for employers and ensures faster payments into Cbus members' accounts. Cbus made 1200 calls to employers, which led to the adoption of Cbus clearing-house arrangements by two-thirds of the employers contacted.

The Cbus Clearing House is offered by Westpac at the request of Cbus.

## Listening and learning from our employers

Overall satisfaction among Cbus employers remained stable at 7.72 for 2014. Pleasing for the Fund is that satisfaction improved across the following key areas: the Cbus website, Cbus contribution process and Cbus administration. The research also indicates significant increases in levels of support among smaller employers.

There were some small decreases in satisfaction in communications from Cbus and the need for additional products, the latter will hopefully be addressed with the introduction in September of Cbus Self Managed.

Ratings are from independent research undertaken by the Fund.\*

## Streamlined services

New streamlined services under the employer service model are delivering better outcomes and smoother processes for employers of Cbus members. In the case of larger employers, Cbus has appointed employer account managers to assist with managing the superannuation obligations of the top two tiers of employers.

\* Scores are rated from 0 (very dissatisfied) to 10 (very satisfied) and then averaged. Scores of 8+ are considered very high.



# Cbus culture

## People and Culture Committee

Staff from across the Fund can contribute to staff programs through the People and Culture Committee.

The committee has helped devise new initiatives in response to the findings of the Best Place to Work survey and facilitated follow-up focus groups. These include the SHINE awards, and encouraging staff to use volunteer leave and participate in wellbeing activities.

## Community and volunteer leave

Staff continue to embrace Cbus' volunteer leave, supporting community care groups, homeless support services, blood donations and sporting associations.

Participation jumped from 10 days in 2012/13 to more than 27 days in 2013/14, exceeding the 20 days target set last year.

Twenty-four staff supported Cbus' newest partner, Second Bite, an organisation that provides fresh, nutritious food for people in need across Australia, as part of this program.

Staff support for one of the most prominent dates on the Cbus calendar – the Mother's Day Classic – continued to grow. This year, more than \$17,000 was raised by 73 staff, friends and family joining in events across the country. Cbus CEO David Atkin helped raise more than

\$10,000 by participating in the CEO Challenge, a new initiative introduced by the Mother's Day Classic. Together, these activities raised more than double the amount raised last year.

In lieu of any internal staff gift-giving at Christmas, Cbus supported The Smith Family Toy and Book Appeal. Staff donated 109 gifts, ensuring children from disadvantaged families experienced the joy of opening gifts on Christmas morning.

## Gender diversity

Cbus is committed to positive gender diversity, an inclusive culture and increasing its proportion of female directors. Sponsoring organisations are asked to consider this when nominating board replacements.

Cbus promotes a fair and flexible working environment that encourages personal and professional growth and capitalises on the capability and leadership of a gender-diverse and inclusive culture.

For the third year running all staff that took maternity leave have returned to work. All work part-time. Cbus supports staff returning from maternity leave with a coaching program to assist in achieving a balance between work and family responsibilities – this is highly valued by participants.





## Gender diversity at Cbus

	2013/14		2012/13		2011/12	
Board	Male	Female	Male	Female	Male	Female
Chair of Board	1	0	1	0	1	0
Independent director	1	0	1	0	1	0
Member director	5	2	5	2	5	2
Employer director	7	0	7	0	7	0
<b>Total board</b>	<b>14</b>	<b>2</b>	<b>14</b>	<b>2</b>	<b>14</b>	<b>2</b>

Cbus Trustee	Male	Female	Male	Female	Male	Female
<i>Permanent staff (full-time)</i>						
Executive team	4	5	4	5	5	3
Management team	16	7	17	5	11	7
Trustee office staff	36	28	24	25	25	20
<b>Sub total permanent staff</b>	<b>56</b>	<b>40**</b>	<b>45</b>	<b>35*</b>	<b>41</b>	<b>30#</b>

<i>Permanent staff (part-time)</i>						
Executive team	0	0	0	0	0	1
Management team	0	2	0	5	0	4
Trustee office staff	3	18	2	7	0	6
<b>Sub total part-time staff</b>	<b>3</b>	<b>20**</b>	<b>2</b>	<b>12</b>	<b>0</b>	<b>11</b>

