

# Annual Report

Construction and Building  
Unions Superannuation Fund  
ABN 75 493 363 262

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SECURING  
YOUR FUTURE



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# Directors' Report

The Directors of United Super Pty Ltd (the 'Trustee') present their report on the Construction and Building Unions Superannuation Fund (the 'Fund' or 'Cbus') for the year ended 30 June 2025.

## Principal activities

During the financial year the principal continuing activities of the Fund consisted of providing superannuation, retirement and insurance benefits to its members and their beneficiaries.

The Fund is a hybrid fund providing an accumulation product for members saving for retirement, an account-based pension for eligible members and a Transition to Retirement product. The Fund's accumulation and retirement products remain open to new members, including those outside the building and construction industry.

The Fund also administers a Defined Benefit product, which is closed to new members unless under limited portability rules.

There have been no significant changes in the nature of the principal activities of the Fund during the year.

## Review and results of operations

The Fund's performance for the financial year reflects the continued focus on members and the execution of the Fund's operational and investment strategies. The Fund delivered a result from operations of \$9,168,420,000 (2024: \$6,929,949,000) up 32%, reflecting growth in Funds Under Management ('FUM'), and strong investment returns.

Total FUM<sup>1</sup> increased 11% to \$105,050,484,000 (2024: \$94,698,715,000), and average FUM increased 11% to \$99,874,600,000 (2024: \$89,987,318,000).

Despite significant market volatility, equity markets finished the year strongly with the S&P/ASX 200 index recording a 10%<sup>2</sup> gain for the financial year. The Fund's one year investment performance reflected the benefits of its diversified portfolio for its members with:

- The default Growth (MySuper) option delivered 10.29%<sup>3</sup> up from 8.35% in 2024
- The Conservative Growth option, the default option for our retired members delivered 8.48%<sup>3</sup>
- The High Growth option, selected by many of our younger members and weighted more to growth assets, returned 11.80%<sup>3</sup>
- The Indexed Diversified option returned 11.68%<sup>3</sup>.

The growth in FUM and investment performance resulted in a 36% increase in changes in fair value of financial instruments; offset by:

- 37% increase in total expenses, primarily due to higher investment expenses including:
  - 55% increase in other investment expenses to \$252,681,000; and
  - 18% increase in investment manager fees to \$128,885,000.
- Income tax expense increased 9% to \$569,925,000.

Net assets available for members' benefits increased 11% to \$102,389,459,000 (2024: \$92,429,030,000).

## Significant changes in state of affairs

### APRA related matters

On 13 August 2024, Australian Prudential Regulation Authority ('APRA') imposed additional license conditions on United Super Pty Ltd as Trustee for Cbus to address concerns regarding fitness and propriety processes and fund expenditure management. The Trustee appointed Deloitte Touche Tohmatsu ('Deloitte') to conduct an Independent Review to confirm whether the Trustee is and was compliant with the relevant prudential standards and statutory framework for fitness and propriety and how the Trustee was meeting the Best Financial Interest Duty ('BFID') requirements relating to CFMEU payments (Independent Review).

On 3 December 2024, the Trustee publicly released the Independent Review and accepted all 26 recommendations and agreed to work with Deloitte as required by the license conditions to develop a rectification plan to address each of the recommendations.

In January 2025, APRA also commenced an investigation in relation to the Trustee's expenditure management practices, which remains ongoing.

On 11 February 2025, having received approval from APRA, the Trustee released its Rectification Plan to address the Independent Review recommendations. The Trustee and Board Risk Committee are responsible for oversight of the Rectification Plan, which is also subject to APRA/independent third-party review.

In addition to the Rectification Plan, in February 2025, the Trustee also agreed to a new comprehensive work program with APRA as part of a court-enforceable undertaking to address risk management practices and oversight of key fund services.

1 Total FUM comprises financial assets of \$105,753,423,000 (2024: \$94,783,112,000) less financial liabilities of \$702,939,000 (2024: \$84,397,000). Refer to Note 5 of the Financial Statements.

2 The S&P/ASX 200 index closed at 8542.3 on 30 June 2025, up 10% from 7767.5 as at 30 June 2024.

3 All figures stated are as at 30 June 2025. Our investment option returns are based on the crediting rate, which is based on investment returns minus investment fees and costs, transaction costs and investment-related taxes.

## Significant changes in state of affairs (continued)

### Insurance matters

On 12 November 2024, the Australian Securities and Investments Commission ('ASIC') commenced a legal proceeding in the Federal Court of Australia against the Trustee in respect of the handling of claims for death benefits and total and permanent disability ('TPD') insurance. The proceeding remains on foot, and a further update is set out in 'Matters subsequent to the end of the financial year'.

Other than the matters described above, in the opinion of the Directors, there were no other significant changes in the state of affairs of Cbus that occurred during the financial year ended 30 June 2025.

### Directors and Company Secretary

The following persons held office as a Director or the Company Secretary of the Trustee during the financial year and up to the date of this report.

Name	Position	Term as Director/Company Secretary
M Beveridge	Director	Full financial year
P Crumlin	Director	Appointed 18 November 2024
H Davis	Director	Full financial year
A Devasia	Director	Ceased 5 May 2025
S Dunne	Director	Full financial year
J Edwards	Independent Director	Full financial year
M Fagan	Director	Appointed 16 April 2025
S Gordon	Director	Appointed 25 June 2025
R Mallia	Director	Ceased 27 August 2024
A Milner	Director	Full financial year
D Noonan	Director	Ceased 28 August 2024
J O'Mara	Director	Ceased 28 August 2024; Appointed 18 November 2024
E Setches	Director	Ceased 23 August 2025
R Sputore	Director	Full financial year
W Swan	Independent Director and Chair	Full financial year
K Wakefield	Director	Ceased 21 November 2024
D Wawn	Director	Full financial year
L Weber	Director	Appointed 18 November 2024
M Jacona	Company Secretary	Full financial year

## Matters subsequent to the end of the financial year

### Director and Executive changes

On 24 July 2025, the Fund announced that the Fund's Deputy Chief Executive Officer, and Chief Member Officer, Ms M Walker, would be ceasing employment with the Fund. The Fund's Chief Strategy Officer, Mr B Dean, will be providing executive support during the transition period.

On 23 August 2025, Mr E Setches ceased his role as a Director of the Trustee.

### Insurance matters

As at the date of this report, the legal proceeding against the Trustee by ASIC in the Federal Court of Australia remains on foot with an upcoming hearing scheduled for November 2025.

Other than the matters noted above, there have been no other matters or circumstances that have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations, results of those operations and state of affairs of the Fund in future financial years.

## Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Trustee's Product Disclosure Statements and the provisions of the Trust Deed.

The results of the Fund's operations will be affected by several factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

## Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## Audit and non-audit services

Details of the amounts paid or payable to the registrable superannuation entity auditor ('RSE Auditor') of the Fund and its controlled entities (Ernst & Young) for audit and non-audit services during the year are disclosed in Note 16 Auditor's remuneration.

The Fund may decide to engage the RSE Auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Fund are important.

The Board of Directors of the Trustee, in accordance with advice provided by the Audit and Finance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the RSE Auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Audit and Finance Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

## Environmental, social and governance

The Fund believes that companies that are well-governed and manage material environmental, social and governance ('ESG') risks and opportunities in their operations and supply chains, such as those that impact employees, suppliers, customers, communities, and the environment, will help protect assets and grow our members' retirement savings over the long term.

The Fund's approach to managing these risks and opportunities is outlined in the Investment Governance Framework and the Responsible Investment ('RI') Policy.

At Cbus, responsible investment means considering material ESG risks and opportunities that are likely to affect business or investment performance, as one input in the investment decision making process (integration). Active stewardship (voting and engagement) is used to protect and preserve value for members and to help shape the systems in which the Fund operates and invests, including through policy and regulatory advocacy.

### Climate-related risks and opportunities

Climate change is a complex environmental and social issue that will increasingly impact the global economy over time. The Fund has developed a Climate Strategy to help guide the consideration and management of climate change risks and opportunities.

Climate-related risks and opportunities refer to the potential positive and negative financial impacts that stem from both climate change and the energy transition. These impacts include transition, physical, market and litigation risks.

