



Our focus remains
on providing
positive outcomes
for our members.

with us



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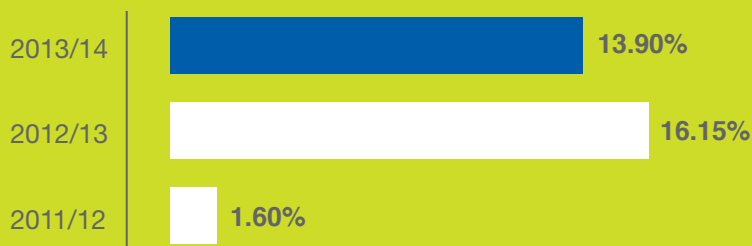
Our performance

Strong long-term returns for super members

An annual return of 13.9% for the Growth (Cbus MySuper) investment option is in the top 25% of returns for superannuation funds.¹

1. SuperRatings SR50 Balanced Survey.

Superannuation Growth (Cbus MySuper)



More funds under management

Total funds under management have grown to \$27.2 billion, an increase of more than 19% as at 30 June 2014.

Funds under management (\$ billion)



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

When we talk about returns throughout the highlights 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.



David Atkin, CEO and Steve Bracks AC, Chair.

A message from the 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.

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 investment options – Growth (Cbus MySuper) accumulation and Cbus Growth (Super Income Stream) – rank in the top 25% of returns for super funds.²

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.

We want to provide certainty, clarity and confidence to our members, employers and sponsoring organisations. This highlights 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.