<i>Casual staff</i>	1	0	0	3	1	1
<b>Sub-total casual staff</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>

<b>Total staff at Cbus</b>	<b>60</b>	<b>60**</b>	<b>47</b>	<b>50*</b>	<b>42</b>	<b>42#</b>
----------------------------	-----------	-------------	-----------	------------	-----------	------------

# Two maternity leave

\* Six maternity leave (2012/13)

\*\* Six maternity leave (2013/14)

As an industry superannuation fund, Cbus values principles of fairness and equity in all aspects of its operations. All Cbus staff are encouraged to carry out their roles in accordance with Cbus values, reinforced and recognised through the organisation's performance-management system.

Policies, procedures and programs in place across Cbus to support equal opportunity include:

- Diversity@Work training sessions for all staff
- Code of conduct
- Respect in the Workplace policy
- Flexible working arrangements policy
- Performance-review guidelines
- Workplace-bullying and violence-prevention policy
- Cbus recruitment and selection policy.

The Cbus code of conduct can be found at [www.cbussuper.com.au/governance](http://www.cbussuper.com.au/governance)

## WGEA reporting

This year, for the first time, Cbus is obligated to publish a report under the requirements of the *Workplace Gender Equality Act 2012*.

The report covers the period from 1 April 2013 to 31 March 2014 and can be found at [www.cbussuper.com.au/about-cbus/careers/gender-diversity](http://www.cbussuper.com.au/about-cbus/careers/gender-diversity)

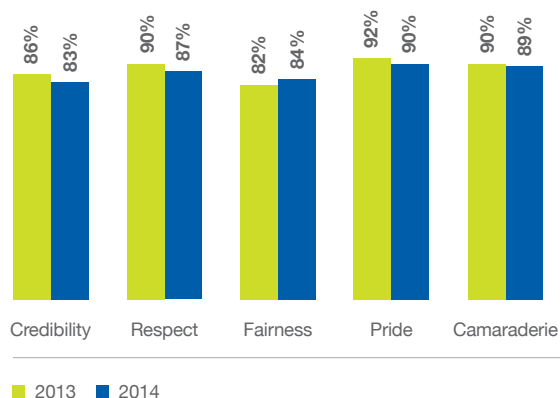
## Great Place to Work

Cbus continues its involvement with the Great Place to Work Institute's 50 Best Workplaces study.

When provided with the statement 'I'm proud to tell others I work at Cbus', 95% of staff surveyed indicated that they agreed or strongly agreed with the statement, compared to 99% in 2013 and 97% in 2012 – a pleasing result in a year of significant growth. Responses were broadly consistent across gender, age, work status, tenure and educational background.

Staff are briefed on survey results and provided with additional feedback. The results help identify areas of focus and programs to be developed further.

### Cbus results in Great Place to Work Institute's 50 Best Workplaces study



## Recognition and Leadership programs

Two new recognition programs were introduced in 2013/14.

The first, SHINE, encourages staff to nominate colleagues they believe have made an outstanding contribution within the values framework at work.

This year 69 staff were nominated and 32 were recognised. The influx of nominations and the Best Place to Work survey results showed high levels of support for the program.

The second, Cbus Service Recognition, acknowledges tenure. In 2013/14, 26 staff were recognised for their first year of service and nine staff celebrated five years of service. One staff member completed their 10th year of service and three completed 15 years. Another celebrated 25 years with Cbus, a great achievement.

In 2013/14, 10 staff participated in the newly introduced leadership development program. It included 12 one-on-one coaching sessions with an external leadership coach and five leadership-development group seminars.

Cbus employees are valued for their contribution and they are able to make representations to the highest levels of the organisation at staff forums including the annual Compass staff event.

## Professional development

Cbus is committed to building staff capability to ensure that our people possess the skills to deliver the Cbus strategy now and into the future.

Before staff can advise members, they must meet a minimum training standard of a Tier 1 training course as listed on the ASIC Register. A 30-hour annual minimum training requirement must also be met. An annual compliance audit, conducted by the AIST, must be completed.

Cbus encourages staff to complete at least seven hours of training each year.

All staff participate in regular performance- and career-development discussions and reviews, and set annual professional-development and training goals.