Climate resilience reflects the Fund's ability to adjust to climate-related changes, developments and uncertainties, and involves the capacity to manage climate-related risks and benefits from climate-related opportunities.

The Fund's approach to managing climate resilience and climate related disclosures for the Investment Portfolio are reported in the Responsible Investment Report. Climate-related disclosures are prepared on a voluntary basis in accordance with the Task Force on Climate-related Financial Disclosures ('TCFD') Framework.

Following the release of AASB S2 *Climate-related Disclosures*, the Fund established a project to implement the standard, which will inform the location, extent and form of Climate-related Disclosures of the Fund's Investment portfolio and operations.



## Remuneration Report (audited)

The Directors of the Trustee present the Fund's Remuneration Report for the year ended 30 June 2025. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with section 300C of the *Corporations Act 2001*.

The Remuneration Report details the remuneration arrangements for the Key Management Personnel ('KMP') of the Fund which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund. For United Super Pty Ltd this includes:

- Directors of United Super Pty Ltd, the Trustee for the Fund; and
- Executives of United Super Pty Ltd who meet the definition of KMP.

### (a) KMP covered in this report

#### (i) Directors of the Trustee

Name	Position	Term as Director
M Beveridge	Director	Full financial year
P Crumlin	Director	Appointed 18 November 2024
H Davis	Director	Full financial year
A Devasia	Director	Ceased 5 May 2025
S Dunne	Director	Full financial year
J Edwards	Independent Director	Full financial year
M Fagan	Director	Appointed 16 April 2025
S Gordon	Director	Appointed 25 June 2025
R Mallia	Director	Ceased 27 August 2024
A Milner	Director	Full financial year
D Noonan	Director	Ceased 28 August 2024
J O'Mara	Director	Ceased 28 August 2024; Appointed 18 November 2024
E Setches	Director	Ceased 23 August 2025
R Sputore	Director	Full financial year
W Swan	Independent Director and Chair	Full financial year
K Wakefield	Director	Ceased 21 November 2024
D Wawn	Director	Full financial year
L Weber	Director	Appointed 18 November 2024

## Remuneration Report (audited) (continued)

### (a) KMP covered in this report (continued)

#### (ii) Other KMP

Name	Position	Term as KMP
K Fok	Chief Executive Officer ('CEO')	Full financial year
M Walker <sup>1</sup>	Deputy CEO & Chief Member Officer	Ceased 5 September 2025
B Chatfield	Chief Investment Officer ('CIO')	Ceased 13 May 2025
N Day	Chief Operating Officer ('COO')	Full financial year
B Dean	Chief Strategy Officer ('CSO')	Appointed 5 August 2024
L Gavin	Chief Investment Officer ('CIO')	Appointed 14 May 2025
M Georgiou	Chief Risk Officer ('CRO')	Full financial year
N Hannemann	Chief Transformation Officer ('CTO')	Ceased 31 July 2024
J Hartman	Chief People Officer ('CPO')	Full financial year
A West	Chief Strategy Officer ('CSO')	Ceased 5 August 2024

### Remuneration Framework

As an Industry Superannuation Fund, Cbus has a clear vision to generate the best possible retirement outcome for our members. The Fund's remuneration practices are designed to reflect our values placing our members at the centre of everything we do, and to ensure we act in the best financial interests of our members.

The Fund's Remuneration Framework outlines the overall approach to determine, manage and monitor remuneration outcomes to reinforce our culture and values and to ensure appropriate behavioural outcomes while supporting the achievement of strategic goals and objectives, and incentivise individuals to prudently manage risks and there is appropriate consequences for poor risk outcomes, in line with CPS 511 – *Remuneration* that applies to the Fund.

### Remuneration Governance

#### The Board

- The Board has oversight of the Remuneration Framework and application to the Fund (with the support of the PCRC) and ensuring it is effective in its application consistent with the scale and complexity of the organisation.

#### People, Culture and Remuneration Committee ('PCRC')

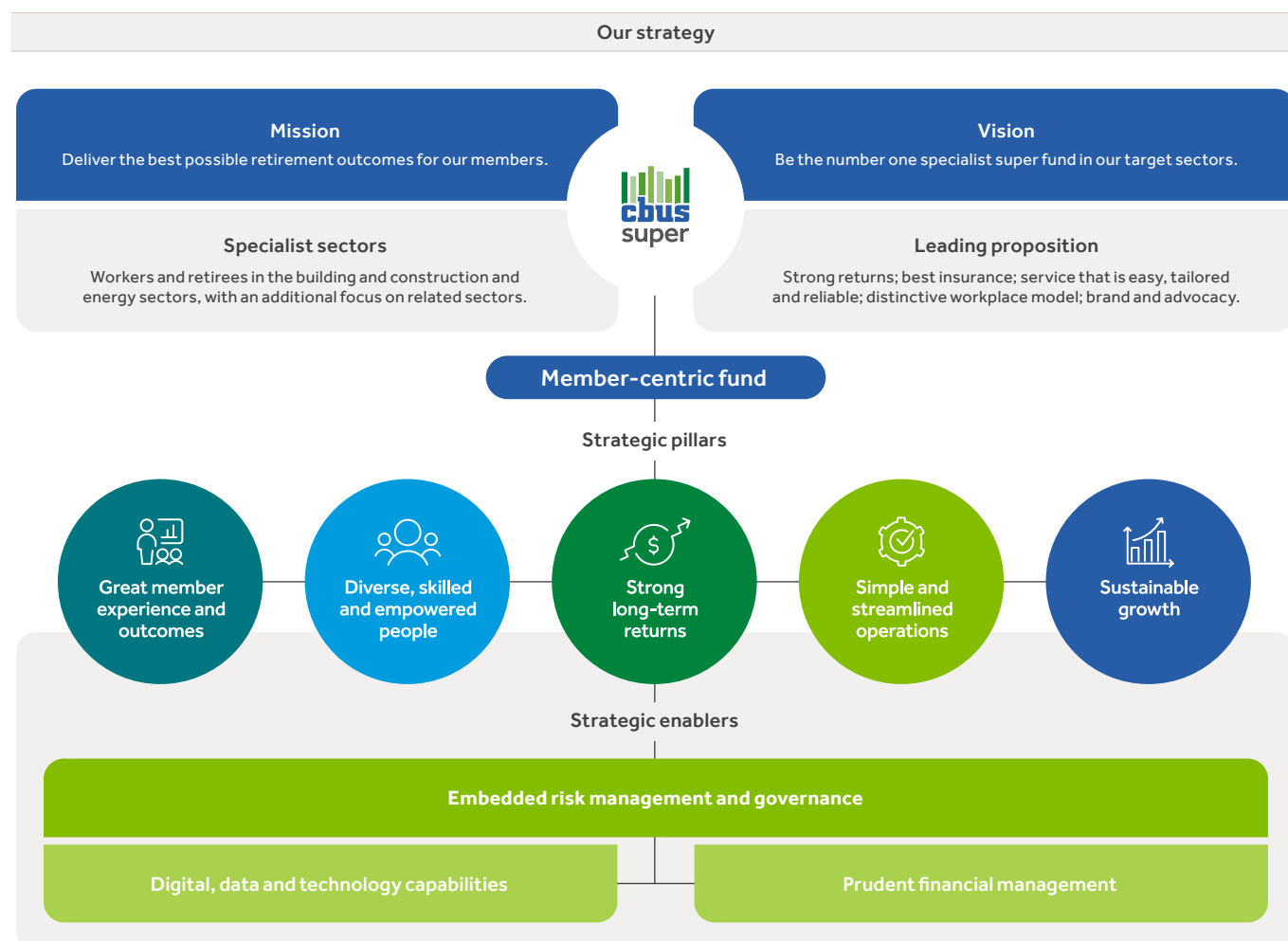
Responsible for making recommendations to the Board on remuneration matters such as:

- Oversight and application of the Remuneration Framework to the Fund.
- Remuneration strategies to support the achievement of strategic objectives and business plan of the Fund, consistent with its Risk Appetite and the Risk Management Framework.
- Determine the Remuneration for the CEO, KMP, Material Risk Takers and other roles specified by regulation.
- Review and endorse CEO's Key Performance Indicators (KPIs), performance and remuneration to the Board for approval.
- The structure and quantum of director fees for all group entities on an annual basis.
- The Fund's Remuneration Framework application, Policy and Variable Payment Plan ('VPP').
- Ensure the Remuneration Policy is reviewed annually and that the Framework is reviewed independently every three years.