David Atkin *Steve Bracks*

David Atkin
CEO

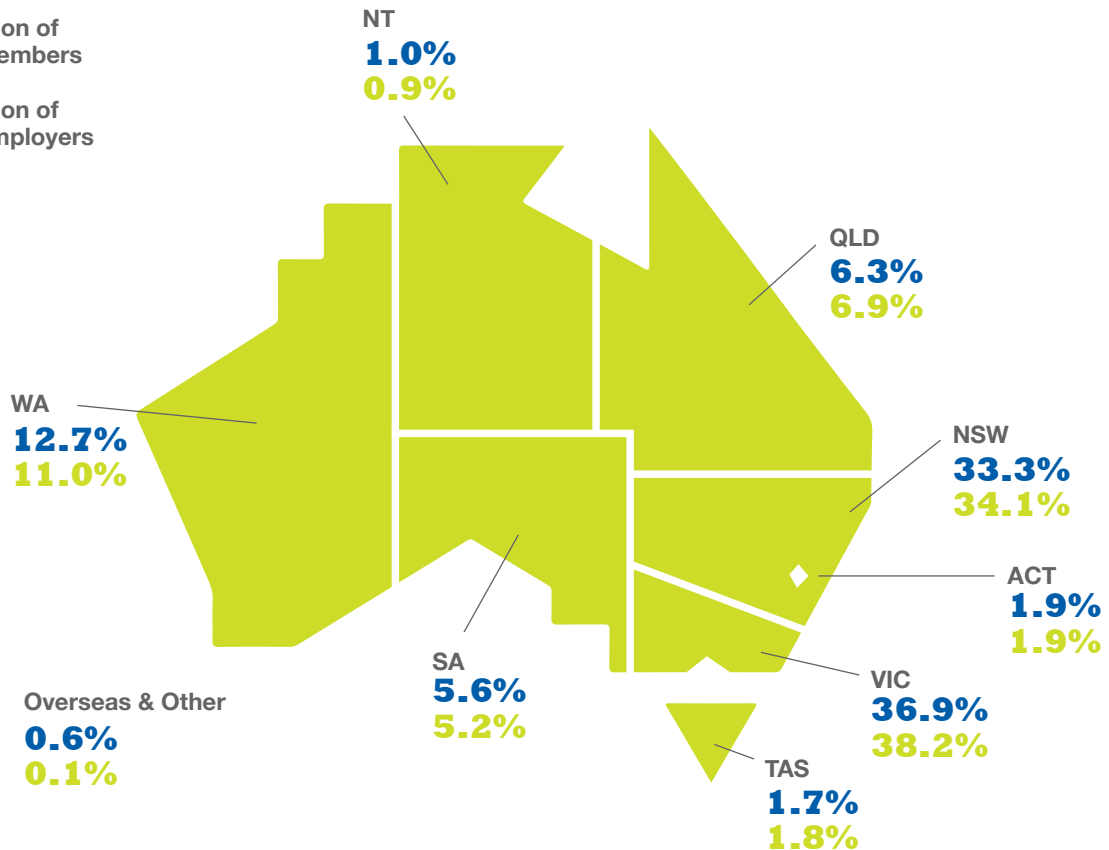
Hon. Steve Bracks AC
Chair

2. SuperRatings SR50 Balanced Survey and SRP50 Balanced Survey.

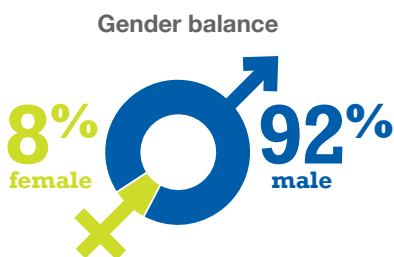
Who we are

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. More than 3000 members who joined the Fund in 1984 are still with us 30 years later.

- Location of our members
- Location of our employers



Our members



* Against 2012/2013 results.

Our employers



Paper returns have declined in the past year



Serving our members – new products

In a changing retirement-needs and planning environment, we continue to adapt and evolve our product and service offerings.

Cbus Self Managed

Launched in September 2014, Cbus Self Managed provides eligible members with more investment choice and control. From early 2015 members will be able to directly invest in a property option and infrastructure option in addition to ASX Australian shares, exchange-traded funds and term deposits. Retired Cbus members can expect to be able to access the Cbus Self Managed platform in 2015.

Financial planning advisory services

Cbus has set up a financial planning advice service especially for members, providing advice from certified financial planners and professional practices that meet strict service and professional criteria. This complements the Cbus Advice Team services and our national seminar program for members.

Super Income Stream

In December 2013, the Conservative Growth option, a true 50/50 option balancing defensive assets and growth assets was introduced as a new investment option for the Cbus Super Income Stream pension product.

Established as the default option for members who choose not to make explicit investment-choice decisions when commencing a new Cbus Super Income Stream, it has also been welcomed by members in retirement with a lower tolerance for risk.

Member Experience Team

To make sure members with complex needs get the assistance they need, we formed a new team to provide enhanced service to members, including financial-advice conversations, building the current advice service offering for members.

MySuper

MySuper is a new, simple and cost-effective super product replacing the former default super product. Cbus is authorised to offer a MySuper product that provides a straightforward, good-value, low-cost membership – ideal for those who don't want to be actively involved with their super.

On site and in the office

In 2013/14 Cbus coordinators visited more than 5,000 sites across the country, a second coordinator joined Cbus in Western Australia, and a Northern Territory-based coordinator joined the Fund.

On the phone

For many members and employers, our service centre remains an important touch-point.

In April 2014, we engaged Feedback ASAP so members could rate their interaction with us within 24 hours of calling. We act on what members tell us and pass the feedback to the relevant staff member to help make improvements. This has shown us that member satisfaction with the service centre exceeds 87%.

Digital capacity

Each year more employers register and more members join Cbus through our website. Members are also increasingly rolling in their other super to their Cbus accounts online.

This year, members and employers are helping us develop our new digital strategy, a roadmap that will guide our use of digital services to best meet member and employer needs.

Cbus app

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

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

The free-to-download app acts as a digital wallet, holding copies of induction verifications, membership cards and other relevant accreditations.

Year in review



Award winning annual report released

The 2012/13 Cbus annual report went on to win a silver award at the 2014 Australasian Reporting Awards and was also acknowledged by Australian Institute of Superannuation Trustees with its Communication Award for Excellence.

Custodian transition

After a full tender and due diligence process, Cbus changed its custodian to JP Morgan which is well positioned to meet the Fund's needs over the long term. To us, this means administration improvements and efficiencies, but to members it means the Fund is maintaining a low-cost focus, delivering cost-effective products and services to help you make good retirement decisions.

New retirement stream default option launched

2013

October 2013

December 2013

1 July

September 2013

Divestment of tobacco holdings

Cbus this year divested our direct holdings in companies that produce tobacco products. We did this in the interest of members' long term investment returns – and their health. This decision was made after careful consideration by the Cbus Investment Committee and the Cbus Board.

Steve Bracks reappointed as Chair of Cbus



November 2013

The New Daily launches

Australia's largest industry super funds, including Cbus, backed The New Daily, a free online newspaper that covers personal finance, financial literacy and superannuation issues along with the news, sport and weather headlines.