On average Cbus staff completed 35.9 hours of training in 2013/14 – a 17% increase on 2012/13.

Over the past year, staff members were offered learning opportunities on technical superannuation content, as well as professional and personal capability-development courses.

## OH&S

Cbus is committed to providing a safe and healthy place to work.

Incidents are reported to the quarterly meetings of the OH&S Committee (which covers all staff), the executive management team and the Board. During 2013/14 Cbus did not record a lost-time incident.

To support continued mental and physical health, Cbus helps fund staff participation in activities to support their health.

The OHS Calendar of Activities provides flu injections, health checks, skin checks and other health initiatives to encourage staff to stay well for work and family life.

## Recruitment

The Cbus office has grown significantly in the 2013/14 year and the internal team managed more than 700 applications from potential staff. Of these applicants, 37% were female; this was down from 45% last year. Of the 39 roles recruited across contract and permanent positions in 2013/14, 18 (46%) were filled by female candidates (down from 50% in 2012/13).

Cbus notes that roles advertised in our investment team still attract very few female candidates. The Fund is considering strategies to address this.

Cbus measures voluntary turnover on an annual basis. We believe the current turnover rate of our people is in line with a healthy organisation and within current risk parameters.

	2013/14	2012/13	2011/12
Turnover rate	3.0%	4.0%	3.5%

# Cbus annual financial reports

The Cbus Annual Financial Report (Report) is based on the Fund's general ledger balances and Custodian investment and taxation reports, together with members' funds information sourced from Superpartners administration systems. The Report includes the Fund's financial statements, which comprise a Statement of Financial Position, Operating Statement and Statement of Cash Flows, and notes to these financial statements. It also includes a Trustee Declaration, Auditor's Independence Declaration and Auditor's Report.

The Report is prepared in accordance with Australian Accounting Standards and other relevant requirements and is subjected to an independent audit by the Fund's external auditor. It is reviewed by the Audit and Risk Management Committee and then reviewed and endorsed by the Trustee Board.

The Report will be available on the Cbus website from 31 October 2014 at [www.cbussuper.com.au/AnnualReport](http://www.cbussuper.com.au/AnnualReport)

### Financial Statement inputs

There are several different inputs that support the completeness and accuracy of the Financial Statements.

### Existence and valuation of investments

An independent audit of the existence and valuation of the Fund's investments held under custody by the custodian is completed by the custodian's external auditor and the audit report is provided to the Fund. The investments audited are reflected in the Financial Statements and Notes to the Financial Statements.

### Custodian administration controls

An independent audit of the internal controls and procedures the custodian has over custody, investment administration, accounting and tax reporting, unit registry and related information technology services is completed by the custodian's external auditor and the audit report is provided to the Fund. The internal controls and procedures audited support investment-related information reflected in the Financial Statements and Notes to the Financial Statements.

### Administrator's controls

An independent audit of the internal controls and procedures the administrator has over superannuation and pension member administration is completed by an independent accounting firm and the audit report is provided to the Fund. The internal controls and procedures audited support member-related information reflected in the Financial Statements and Notes to the Financial Statements.

### Tax review

A tax review over the key tax numbers in the Financial Statements and Notes to the Financial Statements is completed by the Fund's internal tax specialists in conjunction with its external auditor to provide assurance over these numbers. In-house tax expertise assists in maintaining comprehensive tax management and accuracy of tax expense within the Fund.



## External audit

The Fund's external auditor PricewaterhouseCoopers (PwC) conducts an independent audit of the financial statements and the notes to the financial statements to provide an opinion on whether the financial statements are presented fairly. The external auditor performs procedures in accordance with Australian Auditing Standards to enable it to form its opinion.

## Internal audit

The Fund's internal auditor (KPMG) completes reviews of internal controls and procedures over key Fund transactions that are represented in the Financial Statements and Notes to the Financial Statements.

The Fund's internal and external auditors attend all Audit and Risk Management Committee meetings and has unfettered access to the committee. The committee, in turn, must ensure that the internal and external auditors have access to all data, information and staff in respect of the Trustee's business operations that the auditors reasonably believe necessary to fulfil their role and responsibilities.