1 On 24 July 2025, the Fund announced that Ms M Walker would be stepping down from her role and ceasing employment with the Fund.

## Remuneration Report (audited) (continued)

### Remuneration Framework (continued)



Our values					
We champion members		We're better together		We own it	
We put members at the heart of every decision we make and every action we take.		We care about each other, welcome diverse perspectives and work together to deliver great results.		We're brave, speak up and hold ourselves accountable to do what's right.	
				We're building for the future	
				We make the right decisions today, which sets us up for a better tomorrow.	
Remuneration principles					
Aligned to our mission, vision, strategy		Transparent, equitable, based on merit		Market competitive to attract and retain talent	
				Reinforces values and behaviours	
				Drives performance for our members	
				Promotes sound Risk Management	
Supporting policies and procedures					
• Remuneration Policy			• Consequence Management Framework		
• VPP Policy			• Code of conduct		
• FAR Governance Policy					



## Remuneration Report (audited) (continued)

### (b) Executive KMP remuneration

Executive KMP remuneration can comprise both fixed and variable remuneration.

Remuneration Elements <sup>1</sup>	
Description	
Fixed Remuneration	Variable Remuneration
<p>Fixed remuneration comprises base salary, superannuation, and other non-monetary benefits.</p> <p>Fixed remuneration rewards employees for their knowledge, skills, capability, experience and the impact of their contribution in performing their ongoing work.</p>	<p>The VPP is a performance related award paid in cash on achievement of agreed performance objectives and outcomes for nominated members of the Investment Team.</p> <p>Designed to attract and retain key talent in competitive markets.</p> <p>Participation in a given year, doesn't guarantee ongoing participation in subsequent years.</p> <p>Subject to achievement of agreed objectives and risk and conduct gates and deferral periods.</p> <p>Payable in September following approval by the PCRC and Board.</p>
Management	
<p>External benchmarking is performed to ensure that remuneration is market competitive.<sup>2</sup></p> <p>Individual performance, skills, capability and external benchmarking data are considerations in the annual review of Fixed Remuneration.</p> <p>The CEO's remuneration is reviewed and recommended by the PCRC to the Board, based on performance outcomes of the CEO as determined by the Chair of the Board.</p> <p>Executive remuneration and performance is reviewed annually with any resultant remuneration adjustment determined by the CEO based on performance outcomes of the individual Group Executive.</p> <p>Executive remuneration is reviewed annually by the PCRC with reference to individual performance, salary market movements and the Remuneration Framework.</p> <p>All other employees' remuneration is reviewed annually, with salary increases (if any) based on an assessment of their performance relative against their objectives, and the Remuneration Framework.</p> <p>Recommendations for salary increases are subject to review and approval by the CEO and CPO.</p> <p>The Board approves the endorsed remuneration recommendations and performance outcomes from the PCRC.</p>	<p>Eligibility and participants is approved by the CEO and CPO annually based on recommendations of the CIO.</p> <p>Participants have a VPP potential, a percentage of fixed remuneration which varies by role.</p> <p>All participants have defined Fund, Team and Individual measures, weighted appropriately for their role.</p> <p>Deferral and Consequence Management (including Malus and Clawback provisions) in place to align with CPS 511 <i>Remuneration</i><sup>3</sup> and the Financial Accountability Regime ('FAR')<sup>4</sup>.</p> <p>Where a participant in the VPP terminates from Cbus for the reason of resignation, any unvested VPP payments will be forfeited.</p>

<sup>1</sup> Excluding Directors.

<sup>2</sup> The Financial Institutions Remuneration Group ('FIRG') Industry Leaders Survey is the primary source of salary market data for the Financial Services Industry and for Cbus Executives.

<sup>3</sup> CPS 511 – *Remuneration* requires APRA regulated entities to maintain remuneration arrangements which appropriately incentivise individuals to prudently manage the risks they are responsible for, and that there are appropriate consequences for poor risk outcomes.

<sup>4</sup> The FAR is designed to improve risk and governance cultures of Australia's financial institutions and came into effect for superannuation trustees on 15 March 2025.

## Remuneration Report (audited) (continued)

### (b) Executive remuneration (continued)

#### CIO arrangements

The CIO is eligible for a variable incentive under the Variable Payment Plan ('VPP') up to a maximum of 60% of fixed remuneration. No other KMP are eligible for VPP.

The incentive is subject to achievement of agreed performance measures, which include a mixture of financial and non-financial measures (including risk) as assessed by the CEO and endorsed by the PCRC. There is no 'target' VPP for participants under the plan.

Awarded variable incentive is subject to a deferral period, with 60% paid at the closure and assessment of the performance year. 40% deferred of which 20% paid in year 4 and 20% paid in year 5.

#### Malus and payment variation

The Board, on the recommendation of the PCRC, may exercise overarching discretion and elect not to make payment of a deferred amount. This may occur in instances where the individual's conduct or behaviour is deemed to have a major or severe impact on Cbus, its members, people, reputation or financial position. In making this determination, the Board will take into account the individual's level of accountability and responsibility in relation to the matter.

#### Clawback

The Board, on the recommendation of the PCRC, may seek repayment of an Award payment. This may occur in instances where the individual's conduct or behaviour is deemed to have a moderate or severe impact on Cbus, its members, people, reputation or financial position. In making this determination, the Board will take into account the individual's level of accountability and responsibility in relation to the matter. This provision will continue to apply to participants up to two years following the cessation of their employment with Cbus. The application of clawback will apply whether or not the participant has ceased employment with Cbus.

### (c) Executive remuneration agreements

#### (i) Executive KMP employment agreements

All Executive positions, including the CEO are covered by employment contracts outlining their employment terms and conditions, and remuneration arrangements. The employment contracts are not subject to an industrial arrangement, are open ended and can be terminated with notice by the Trustee and the CEO.

If an Executive's employment is terminated, the Fund may not require them to work their notice period of three months or for the CEO six months.

The Fund may immediately terminate an individual's employment at any time in the case of serious misconduct, in this case the individual will be entitled to fixed remuneration up to the date of their termination and their statutory entitlements.

#### (ii) Financial year 2025 remuneration review outcomes

The PCRC is scheduled to meet in October 2025 to review and endorse:

- the CEO's recommendations in respect of the Group Executive remuneration and financial year 2025 performance outcomes of the individual Group Executives
- the CIO's recommendations for financial year 2025 VPP outcomes for the participating Investment team members and invitation to participate in the financial year 2026 VPP
- the CEO's financial year 2025 performance outcome as assessed by the Chairman.

#### (iii) Previous KMP payments

Payments made to Executives who ceased employment with the Fund during the financial year ended 30 June 2025 are disclosed in the following statutory remuneration table.

## Remuneration Report (audited) (continued)

### (d) Executive KMP statutory remuneration

Name and Role	Short-term employee benefits *			Post-employment benefits	Other long-term benefits	Termination benefits	Total
	Cash salary, fees & short-term compensated absences	Short-term cash profit-sharing & other bonuses	Non-monetary benefits**	Superannuation	Long service leave		
	\$	\$	\$	\$	\$	\$	\$
<b>K Fok<sup>1</sup></b> Chief Executive Officer (CEO)	1,370,000	139,230	-	30,000	62,177	-	1,601,407
<b>M Walker<sup>2</sup></b> Deputy CEO & Chief Member Officer	852,500	-	13,312	30,000	24,811	-	920,623
<b>B Chatfield<sup>3</sup></b> Chief Investment Officer	1,269,308	270,559	11,456	26,192	-	-	1,577,515
<b>N Day<sup>4</sup></b> Chief Operating Officer	770,000	27,781	13,312	30,000	33,595	-	874,688
<b>B Dean<sup>5</sup></b> Chief Strategy Officer	526,154	-	11,657	27,692	13,150	-	578,653
<b>L Gavin<sup>6</sup></b> Chief Investment Officer	121,338	-	-	3,808	3,078	-	128,224
<b>M Georgiou</b> Chief Risk Officer	537,115	-	-	28,269	13,498	-	578,882
<b>N Hannemann<sup>7</sup></b> Chief Transformation Officer	105,564	-	1,655	12,115	-	199,904	319,238
<b>J Hartman</b> Chief People Officer	510,000	-	13,312	30,000	44,847	-	598,159
<b>A West<sup>8</sup></b> Chief Strategy Officer	280,439	-	2,404	5,769	-	119,231	407,843
<b>Total</b>	6,342,418	437,570	67,108	223,845	195,156	319,135	7,585,232

\*Short-term employee benefits include cash salary, vested variable payments, annual leave, lump sum payments and other non-monetary benefits.