Cbus members who subscribe receive a Cbus-branded email with a link to the day's headlines each day.



Major areas of activity

Member engagement

Our members tell us what we do well and where we can improve. Member research informs much of what we do, from marketing campaigns to new product offerings.

Members told us they wanted more information on investments, so we now produce monthly online investment videos. Each video is viewed more than 3,000 times.

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 its sponsoring organisations.

Sponsored activities included awards functions, workplace meetings, presentations, conferences and social events. These opportunities provide Cbus with an opportunity to connect directly with members and employers.



Cbus sponsors Construction Industry Inaugural Mental Health Conference

Findings of the Cbus-commissioned study into suicide in the construction industry were launched at the Brisbane conference. Set to become an annual event, it brings together construction and health professionals.



Mother's Day Classic

Renegotiated insurance contract with Hannover Re and associated cost changes announced

Cbus response to the Federal Government's discussion paper on issues of governance, transparency and competition in super released

2014

February 2014

May 2014

30 June

January 2014



Gold Coast Titans' home ground renamed Cbus Super Stadium

The Cbus brand will become a familiar sight to the more than 5.3 million NRL fans who watch televised matches 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.

March 2014

Weekly declared credit ratings introduced

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. The weekly rates are now published on the Cbus website every Monday (or the nearest business day in the instance of a public holiday).

Young member strategy

We want to make sure that the next generation of members know we are there for them from the day they join until after they finish work.

Our industry continues to be a popular career choice for young Australians. We want our young members to stick with us and ensure all their super is with one fund.

Research gave us a deeper understanding of what younger members needed and wanted from their fund.

A financial-literacy program to raise awareness and interest in super and make sure young workers get on the right track with super from the start is an important component of this strategy.



How we invest

Objectives

Cbus has an absolute return focus. This means our focus is on meeting the investment risk and return objectives for each investment option.

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

Philosophy

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

Our investment philosophy is based on three principles:

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

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

Risk management is also vital. Investment risks need to be managed through a risk-management framework that includes diversification as an important component.

Strategy

Cbus invests across a range of asset types, such as cash, fixed interest, property, infrastructure and shares. Each has a different level of return and risk. 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.

Growth (Cbus MySuper) Actual asset allocation at 30 June 2014



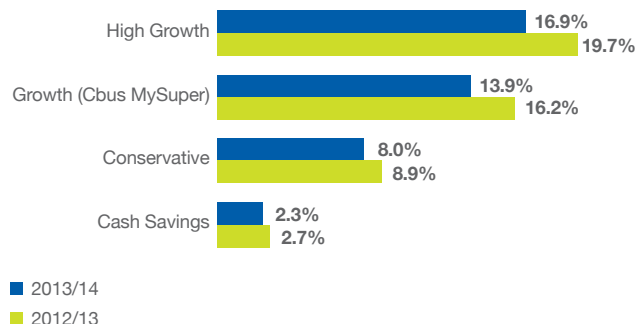
Australian shares	29.8%
International shares	21.0%
Private equity	7.0%
Opportunistic growth	1.6%
Infrastructure	10.1%
Property	12.6%
Credit	5.1%
Fixed interest	2.8%
Cash	10.0%



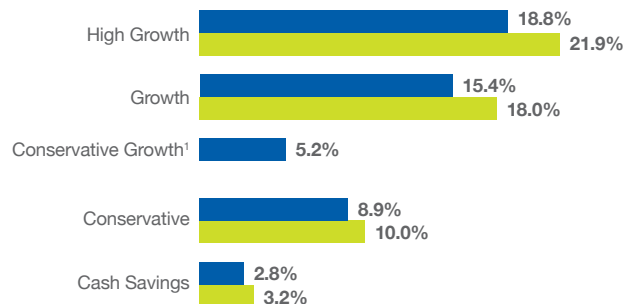
Investment highlights

Cbus investment option returns

Superannuation



Super Income Stream



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. Since March 2014 the weekly rates have been published on our website each week, providing greater clarity about how we apply crediting rates.

Another year of strong investment performance

The Growth (Cbus MySuper) investment option achieved another year of double-digit returns. All asset classes contributed positively to performance over the year but the key drivers were Australian and international shares. The broadening economic recovery led by the United States contributed to strong share market returns. 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.