The internal audit function is responsible to the Board through the Audit and Risk Management Committee. Through the execution of an internal audit program, the internal audit function is responsible for:

- assessing the Fund's risk management framework
- reviewing the effectiveness of internal controls with particular focus on operational, financial and compliance risks and controls.
- the internal audit program is ongoing and also covers the operations of Cbus Property.

## Eligible rollover fund

Cbus may transfer accounts to an eligible rollover fund if no contributions have been received for 12 months and the account balance is less than \$1000. As a result, any insurance cover will cease and members may be charged fees by AUSfund (the ERF chosen by Cbus). During 2013/14, 18,716 Cbus accounts with a total of \$6,506,616 were transferred to AUSfund ABN 17 006 883 227.

### To contact AUSfund:

Write to PO Box 2468 Kent Town SA 5071 or call 1300 361 798.

## Temporary residents' benefits transferred to the ATO

If a former temporary resident employee has left Australia and their visa has expired or been cancelled, Cbus is required to pay their benefit to the ATO if it has not been claimed from the Fund within six months of departure. Visit [www.ato.gov.au](http://www.ato.gov.au) for more information about superannuation for temporary residents.

Cbus relies on ASIC's relief in that we are not obliged to notify or give an exit statement to a non-resident in the above circumstances. However, it is available upon request.



Statement of financial position as at 30 June 2014	2014	2013
Assets	\$'000	\$'000
Investments (funds under management)	27,240,806	22,764,858
Current assets	247,781	203,584
Non-current assets	6,106	2,758
<b>Total assets</b>	<b>27,494,693</b>	<b>22,971,200</b>

Liabilities	\$'000	\$'000
Tax payable	433,380	211,062
Benefits payable	37,016	32,530
Other liabilities	98,582	72,958
<b>Total liabilities</b>	<b>568,978</b>	<b>316,550</b>
<b>Net assets available to pay benefits</b>	<b>26,925,715</b>	<b>22,654,650</b>

Represented by:

Members' funds	\$'000	\$'000
Growth (Cbus MySuper)	23,822,274	20,016,204
High Growth	1,036,223	789,573
Conservative	611,814	570,445
Cbus Super Income Stream	957,461	658,640
Cash Savings	420,233	521,564
<b>Total members' funds</b>	<b>26,848,005</b>	<b>22,556,426</b>
Operational risk reserve	33,657	14,273
Group life administration fund	14,057	28,212
General reserve account	29,996	55,739
<b>Liability for accrued benefits</b>	<b>26,925,715</b>	<b>22,654,650</b>

Operating statement for the year ended 30 June 2014	2014	2013
Revenue	\$'000	\$'000
Contributions by employers	2,220,164	2,070,071
Contributions by members	227,381	136,238
Transfers from other funds	592,501	392,961
Investment income (net of investment expenses)	3,351,190	3,225,368
Proceeds on insurance claims	190,211	170,135
Other revenue	1,713	1,716
<b>Total revenue</b>	<b>6,583,160</b>	<b>5,996,489</b>

Expenditure	\$'000	\$'000
Administration and management costs	108,321	101,988
Insurance costs	187,531	193,911
Taxation expense	531,578	485,450
<b>Total expenditure</b>	<b>827,430</b>	<b>781,349</b>
Benefits accrued after tax	5,755,730	5,215,140

Movement in liability for accrued benefits	\$'000	\$'000
Accrued benefits at the start of the year	22,654,650	18,740,605
Benefits accrued after tax	5,755,730	5,215,140
Benefits paid and payable	-1,484,665	-1,301,095
<b>Accrued benefits at the end of the year</b>	<b>26,925,715</b>	<b>22,654,650</b>



# Related parties

Entities that Cbus has ownership in and which provide services to Cbus are called related parties.