\*\*Includes car parking benefits and any associated fringe benefits tax.

- Short-term employee benefits attributable to Mr K Fok represent deferred variable remuneration that vested in financial year 2025 under the VPP that related to his previous position as CIO. The final tranche of \$34,808 is expected to be paid in October 2025.
- On 24 July 2025, the Fund announced that Ms M Walker would be stepping down from her role and ceasing employment with the Fund.
- Mr B Chatfield received \$270,559 of deferred variable remuneration that vested during financial year 2025. The total attributable to Mr B Chatfield comprised three tranches: \$50,612 financial year 2022 grant, \$45,527 financial year 2023 grant and \$174,420 financial year 2024 grant. Mr B Chatfield forfeited \$146,631 following his resignation from the Fund.
- Short-term benefits attributable to Ms N Day in financial year 2025 represent vested deferred variable remuneration that related to her role prior to appointment as COO. The final tranche of \$6,423 is expected to be paid in October 2025.
- Mr B Dean was appointed interim CSO on 29 July 2024 and appointed to the role permanently on 5 August 2024 with fixed remuneration of \$600,000 per annum.
- Mr L Gavin was appointed CIO on 14 May 2025 with fixed remuneration of \$986,000 per annum.
- Ms N Hannemann was appointed as CTO on 23 August 2023 and ceased employment with the Fund on 31 July 2024 and received \$199,904 in termination benefits in line with contractual terms and statutory entitlements.
- Ms A West ceased employment as CSO on 5 August 2024 and received \$119,231 in termination benefits in line with contractual terms and statutory entitlements.

## Remuneration Report (audited) (continued)

### (d) Executive KMP statutory remuneration (continued)

#### Directors' Remuneration

The Trustee's Directors, and any Alternate Directors, receive competitively benchmarked remuneration for their work, having due regard to their specific responsibilities and the nature and objectives of the Fund.

The Fund's PCRC is responsible for reviewing and setting Directors' fees for all group entities each year.

The Committee ensures that Directors' fees are appropriate and suitably reflect current industry practice, the complexity of the Boards' work programs and responsibilities, and the Fund's performance and the best financial interests of members.

The fees are also externally benchmarked against peer Funds and other similar financial institutions at least every three years. For the forthcoming financial year, the PCRC will make a remuneration recommendation to the Fund's Board, following their meeting in October 2025.

The Chair of the Board and the Independent Director at Cbus are all paid a set annual fee. Other Cbus Directors are currently paid a base fee and an additional attendance fee for meetings attended. The attendance fee paid at Committees will vary depending on whether a Director is a member or Chair of a Committee.

#### External Board or external committee fees

Where a Cbus Board member has (or will be) appointed for an extended period to an external board, forum, committee or working party representing the Fund, then at the commencement of this appointment a determination will be made if a fee will be payable for the duration of the sitting period. Any recommendation will be made by the Fund and submitted to the Board for approval. This determination will take into consideration any fee arrangement proposed to be provided by other relevant parties (for example, a fund manager may provide a fee for attendance and input at an external Investment Committee) so that no overpayment occurs. If (after the determination) a fee is to be paid by Cbus, then it will be paid in accordance with the current fee schedule and will be dependent on whether the sitting Director is a member or chair of the external board, forum, committee or working party.

Any remuneration application will be determined at the commencement of any appointment, and this will be made in consultation by the Chair with the affected Director based on a recommendation of the time commitment required and endorsed to the Board by the PCRC. It is anticipated that at the commencement of the term the program of activities would be tabled for assessment.

The Trustee has appointed two independent Directors. The independent Director's fee is based on comparable positions in other superannuation funds and the financial services sector more broadly. The fees payable to individual Directors may be delivered as a combination of cash salary and superannuation contributions at the Director's discretion (subject to minimum Superannuation Guarantee requirements). Directors do not receive performance-related incentives, long service leave or termination benefits.

Director remuneration levels are reviewed annually by the Cbus PCRC, with reference to the Fund's Remuneration Framework and market movements.

The table below sets out the schedule of fees payable to the Directors for attendance at Board, and Committee Meetings (inclusive of superannuation contributions).

Schedule of Fees	2025 \$	2024 \$
Chair of the Board	237,494	228,000
Independent Director (base fee)	145,875	140,535
Board Member (base fee)	74,627	71,895
Investment Committee Chair (base fee)	141,625	136,440
Investment Committee Chair (attendance fee)	9,342	9,000
Investment Committee Member (attendance fee)	5,398	5,200
Committee Chair (attendance fee)	5,709	5,500
Committee Member (attendance fee)	2,896	2,790

## Remuneration Report (audited) (continued)

### (d) Executive KMP statutory remuneration (continued)

#### Director statutory remuneration

Name	Short-term employee benefits	Post-employment benefits	Total \$	Fees paid to	
	Board and committee fees \$	Superannuation \$			
Current Directors					
M Beveridge	121,005	13,986	134,991	Director	
P Crumlin	73,566	8,828	82,394	CFMEU <sup>1</sup>	
H Davis	128,219	14,833	143,052	Director	
S Dunne	190,610	22,030	212,640	Director	
J Edwards	155,510	17,959	173,469	Director	
M Fagan	24,716	2,898	27,614	AWU <sup>3</sup>	
S Gordon	1,972	237	2,209	AMWU <sup>2</sup>	
A Milner	120,131	13,869	134,000	Director	
J O'Mara	90,139	10,817	100,956	CFMEU <sup>4</sup>	
R Sputore	153,218	17,698	170,916	Director	
W Swan	212,920	24,574	237,494	Director	
D Wawn	110,102	12,741	122,843	MBA <sup>6</sup>	
L Weber	69,881	8,386	78,267	CFMEU <sup>7</sup>	
Former Directors					
A Devasia	98,610	11,340	109,950	AMWU <sup>2</sup>	
R Mallia	16,240	1,949	18,189	Director	
D Noonan	20,625	2,372	22,997	Director	
E Setches	101,309	11,713	113,022	CEPU <sup>5</sup>	
K Wakefield	28,854	3,318	32,172	AWU <sup>3</sup>	
Total	1,717,627	199,548	1,917,175		

1 Fees paid to Construction, Forestry and Maritime Employees Union ('CFMEU').

2 Fees paid to Automotive Food Metals Engineering Printing & Kindred Industries Union ('AMWU').

3 Fees paid to Australian Workers Union ('AWU'). M Fagan receives the superannuation component of the fees directly into his nominated superannuation fund, it is not remitted to AWU.

4 Fees paid to Construction, Forestry and Maritime Employees Union Construction & General Division Australian Capital Territory Divisional Branch ('CFMEU').

5 Fees paid to Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia - Plumbing Division Victoria Divisional Branch ('CEPU').

6 Fees paid to Master Builders Australia Limited ('MBA').

7 Fees paid to CFMEU Construction & General Division National Office ('CFMEU').

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

This report is made in accordance with a resolution of the Directors.