New custodian arrangements to support our business needs into the future

In 2014 Cbus appointed JP Morgan as the Fund's new custodian. The new custodian arrangements will help Cbus optimise the investment framework 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.



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

Cbus at 30



In 1984 super became more accessible to more workers. Thirty years later, Cbus remains true to these values, providing super to more than 722,000 members and supporting 89,390 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) and now has more than \$27 billion in funds under management (to 30 June 2014).

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.

A photograph of a man in a light blue shirt and jeans holding a young child in a black hoodie. They are outdoors, and another person is blurred in the foreground.

Perth scaffolder Roger Hill

According to Perth scaffolder, Roger Hill, the best thing about the building and construction industry is the sense of mateship and camaraderie – and Cbus.

A member since 1984, Roger has been part of the Fund's growth. He's seen more informative and helpful coordinators on site, a service that is important to workers in the building industry.

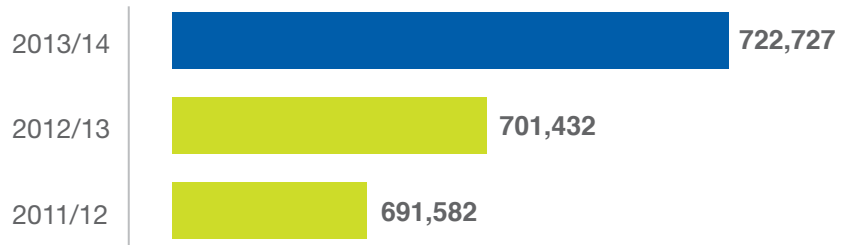
He believes being with Cbus gives workers peace of mind about their future and their retirement – something that as a parent and grandparent he says is a priority.

So, what advice does Roger have for younger members? He'd encourage them to not always think about the short term but to think about their future and retirement goals.

Strength in numbers

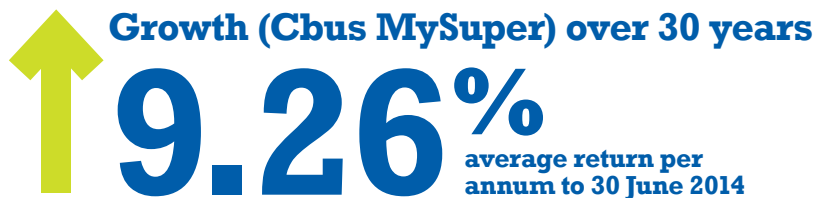
Our membership has continued to grow. In our 30th year we welcomed growth in membership of more than 20,000 net new members to the Fund.

Total members



Long-term returns for members

While investment returns vary from year to year, the default accumulation Growth (Cbus MySuper) investment option has enjoyed an average return of 9.26% per year since Cbus was established in 1984.



Geelong's Booth family

As we celebrate turning 30 we also celebrate the second generation members joining the Fund, like Ryan and Todd Booth from Geelong. Both carpenters, Ryan and Todd have followed their father Ray, an OH&S Rep, into the Fund.

With more than 30% of our members aged under 30, we hope to welcome more second generation members to the Fund and see more families like the Booths make Cbus their family fund.

In good hands

How the Fund is managed

Under the guidance of the Board, the CEO, executive and fund staff are responsible for day-to-day management of Cbus.

About the Board

The Chair

Hon. Steve Bracks AC

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 in Australia and around the world. He was awarded a Companion of the Order of Australia in 2010 for services to parliament and the community.

Steve was appointed to the role of Board Chair in February 2009 and reappointed in September 2013.

The Board is based on an equal-representation model. It currently is made up of:

- The 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.

About the Executive

CEO

David Atkin

With a proven track record in the most senior levels of Australia's super industry, David was appointed Cbus CEO in 2008.

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

David works with a skilled and experienced executive management team to effectively and efficiently manage the Fund.