Name	% Cbus ownership	Services	Board representative
Cbus Property Pty Ltd (CPPL)	100% held subsidiary of United Super Pty Ltd (USPL).	Manages direct property on behalf of the Fund in accordance with an Investment Management Agreement between CPPL and Cbus. CPPL does not have ownership of any direct property assets.	Yes. Refer to page 43.
Superpartners Pty Ltd	USPL owns 17.95% of Superpartners.	Member and employer administration services, financial services and IT platform to Cbus, which are provided under normal commercial terms and conditions.	No.
Frontier Advisors Pty Ltd (Frontier)	USPL owns 31% of Frontier.	Frontier provides asset consulting services to Cbus, which are provided on normal terms and conditions.	Yes. Cbus CEO David Atkin is a director of Frontier. Director fees of \$12,840 for 2013/14 were paid to the Fund.
Industry Super Holdings Pty Ltd	USPL owns 16.1% of Industry Super Holdings Pty Ltd (ISH). Industry Fund Services Pty Ltd, Industry Superannuation Network Pty Ltd and Industry Funds Management Pty Ltd are wholly owned subsidiaries of ISH.	Services provided to the Fund through the subsidiary companies.	No.
Industry Super Australia Pty Ltd	Subsidiary of Industry Super Holdings.	Marketing, policy advocacy role.	Yes. The Cbus CEO is a director of ISA. No fee is paid for this position. The Cbus Chair Steve Bracks is Director of ISA (but is not appointed as a Cbus representative). Provision is made by ISA for the payment of directors' fees.
Industry Fund Services Pty Ltd (IFS)	Subsidiary of Industry Super Holdings.	Provision of financial planning services to Cbus members. These services are provided under normal commercial terms and conditions.	No.
Industry Fund Investments Pty Ltd	Subsidiary of Industry Fund Services.	Trustee of AUSfund eligible rollover fund of Cbus, also provides cross fund matching services to enable consolidation of accounts.	No.
IFS Insurance Broking Pty Ltd	Subsidiary of Industry Fund Services.	Insurance broking services to Cbus (including group life, trustee indemnity, general property, public liability insurance) and is paid brokerage fees.	No.
Industry Funds Management Pty Ltd (IFM)	Subsidiary of Industry Super Holdings.	IFM manages several Cbus investments, including: Australian shares, Australian and international infrastructure, Australian fixed interest, cash and credit, and Australian and international private equities. All management fees charged in relation to these investments are under normal commercial terms and conditions. All investments are managed in accordance with relevant mandate agreements.	No representation on the IFM Board, but Cbus Chair Steve Bracks and Cbus Executive Manager, Investment Management Trish Donohue represent Cbus on the IFM Investment Advisory Board. No fees are paid for these positions.
Members Equity Bank Pty Ltd	USPL owns 16.1% of Members Equity Bank Pty Ltd.	Members Equity Bank Pty Ltd provides fixed income and cash management services for Cbus. It also provides banking products to superannuation fund members.	No.
ISPT Pty Ltd	USPL holds one \$1 share in ISPT Pty Ltd, the Trustee for the ISPT property vehicles with voting rights based on the level of investment in ISPT vehicles. The current holding of 11.7% in ISPT entitles Cbus to one position on the ISPT Pty Ltd Board.	ISPT provides property investment management services for Cbus.	Yes. Cbus Director Frank O'Grady is a Director of ISPT Pty Ltd, the Trustee of ISPT. Provision is made by ISPT for the payment of Directors' fees.
Hastings Funds Management – Utilities Trust of Australia (UTA)	USPL holds one \$1 share in Utilities of Australia Pty Ltd, the Trustee of UTA, with voting rights based on the level of investment in UTA. As one of the four largest investors in UTA, Cbus is entitled to one position on the Utilities of Australia Pty Ltd Board.	Hastings provides infrastructure investment management services for Cbus.	Yes. Cbus Director John Haskins is a Director of Utilities of Australia Pty Ltd, the Trustee of UTA. Provision is made by UTA for the payment of Directors' fees.

# Members' funds and reserves

## Members' funds

Members' funds represent benefits accrued to members at 30 June 2014.

### General reserve

The purpose of establishing and maintaining the general reserve is to set aside monies to meet unexpected and unforeseen expenses of the Fund and to meet any other expenses which the Trustee deems ought to be met from the general reserve rather than directly from member accounts.

The Trustee Board has determined that the general reserve account is to be maintained within a range of 0.10%–0.50% of Fund net assets. The factors considered in setting this range include:

- the operational running costs of the Fund
- tax and other liabilities of the Fund
- the nature and levels of other Fund reserves
- the Fund's operating processes and internal control environment
- the Fund's business planning and budgeting process
- current business mix and complexity of the Fund.