Director



Director

Melbourne  
1 October 2025





**Shape the future  
with confidence**

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Auditor's independence declaration to the directors of United Super Pty Ltd as trustee for Construction and Building Unions Superannuation Fund**

As lead auditor for the audit of the financial report of Construction and Building Unions Superannuation Fund for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- b) No contraventions of any applicable code of professional conduct in relation to the audit; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

*Ernst & Young*

Ernst & Young

Maree Pallisco  
Partner  
1 October 2025

# Statement of Financial Position

As at June 30 June 2025

	Notes	2025 \$'000	2024 \$'000
<b>Assets</b>			
Cash and cash equivalents	3(a)	190,596	194,496
Receivables	4	14,233	10,802
Financial assets	5	105,753,423	94,783,112
Property, plant and equipment	6(i)	12,233	9,757
Right-of-use assets	6(ii)	51,756	26,667
Intangible assets	7	4,528	11,712
<b>Total assets</b>		<b>106,026,769</b>	<b>95,036,546</b>
<b>Liabilities</b>			
Payables	8	(126,792)	(119,829)
Financial liabilities	5	(702,939)	(84,397)
Income tax payables	9(e)	(184,142)	(255,057)
Lease liabilities	10	(72,999)	(47,582)
Deferred tax liabilities	9(d)	(2,550,438)	(2,100,651)
<b>Total liabilities excluding members' benefits</b>		<b>(3,637,310)</b>	<b>(2,607,516)</b>
<b>Net assets available for members' benefits</b>		<b>102,389,459</b>	<b>92,429,030</b>
<b>Members' benefits</b>			
Defined contribution members' liabilities	11(a)		
Allocated to members		(100,714,367)	(90,772,230)
Unallocated to members		(4,999)	(5,244)
Defined benefit members' liabilities	11(b)	(1,155,033)	(1,183,157)
<b>Total members' benefits</b>	<b>12</b>	<b>(101,874,399)</b>	<b>(91,960,631)</b>
<b>Net assets</b>		<b>515,060</b>	<b>468,399</b>
<b>Equity</b>			
General reserve	2(n)	5,899	8,207
Administration reserve	2(n)	120,531	133,982
Insurance reserve	2(n)	117,333	127,386
Operational risk reserve	2(n)	236,511	231,073
Defined benefits over/(under) funded		34,786	(32,249)
<b>Total equity</b>		<b>515,060</b>	<b>468,399</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Income Statement

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
<b>Superannuation activities revenue</b>			
Interest		665,082	538,858
Dividends and distributions		1,939,810	1,646,451
Changes in fair value of financial instruments	13	7,865,065	5,791,540
Other investment income		56,154	52,401
<b>Total superannuation activities revenue</b>		<b>10,526,111</b>	<b>8,029,250</b>
<b>Expenses</b>			
Investment expenses	14	(394,987)	(271,625)
Administration and other operating expenses	15	(351,034)	(282,833)
Insurance premium expenses		(41,745)	(19,823)
<b>Total expenses</b>		<b>(787,766)</b>	<b>(574,281)</b>
<b>Result from superannuation activities before income tax (expense)/benefit</b>		<b>9,738,345</b>	<b>7,454,969</b>
Income tax (expense)/benefit	9(a)	(569,925)	(525,020)
<b>Result from superannuation activities after income tax (expense)/benefit</b>		<b>9,168,420</b>	<b>6,929,949</b>
Net (benefits)/losses allocated to members' accounts		(9,188,794)	(6,805,276)
Net change in defined benefit members' liabilities		67,035	(47,500)
<b>Operating result after income tax</b>		<b>46,661</b>	<b>77,173</b>

The above Income Statement should be read in conjunction with the accompanying notes.

# Statement of Changes in Members' Benefits

For the year ended 30 June 2025

2025	Notes	Defined Contribution Members \$'000	Defined Benefit Members \$'000	Total \$'000
Opening balance of members' benefits		90,777,474	1,183,157	91,960,631
Contributions received from:				
Employers		6,100,322	27,285	6,127,607
Members		1,094,352	327	1,094,679
Government		27,401	-	27,401
Net transfers from other superannuation entities		893,524	-	893,524
Income tax on contributions	9(c)	(975,420)	(4,093)	(979,513)
Net after tax contributions		7,140,179	23,519	7,163,698
Benefits paid to members or beneficiaries		(6,286,221)	(87,418)	(6,373,639)
Transfer from defined benefit to defined contribution		7,679	(7,679)	-
Insurance premiums charged to members		(413,235)	(12)	(413,247)
Death and disability insurance entitlements received		415,197	-	415,197
Benefits allocated to members' accounts, comprising:				
Net investment income		9,301,071	113,729	9,414,800
Administration fees		(222,778)	(3,228)	(226,006)
Net change in defined benefit members' liabilities		-	(67,035)	(67,035)
Closing balance of members' benefits	12	100,719,366	1,155,033	101,874,399

The above Statement of Changes in Members' Benefits should be read in conjunction with the accompanying notes.

# Statement of Changes in Members' Benefits (continued)

For the year ended 30 June 2025

2024	Notes	Defined Contribution Members \$'000	Defined Benefit Members \$'000	Total \$'000
Opening balance of members' benefits		82,118,523	1,142,387	83,260,910
Contributions received from:				
Employers		5,581,344	10,850	5,592,194
Members		901,707	434	902,141
Government		30,265	-	30,265
Net transfers from other superannuation entities		1,079,972	-	1,079,972
Income tax on contributions	9(c)	(885,830)	(1,628)	(887,458)
Net after tax contributions		6,707,458	9,656	6,717,114
Benefits paid to members or beneficiaries		(4,754,961)	(81,083)	(4,836,044)
Transfer from defined benefit to defined contribution		7,692	(7,692)	-
Insurance premiums charged to members		(416,833)	(19)	(416,852)
Death and disability insurance entitlements received		382,659	68	382,727
Benefits allocated to members' accounts, comprising:				
Net investment income		6,953,146	75,537	7,028,683
Administration fees		(220,210)	(3,197)	(223,407)
Net change in defined benefit members' benefits		-	47,500	47,500
Closing balance of members' benefits	12	90,777,474	1,183,157	91,960,631

The above Statement of Changes in Members' Benefits should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the year ended 30 June 2025

2025	General reserve \$'000	Administration reserve \$'000	Insurance reserve \$'000	Operational risk reserve \$'000	Defined benefits over/(under) funded \$'000	Total equity \$'000
Opening balance	8,207	133,982	127,386	231,073	(32,249)	468,399
Net transfers (to)/from reserves	(49)	52	127	(130)	-	-
Net allocations (to)/from Members' Benefits	(9,395,353)	226,006	-	(19,447)	67,035	(9,121,759)
Net allocations (to)/from Income Statement	9,393,094	(239,509)	(10,180)	25,015	-	9,168,420
Closing balance	5,899	120,531	117,333	236,511	34,786	515,060

2024	General reserve \$'000	Administration reserve \$'000	Insurance reserve \$'000	Operational risk reserve \$'000	Defined benefits over/(under) funded \$'000	Total equity \$'000
Opening balance	(48,039)	103,642	111,242	209,130	15,251	391,226
Net transfers (to)/from reserves	432	527	149	(1,108)	-	-
Net allocations (to)/from Members' Benefits	(7,028,683)	223,407	-	-	(47,500)	(6,852,776)
Net allocations (to)/from Income Statement	7,084,497	(193,594)	15,995	23,051	-	6,929,949
Closing balance	8,207	133,982	127,386	231,073	(32,249)	468,399

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# Statement of Cash Flows

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Interest received		6,843	5,891
Death and disability proceeds received from insurer		415,197	382,727
Administration expenses paid		(325,680)	(262,320)
Insurance premiums paid		(456,065)	(447,548)
Income tax received/(paid)		(194,424)	195,199
<b>Net cash outflow from operating activities</b>	<b>3(b)</b>	<b>(554,129)</b>	<b>(126,051)</b>
<b>Cash flows from investing activities</b>			
Purchases of financial instruments		(80,716,828)	(74,992,658)
Proceeds from sale of financial instruments		80,486,587	73,304,187
Payments for fixed and intangible assets		(5,473)	(3,573)
<b>Net cash outflow from investing activities</b>		<b>(235,714)</b>	<b>(1,692,044)</b>
<b>Cash flows from financing activities</b>			
Employer contributions received		6,127,607	5,592,194
Member contributions received		1,094,679	902,141
Government co-contributions received		27,401	30,265
Net transfers from other superannuation entities received		893,524	1,079,972
Benefits paid to members or beneficiaries		(6,373,639)	(4,836,044)
Payment of lease liabilities		(7,487)	(5,068)
Tax paid on contributions		(976,142)	(872,138)
<b>Net cash inflow from financing activities</b>		<b>785,943</b>	<b>1,891,322</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>(3,900)</b>	<b>73,227</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>194,496</b>	<b>121,269</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3(a)</b>	<b>190,596</b>	<b>194,496</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## 1. General information

The Construction and Building Unions Superannuation Fund (the 'Fund') is a superannuation fund domiciled in Australia.