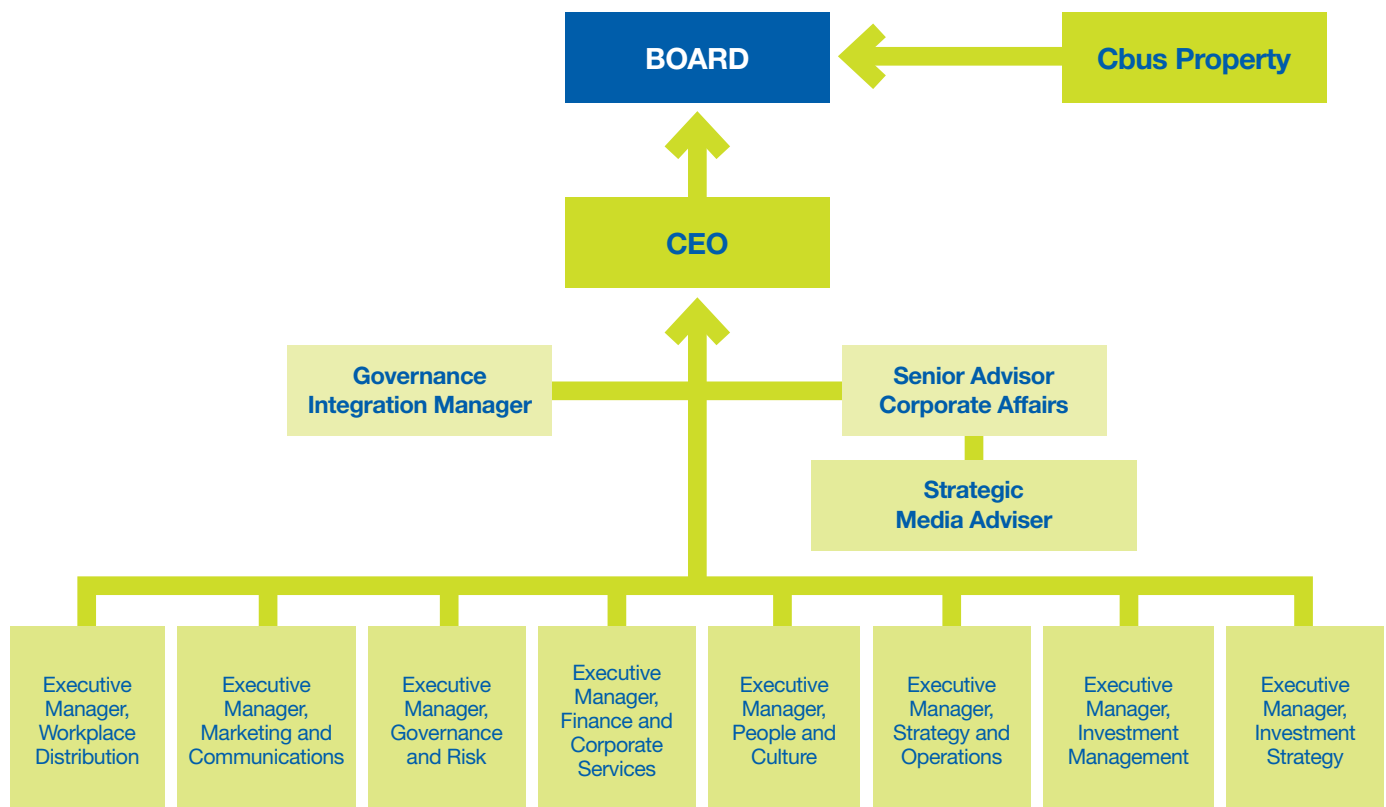


The Cbus team

As an industry super 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.

Cbus staff are a group of skilled and committed super professionals. Ensuring the Fund has the right capabilities to deliver the Cbus strategy into the future is a priority. To do this, great effort is placed on professional development, recognition and leadership programs and strategic recruitment.

Organisational structure



Areas of responsibility

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

Cbus Property

In 2013/14, Cbus Property delivered a return of 12.88%. Since its inception in 2006 it has returned an annual average of 13.87%.

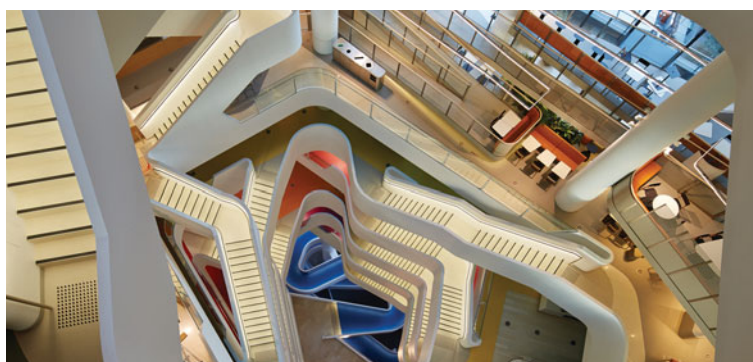
It remains focused on delivering a superior 'risk-adjusted' total return for the Fund from investing in the commercial sector, residential projects and other sectors as deemed appropriate.