The level of the general reserve account will be set annually as part of the Fund's annual Financial Statements and review process.

The investment strategy for the general reserve is the strategy for the combined investment options. In practice, this is predominantly the investment strategy for the Growth option, which is reviewed as part of the annual review of the Fund's investment strategy.

### Operational risk reserve

Under the prudential standards, superannuation funds are required to establish adequate reserves to cover potential operational losses. Cbus has determined it prudent to target an amount equal to 0.25% of Fund net assets to meet this requirement and commenced funding the reserve in 2013.

The table below shows how the net assets of the Fund are attributed across the Fund's investment choices and reserves.

Members' funds and reserves		
	As at 30 June 14	As at 30 June 13
Growth (Cbus MySuper)	88.47%	88.35%
High Growth	3.85%	3.49%
Conservative	2.27%	2.52%
Cbus Super Income Stream	3.56%	2.91%
Cash Savings	1.56%	2.30%
Operational risk reserve	0.12%	0.06%
Group life account	0.05%	0.12%
General reserve account	0.11%	0.25%

In the year ended 30 June 2014 the reserve has been further funded by a reduction of 0.063% in the crediting rates applied to all members' accounts for the year (or approximately one quarter of the total funding obligation). The remaining 50% of the target is expected to be progressively funded via reductions in crediting rates over the next two years. Cbus believes this funding methodology is the most fair and equitable to members within the parameters of the prudential standard requirements.

The investment strategy for the reserve is to invest 100% in low risk cash or cash equivalents. The investment strategy is reviewed on an annual basis as part of the annual review of the Fund's investment strategy.

### Group life account

All insurance premiums deducted from insured members plus any profit share rebate received from the insurer (Hannover) is paid into the group life account. The fund utilises this account to:

- pay premiums to the Fund Insurer
- pay the operating and capital costs of administering members' insured benefits and providing the Fund's insurance administration services
- pay for insurance claims reduction strategies aimed at generating a long-term improvement in claims ratios
- provide premium price relief to insured members (i.e. passing part of the surplus back to insured members as premium reductions)
- pay for any future capital or other funding requirements of the Fund's insurance administration services business
- pay for any amount required under claw-back provisions in respect of profit sharing arrangements with the insurer
- pay insurance related expenses which the Trustee deems ought to be met from the group life account rather than directly from members accounts.

Any payments made out of the group life account are reported in the annual financial statements.

The table below shows the general reserve balance for the past five years.

Year (as at 30 June)	\$'000	% of fund assets
2010	33,431	0.23%
2011	28,932	0.17%
2012	36,757	0.20%
2013	55,739	0.25%
2014	29,996	0.11%

# Cbus and the GRI

1

Overview

2

Investment

3

Governance

4

About us

5

Financials

Cbus believes that companies that take Environmental, Social and Governance (ESG) issues into account perform better over the longer term than companies that do not.

We report on how we integrate ESG issues into our investment processes in our annual report and in the investments section on our website.

As a major provider of superannuation services in Australia, we believe that taking ESG issues into account applies to Cbus as well as to the companies we invest in.

In 2012/13 we enhanced our sustainability reporting for the Fund using the Global Reporting Initiative (GRI) 3.1 framework. It sets out the principles and standard disclosures organisations can use to report their economic, environmental, and social performance and impacts.

GRI's framework is the most widely used comprehensive sustainability reporting standard in the world, and seeks to enable greater organisational transparency.

For 2013/14 we have again reported at application level C of the 3.1 framework. This annual report incorporates many of the reported disclosures, while others are located on the Cbus website. For a listing of all the fully and partially met disclosures we reported against, including the links to their location, go to [www.cbussuper.com.au/sustainability](http://www.cbussuper.com.au/sustainability). The web page also details how the application levels apply.

The boundary of our report is the national trustee office, in Melbourne, excluding Cbus Property Pty Ltd.

Our administrator, Superpartners, and our custodians, National Australia Bank and JP Morgan, produce their own sustainability reports and these can be found on their websites.

## Engaging with stakeholders

During the year, Cbus conducted a qualitative engagement with a small number of stakeholders as part of the materiality assessment for this year's annual report. The stakeholders included representatives from members, employers, sponsor organisations, major service providers and our staff.