The Fund was constituted by a Trust Deed dated 29 May 1984 (as amended) to provide superannuation, retirement and insurance benefits to its members and beneficiaries. For the purposes of the financial statements the Fund is a not for profit entity.

The Trustee of the Fund is United Super Pty Ltd (the 'Trustee'). The registered office of the Trustee is Level 22, 130 Lonsdale Street, Melbourne, VIC 3000.

These financial statements cover the Fund as an individual entity and were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee on 1 October 2025. The Directors of the Trustee have the power to amend and re-issue these financial statements.

## 2. Summary of material accounting policies

Unless covered in other notes to the financial statements, the material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the reporting periods presented, unless otherwise stated.

### (a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and the provisions of the Trust Deed.

#### (i) Financial statements presentation

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and not distinguished between current and non-current.

#### (ii) Assessment as an investment entity

The Trustee has assessed that the Fund meets the definition of an investment entity within AASB 10 *Consolidated Financial Statements* as it meets the following criteria:

- The Fund obtains money from members for the purpose of providing them with investment management services
- The Fund's business purpose, which it communicated directly to members, is investing solely for returns from capital appreciation, investment income or both
- The performance of investments made by the Fund are measured and evaluated on a fair value basis.

The Fund also meets all the other typical characteristics of an investment entity.

The Fund does not consolidate the controlled entities (refer to Note 20) but instead measures investments in unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*.

The entities controlled by the Fund have been set up for the purpose of holding investments that generate capital appreciation and investment income. The investment strategies of the underlying controlled entities may include leverage. The Fund purchases shares and units from the controlled entities which enables the controlled entities to invest in a range of property, infrastructure and private equity assets, either directly or through underlying entities. These underlying controlled entities hold investments in property and infrastructure.

The Fund's maximum exposure to loss from its interests in controlled entities is equal to the fair value of its investments in these entities plus any capital commitments (refer to Note 23) made by a controlled entity to an underlying entity.

Once the Fund has disposed of its interest in a controlled entity it ceases to be exposed to any risk from the controlled entity.

#### (iii) Fair value measurement

The financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

### (b) Significant accounting estimates, judgements and assumptions

The preparation of the Fund's financial statements requires management to make estimates, judgements and assumptions that affect the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

In applying the Fund's accounting policies management continually evaluates estimates, judgements and assumptions based on historical experience and other factors, including expectations of future events that may have an impact on the Fund. All estimates, judgements and assumptions made are believed to be reasonable based on the most current set of circumstances available to management.

Significant estimates, judgements and assumptions exist in the calculation of the accrued benefit relating to defined benefit members' liabilities. The key estimates, judgements and assumptions used are set out in Note 12.

### (c) New accounting standards and interpretations adopted by the Fund

#### (i) New accounting standards and interpretations that are applicable for mandatory adoption in the current year

There were no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

## 2. Summary of material accounting policies (continued)

### (c) New accounting standards and interpretations adopted by the Fund (continued)

*(ii) New accounting standards and interpretations that are applicable for early adoption in the current year, but not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted by the Fund.

- AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027)

AASB 18 will replace AASB 101 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

The Fund is in the process of assessing the potential impact of the new standard on its financial statements. At this stage, the impact of AASB 18 has not yet been determined.

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* [AASB 7 & AASB 9] (effective for annual periods beginning on or after 1 January 2026)

On 29 July 2024, the AASB issued targeted amendments to AASB 9 and AASB 7 to respond to recent questions in practice, and to include new requirements for financial institutions. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion
- Add new disclosures for certain instruments with contractual terms that can change cash flows; and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income.

The Fund does not expect these amendments to have a material impact on its operations or financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable transactions.

### (d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash held with banking institutions and is subject to an insignificant risk of changes in value.

Other cash held forms part of the Fund's investment portfolio and is classified as a financial asset, disclosed as fund managers' cash and cash equivalents in Note 5. This includes short-term deposits, margin accounts and unsettled trades.

### (e) Receivables

Receivables are initially recognised at fair value. All receivables, unless otherwise stated, are non-interest bearing, unsecured and generally received within 14 days of recognition. Collectability of receivables is reviewed regularly and considered as part of their fair value measurement.

### (f) Payables

Payables include liabilities and accrued expenses owned by the Fund which are unpaid as at the end of the reporting period and are measured at fair value. These amounts are unsecured and are usually paid within 14 days of recognition.

### (g) Financial assets and liabilities

#### (i) Classification

The Fund's financial investments are classified as fair value through profit or loss in accordance with AASB 1056 *Superannuation Entities*.

#### (ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises the changes in the fair value of the financial assets or liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Transaction costs for financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Income Statement.

#### (iii) Measurement (continued)

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as changes in the fair value of financial instruments.

### (h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## 2. Summary of material accounting policies (continued)

### (h) Fair value measurement (continued)

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy (refer to Note 19).

### (i) Property, plant and equipment

Motor vehicles, office and computer equipment, furniture and fittings and leasehold improvements are measured at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of the asset have different useful lives they are accounted as separate assets. Any gain/loss arising from impairment and any gain/loss on disposal of an item is recognised in the Income Statement in the period in which it occurs.

The cost of leasehold improvements is capitalised as an asset and depreciated over the assets' lease term.

Depreciation is calculated using the diminishing value method to allocate an asset's cost over its estimated useful life. The assets residual values and useful lives are reviewed at the end of each reporting period and adjusted if required. The estimated useful lives are as follows:

Leasehold improvements	Lease term
Furniture and fittings	5-10 years
Office equipment	10 years
Computer equipment	3-4 years
Motor vehicles	8 years

### (j) Leases

Leases are recognised, measured and presented in line with AASB 16 Leases.

#### *Valuation of right-of-use assets and lease liabilities*

The application of AASB 16 requires the Fund to make judgements that affect the valuation of right-of-use assets (refer to Note 6) and the valuation of lease liabilities (refer to Note 10). These include determining contracts within the scope of AASB 16, determining the contract terms and determining the interest rate used for discounting of future cash flows.

The lease terms determined by the Fund comprise the following:

- Non-cancellable period of lease contracts
- Periods covered by an option to extend the lease if the Fund is reasonably certain to exercise that option
- Periods covered by an option to terminate the lease if the Fund is reasonably certain not to exercise that option.

The lease terms are applied to determine the depreciation rate of right-of-use assets.

For leases with terms not exceeding twelve months and for leases of low-value assets, the Fund has exercised the optional exemptions, where the lease payments under these contracts are recognised on a straight-line basis over the lease term as other operating expenses.

In all other leases in which the Fund acts as the lessee, the present value of future lease payments is recognised as a lease liability. Correspondingly, a right-of-use asset is recognised within property, plant and equipment at the present value of the lease liability.

The present value of the lease liability is determined using the discount rate representing the incremental borrowing rate. Where there has been a re-assessment of the lease term during the year, the Fund has re-measured the lease liabilities using a revised incremental borrowing rate as at the date of the lease modification.

The right-of-use asset is depreciated on a straight-line basis over the lease term or, if shorter the useful life of the leased asset.

### (k) Intangible assets

#### *(i) Internally generated intangible assets*

Costs incurred in developing products or systems, and costs incurred in acquiring software and licences that are expected to contribute to future period economic benefits, are capitalised as internally generated intangible assets when the recognition criteria under AASB 138 are met.

Capitalised intangible assets are initially measured at cost and are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. These assets are amortised on a straight-line basis over their estimated useful lives, which typically range from 2 to 5 years.