Cbus Property's significant achievements of 2013/14 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, and 447 Collins Street, Melbourne – future mixed-use development with an end value of approximately \$1 billion.

Cbus Property has a strong development pipeline to focus on in the year ahead. Its focus is on enacting Cbus' commitment to investing in the industry which employs its members.



Commercial

Six projects are under development, totalling in excess of 230,000 square metres of accommodation with an end value of \$1.4 billion.

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).

Residential

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 and Dryburgh Street, West Melbourne.

Environmental, Social and Governance (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.



Delivering and planning

At Cbus, we are proud of what we have achieved this year. However we are also conscious that we have a lot to do to make sure our members, employers and supporting organisations continue to see the same level of service, innovation and performance in the year ahead.

Strategy scorecard

Strategy	2013/14 Achievements	2014/15 Priorities
Maximise long-term investment returns	<ul style="list-style-type: none"> ✓ Delivered a 13.9% return for the default super investment option, ranking among the top five super funds¹ ✓ Moved to a new custodian, delivering ongoing savings ✓ Enhanced governance structure with new internal investment committee 	<ul style="list-style-type: none"> • Increase internal resources with a stronger operations focus • Complete investment risk system implementation
Maintain our low cost focus	<ul style="list-style-type: none"> ✓ Consolidated corporate services ✓ Reduced costs through new payroll and HR systems ✓ Negotiated better outcomes with investment managers 	<ul style="list-style-type: none"> • SuperStream contribution project • Continue to help employers move to the Clearing House
Help members make good retirement decisions	<ul style="list-style-type: none"> ✓ Increased the number of members receiving a full retirement benefit projection statement ✓ Made financial planning advice more widely available (22% increase in outbound advice calls) ✓ Increased education of young members on the benefit of super ✓ Introduced monthly online investment videos (around 3000 views each month) ✓ Launched The New Daily 	<ul style="list-style-type: none"> • Further broaden the availability of financial planning advice • Increase the number of outbound advice conversations with members
Deliver products and services that meet members' and employers' needs	<ul style="list-style-type: none"> ✓ Developed Cbus Self Managed ✓ Introduced a new default investment option for Super Income Stream members ✓ Cbus Coordinators attended worksites to help with super issues (more than 5000 site visits) ✓ Developed a Cbus app ✓ Set up employer account managers and member experience team 	<ul style="list-style-type: none"> • Expand Cbus Self Managed to include property investments and roll out to Super Income Stream members • Develop the digital strategy • Complement the web offering with other social media platforms • Introduce new systems to better manage and meet employer and members' needs
Grow the Fund	<ul style="list-style-type: none"> ✓ 2.9% growth in membership ✓ Attracted 37% more new members to the Super Income Stream ✓ Improved the level of Funds Under Management retained within the Fund 	<ul style="list-style-type: none"> • Target white collar workers, set up employer conversations and boost the blue collar membership strategy • Set up a member/employer retention/acquisition think tank promoting innovation • Continue to grow the Super Income Stream • Negotiate new members' insurance for 2015 and beyond
Maintain and build our brand	<ul style="list-style-type: none"> ✓ Refreshed the Cbus look and feel ✓ Sponsored Cbus Super Stadium ✓ Increased brand visibility on Foxtel, T20 cricket, digital, outdoor and TV ✓ Increased Cbus brand affinity through marketing activities ✓ Introduced Feedback ASAP (member satisfaction over 87%) 	<ul style="list-style-type: none"> • Grow the brand through better use of the Cbus Super Stadium agreement • Optimise value of The New Daily • Coordinate data delivery and systems capability to comply with new APRA standards
Build on our sponsoring organisation relationships	<ul style="list-style-type: none"> ✓ Planned the first annual members briefing, to be held in October 2014 ✓ Sponsored events that assist members with their superannuation 	<ul style="list-style-type: none"> • Ongoing delivery of member health initiatives • Position Cbus as the leading fund for the wider building and construction industry, including allied 'trades'

1. SuperRatings SR50 Balanced Survey, 30 June 2014. As at 5 August 2014 some funds had interim returns reported.

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

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
or by calling the Service Centre on 1300 361 784

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