Key findings of the engagement process can be found at [www.cbussuper.com.au/sustainability](http://www.cbussuper.com.au/sustainability)

## New GRI reporting framework

In 2014/15 Cbus will be reporting against the new GRI G4 framework, which places materiality at the heart of sustainability reporting, enabling the delivery of reports that are more strategically focused.

## Integrated reporting pilot program

Integrated reporting <IR> provides a concise report on how a company is creating and sustaining value. It takes into account the company's strategy, governance and financial performance, in the social, environmental and economic context in which it operates. It focuses on the material issues for an organisation, providing insight into the organisation's overall performance.

Globally, <IR> is advancing as a new form of annual reporting. Cbus has joined with several Australian and international funds in a pilot for the pension fund industry to see where we can integrate the <IR> framework into our disclosures.

## Glossary

ACSI	Australian Council of Superannuation Investors
ACTU	Australian Council of Trade Unions
AFSL	Australian Financial Services Licence
AICD	Australian Institute of Company Directors
AIST	Australian Institute of Superannuation Trustees
AMWU	Australian Manufacturing Workers' Union
ANZIIF	Australian and New Zealand Institute of Insurance and Finance
APRA	Australian Prudential Regulation Authority
ARA	Australasian Reporting Awards
ARC	Assisted Resolution of Claims
ASIC	Australian Securities and Investments Commission
AWU	Australian Workers' Union
CEPU	Communications, Electrical and Plumbing Union
CFMEU	Construction, Forestry, Mining and Energy Union
CPPL	Cbus Property Pty Ltd
ESG	Environmental, Social and Governance
FGP	Fund Governance Policy
FINSIA	Financial Services Institute of Australasia
FPA	Financial Planning Association of Australia
FSIA	Financial Services International (Australia)
GRI	Global Reporting Initiative
IFM	Industry Funds Management
<IR>	Integrated Reporting
ISH	Industry Super Holdings
ISN	Industry Superannuation Network
LTSA	Long Term Strategic Asset Allocation
MySuper	default low-cost superannuation option
RG146	ASIC Regulatory Guide 146, the minimum training required by individuals selling financial products
RSE	Registrable Superannuation Entity
SCT	Superannuation Complaints Tribunal
SGC	Superannuation Guarantee Charge
TPD	Total and Permanent Disability
USPL	United Super Pty Ltd
UTA	Utilities Trust Australia
WALE	Weighted Average Lease to Expiry



## Awards and ratings

During the year Cbus was recognised for its achievements by:

### Chant West

- Member Services Best Fund 2014 – Finalist
- Investments Best Fund 2014 – Finalist

### AIST

- AIST Communication Award for Excellence Annual Report

### Australasian Reporting Awards

- ARA – Silver Award for Annual Report 2013

### SuperRatings

- SuperRatings Platinum Super 2014
- SuperRatings Platinum Pension 2014
- 7 Year Platinum Performance 2007–2014
- Infinity Recognised 2014

### Lonsec

- 'Recommended' rating

### Morningstar

- Silver rating

## Thank you

Cbus wishes to thank our many members, employers, families and staff who kindly allowed their photos to be included in this Annual Report.

**For more information:**

Call our Service Centre on 1300 361 784  
from 8.00am to 8.00pm Monday to Friday (EST)

Visit [www.cbussuper.com.au](http://www.cbussuper.com.au)

Write to Locked Bag 999, Carlton South, Victoria 3053

You can obtain a copy of the 2013/14 Cbus Annual Report  
by visiting [www.cbussuper.com.au/AnnualReport](http://www.cbussuper.com.au/AnnualReport)  
or by calling the Service Centre on 1300 361 784

Past performance is not a reliable indicator of future performance. All care has been taken to ensure that the information contained herein is correct, but neither the Trustee nor its advisors accept responsibility for the content, any error or misprint, or for any person who acts on this information. Any advice is of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements before making any financial decisions. You should read the appropriate Product Disclaimer Statement (PDS) to decide whether Cbus is right for you. Call Cbus on 1300 361 784 or visit [www.cbussuper.com.au](http://www.cbussuper.com.au) for a copy. The Cbus Annual Report is issued by United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for Cbus ABN 75 493 363 262.