Intangible assets are assessed for impairment whenever there is an indication that the asset may be impaired. An annual review of useful lives, amortisation methods and indicators of impairment is performed at each reporting date.

Amortisation and annual impairment testing of completed internally generated intangible assets are used as a proxy for fair value assessment at the reporting date.

Costs associated with internally generated intangible assets are recorded as assets under construction until the development phase is complete and the asset is available for use. During the construction phase, such assets are subject to annual impairment testing.

#### *(ii) Software as a Service ('SaaS') related costs*

Costs associated with maintaining or customising SaaS cloud products/software programmes are recognised as an operating expense as incurred.

## 2. Summary of material accounting policies (continued)

### (l) Impairment of assets

The Fund assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, Management makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in administration and other operating expenses.

### (m) Members' benefits

Members' benefits are the Fund's present obligation to pay benefits to members and beneficiaries as follows:

#### (i) Defined contribution members' liabilities

Defined contribution member liabilities are measured as the amount of members' account balances as at the reporting date.

#### (ii) Defined benefit members' liabilities

Defined benefit members' liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due. The amount of accrued benefits has been determined on the basis of the present value of expected future payments with reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and other relevant actuarial assumptions. Refer to Note 12 for further information on members' benefits.

### (n) Reserves

The Fund maintains four reserves, for the purposes described below:

- A General Reserve to manage the receipt of investment income and the payment of investment related expenses and tax. This reserve is also used for the allocation of investment earnings to members via the process of declaring daily crediting rates. The reserve may also be used to cover unexpected and unbudgeted 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 members' accounts. The long-term aim is to hold a General Reserve within a range of 0.00%-0.25% (2024: 0.00%-0.25%) of the Fund's net assets available for members' benefits.
- An Administration Reserve to manage the receipt of administration fees and the payment of Fund administration and operating expenses.  
The reserve is also used to cover unexpected and unbudgeted expenses of the Fund and to meet any other expenses which the Trustee deems ought to be met from the Administration Reserve, rather than directly from members' accounts. The Trustee Board has determined that the Administration Reserve is to be maintained within a range of -10% / +10% of the current target level of \$77,500,000.
- An Insurance Reserve is maintained to ensure insurance related expenditure and income are incurred and shared by insurance members and there is no impact on non-insured members for insurance activities. The Insurance Reserve accounts for:
  - The Partnership Sharing Model ('PSM') in place with the Fund's insurance provider, TAL Life Limited. The PSM provides a mechanism to manage the long-term fluctuations in claims experience
  - Insurance related revenue and expenditure of the Fund
  - Includes a self-insured amount in order to pay an additional benefit to certain defined benefit members in the event the member dies or becomes totally or permanently disabled prior to retirement age.
- An Operational Risk Reserve ('ORR') to provide protection to the Fund and Members if a loss is incurred from an operational risk event. The use of the ORR is governed by requirements established by the Australian Prudential Regulatory Authority, under Prudential Standard SPS 114 *Operational Risk Financial Requirement*.  
The Trustee intends to maintain the reserve at 0.25% (2024: 0.25%) of the Fund's net assets available for members' benefits in line with its internal policy.

### (o) Revenue and expense recognition

#### (i) Interest revenue

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

#### (ii) Dividends and distributions revenue

Dividends and distributions revenue are recognised gross of withholding tax when the Fund's right to receive the distribution or dividend payment is established.

#### (iii) Changes in fair value of financial instruments

Changes in the fair value of financial instruments are calculated as the difference between the fair value upon sale, restructure, settlement or termination, or at the end of the reporting period, and the fair value at the end of the previous reporting period or at the date the financial instruments are acquired.

All changes in the fair value of financial instruments are recognised in the Income Statement.



## 2. Summary of material accounting policies (continued)

### (o) Revenue and expense recognition (continued)

#### (iv) Investment expenses

Master custodian and investment management fees and other investment expenses are recognised on an accruals basis and represent costs incurred directly by the Fund in managing the investment portfolio. They do not include fees incurred within underlying investment vehicles. Total investment expenses including direct and indirect expenses are received from members by deducting an investment fee from investment returns before they are credited to members' accounts.

Expenses are recognised in the Income Statement when the Fund has a present obligation (legal or constructive) as a result of a past event, that can be reliably measured, and where the expenses do not produce future economic benefits that qualify for recognition in the Statement of Financial Position.

#### (p) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the *Income Tax Assessment Acts 1936 and 1997*. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income.

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments where the Fund is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying amount of deferred tax assets is reviewed periodically and at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

### (q) Goods and services tax ('GST')

Income, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The Fund qualifies for Reduced Input Tax Credits ('RITC') at a rate of 55% or 75%; hence investment management fees, custodial fees and other expenses have been recognised in the Income Statement net of the amount of GST recoverable from the Australian Taxation Office ('ATO').

### (r) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund and its subsidiaries operate ('the functional currency'). The financial statements are presented in Australian Dollars, which is the Fund's functional and presentation currency.



## 2. Summary of material accounting policies (continued)

### (r) Foreign currency translation (continued)

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

### (s) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars (\$'000), unless otherwise indicated.

### (t) Reclassification of financial information

Where necessary, comparative information has been reclassified to achieve consistency in both presentation and disclosures of the financial report.

## 3. Cash and cash equivalents

### (a) Components of cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank	190,596	194,496
Total cash and cash equivalents	190,596	194,496

### (b) Reconciliation of operating result after income tax to net cash outflow from operating activities

	2025 \$'000	2024 \$'000
Operating result after income tax	46,661	77,173
<b>Change in operating assets and liabilities:</b>		
(Increase)/decrease in financial assets	(10,752,961)	(7,336,506)
(Increase)/decrease in receivables	(3,431)	(3,458)
Increase/(decrease) in payables	17,140	(17,106)
Increase/(decrease) in financial liabilities	618,542	(404,890)
Increase/(decrease) in insurance premiums payables	1,950	(34,125)
Increase/(decrease) in income tax payables	375,501	720,219
<b>Adjustments for non-cash and non-operating items:</b>		
Depreciation and amortisation	16,781	18,855
Net disposal gains	(135)	-
Additions to right-of-use assets	(24,401)	-
Additions to lease liabilities	28,465	1,011
Allocation to members' accounts	9,121,759	6,852,776
<b>Net cash outflow from operating activities</b>	<b>(554,129)</b>	<b>(126,051)</b>

#### 4. Receivables

	2025 \$'000	2024 \$'000
GST receivables	5,007	3,284
Other receivables	9,226	7,518
<b>Total receivables</b>	<b>14,233</b>	<b>10,802</b>

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Information regarding credit risk exposure is set out in Note 18(b).

#### 5. Financial assets and liabilities

	2025 \$'000	2024 \$'000
<b>Financial assets</b>		
Fund managers' cash and cash equivalents	8,196,489	7,822,984
Alternative debt	1,572,796	1,372,300
Derivative assets	896,748	529,861
Fixed interest securities	13,295,422	11,987,782
Australian equities	22,003,113	20,367,526
International equities	31,520,919	27,824,113
Alternative assets	18,123,667	15,593,772
Investment property trusts	10,144,269	9,284,774
<b>Total financial assets</b>	<b>105,753,423</b>	<b>94,783,112</b>
<b>Financial liabilities</b>		
Derivative liabilities	(702,939)	(84,397)
<b>Total financial liabilities</b>	<b>(702,939)</b>	<b>(84,397)</b>

## 6. Property, plant and equipment

### (i) Property, plant and equipment (owned)

Information about property, plant and equipment owned by the Fund is presented below:

	2025 \$'000	2024 \$'000
<b>Property, plant and equipment</b>		
Opening net book value	9,757	9,193
Additions	5,473	2,838
Disposals	(414)	(374)
Depreciation expense	(2,583)	(1,900)
<b>Closing net book value</b>	<b>12,233</b>	<b>9,757</b>
Cost	24,945	20,990
Accumulated depreciation	(12,712)	(11,233)
<b>Net book value</b>	<b>12,233</b>	<b>9,757</b>

### (ii) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and their movements during the year.

	2025 \$'000	2024 \$'000
<b>Right-of-use assets</b>		
Opening balance	26,667	41,587
Reassessment of leases	10,138	(10,338)
Additions	24,401	735
Disposals	(2,436)	-
Depreciation expense	(7,014)	(5,317)
<b>Closing balance</b>	<b>51,756</b>	<b>26,667</b>

## 7. Intangible assets

	2025 \$'000	2024 \$'000
<b>Internally generated intangible assets</b>		
Opening net book value	11,712	23,987
Impairment	-	(637)
Amortisation	(7,184)	(11,638)
<b>Total intangible assets</b>	<b>4,528</b>	<b>11,712</b>

## 8. Payables

	2025 \$'000	2024 \$'000
Insurance premiums payables	(32,868)	(33,941)
Investment manager fees payables	(31,458)	(28,660)
Investment manager performance fees payables	(3,461)	(9,225)
Administration expenses payables	(29,801)	(22,006)
Asset consulting fees payables	(228)	(217)
Custodian fees payables	(2,484)	(2,281)
Provision for employee benefits	(26,492)	(23,499)
<b>Total payables</b>	<b>(126,792)</b>	<b>(119,829)</b>

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Information regarding interest rate, foreign exchange and liquidity risk exposures are set out in Note 18.

## 9. Income tax

### (a) Income tax expense/(benefit) recognised in the Income Statement

	2025 \$'000	2024 \$'000
<b>Current income tax expense/(benefit)</b>		
Current tax on profits/(losses) for the year	139,916	(45,111)
Adjustments for current tax of prior periods	(19,778)	55,976
<b>Deferred income tax expense/(benefit)</b>		
Relating to origination and reversal of temporary differences	449,787	514,155
<b>Total income tax expense/(benefit) recognised in the Income Statement</b>	<b>569,925</b>	<b>525,020</b>

### (b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	2025 \$'000	2024 \$'000
Result from superannuation activities before income tax expense/(benefit)	9,738,345	7,454,969
Prima facie tax at the applicable Australian tax rate of 15% (2024: 15%)	1,460,752	1,118,245
<b>Tax effects of amounts which are not (assessable)/deductible in calculating taxable income:</b>		
Capital (gains)/losses not (assessable)/deductible	(419,061)	(283,792)
Exempt pension income	(134,980)	(77,637)
Net imputation and foreign tax credits	(255,021)	(225,244)
Insurance premium deduction	(61,987)	(62,528)
Adjustments for current tax of prior periods	(19,778)	55,976
<b>Total income tax expense/(benefit)</b>	<b>569,925</b>	<b>525,020</b>

## 9. Income tax (continued)

### (c) Income tax on contributions recognised in the Statement of Changes in Members' Benefits

	2025 \$'000	2024 \$'000
Contributions and transfers-in	8,143,211	7,604,572
Tax at the complying superannuation fund rate of 15% (2024: 15%)	1,221,482	1,140,686
<b>Tax effects of amounts which are not (assessable)/deductible in calculating contributions tax</b>		
Non-assessable contributions	(112,271)	(95,481)
Non-assessable transfers-in	(131,094)	(159,138)
No TFN tax	1,396	1,391
<b>Total income tax on contributions recognised in the Statement of Changes in Members' Benefits</b>	<b>979,513</b>	<b>887,458</b>

### (d) Deferred tax liabilities

The movement in temporary differences during the year were:

2025	Opening balance \$'000	(Charged)/Credited to Income Statement \$'000	Closing balance \$'000
<b>Net deferred tax liabilities</b>			
Unrealised gains/(losses) on investments	(2,100,651)	(449,787)	(2,550,438)
<b>Net deferred tax liabilities</b>	<b>(2,100,651)</b>	<b>(449,787)</b>	<b>(2,550,438)</b>

2024	Opening balance \$'000	(Charged)/Credited to Income Statement \$'000	Closing balance \$'000
<b>Net deferred tax liabilities</b>			
Unrealised gains/(losses) on investments	(1,586,496)	(514,155)	(2,100,651)
<b>Net deferred tax liabilities</b>	<b>(1,586,496)</b>	<b>(514,155)</b>	<b>(2,100,651)</b>

The Fund offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities.

### (e) Income tax payables

The Fund's income tax payable of \$184,142,000 (2024: \$255,057,000) represents the amount of income tax payable in respect of current and prior periods.

## 10. Lease liabilities

	2025 \$'000	2024 \$'000
Lease liabilities	(72,999)	(47,582)
<b>Total lease liabilities</b>	<b>(72,999)</b>	<b>(47,582)</b>

The Fund leases commercial office spaces (within Australia), vehicles and other office equipment. The office leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are renegotiated.

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year.

	2025 \$'000	2024 \$'000
<b>Opening balance</b>	<b>47,582</b>	<b>62,254</b>
Additions	28,465	735
Reassessment of leases	5,433	(10,161)
Accretion of interest	1,905	1,022
Payments	(7,487)	(6,268)
Disposals	(2,899)	-
<b>Closing balance</b>	<b>72,999</b>	<b>47,582</b>
Current	9,953	6,053
Non-current	63,046	41,529
<b>Total lease liabilities</b>	<b>72,999</b>	<b>47,582</b>

The maturity analysis of the contractual undiscounted cash flows of future property lease payments are as follows:

	2025 \$'000	2024 \$'000
Less than one year	9,953	205
One to five years	43,379	2,481
More than five years	33,070	48,199
<b>Total undiscounted lease liabilities</b>	<b>86,402</b>	<b>50,885</b>

The following are the amounts recognised in the Income Statement:

	2025 \$'000	2024 \$'000
Depreciation expense of right-of-use assets	7,014	5,317
Interest expense on lease liabilities	1,905	1,022
Rental expense relating to leases of short-term and low-value assets	1,031	2,069
<b>Total amount recognised in Income Statement</b>	<b>9,950</b>	<b>8,408</b>



## 11. Funding arrangements

### (a) Defined contribution members' liabilities

Employers contribute to the Fund on behalf of members in accordance with the Fund's Trust Deed, relevant industry award agreements and mandated minimum Superannuation Guarantee Charge rate of 11.5% (2024: 11.0%). In addition, members and employers can elect to contribute further amounts to the Fund at their own discretion.

### (b) Defined benefit members' liabilities

A merger with EISS Super on 11 May 2023 amended the Fund's Trust Deed to establish a new Defined Benefits section ('Pool B Sub-Division'). Member and employer contributions to the defined benefit scheme are described below.

#### (i) Pool B Sub-Division - Former Pool B Division 'B' members

##### Employer contributions

Employers contribute on a fully funded basis as determined by the Trustee based on actuarial advice. During the year the employers contributed at a rate of 1.9 times the value of employee contributions.

Employers also contribute to a member's Basic Benefit, otherwise referred to as the Basic Benefits for Former Pool B members ('Division C'). This employer funded benefit is generally equal to 2.5% of either the final average salary or final salary (depending on the circumstances of exit) for each year of service (less 15% contributions tax).

##### Member contributions

Each member elects to contribute between 1% and 9% of salary for their Contributor Financed Benefit.

Members can also contribute to their Basic Benefit, Division C. A member can use this account for the purpose of making additional contributions and rolling over amounts from other super funds. This account is also able to accept government co-contributions and award contributions from employers.

#### (ii) Pool B Sub-Division - Former Pool B Division 'D' members

##### Employer contributions

Employers contribute on a fully funded basis as determined by the Trustee based on actuarial advice. During the year the employers contributed at a rate of 1.64 (2024: 1.64) times the value of employee contributions.

Employers also contribute to a member's Basic Benefit, Division C. This employer funded benefit is generally equal to 2.5% of either the final average salary or final salary (depending on the circumstances of exit) for each year of service (less 15% contributions tax).

##### Member contributions

Each member contributes on a 'rate for age' basis to individual pension units which become available with salary increases. The contribution rate increases according to the age of the member. Members may elect to abandon units where total contributions payable would exceed 6% of salary.

Members can also contribute to their Basic Benefit, Division C. A member can use this account for the purpose of making additional contributions and rolling over amounts from other super funds. This account is also able to accept government co-contributions and award contributions from employers.

## 12. Members' benefits

	2025 \$'000	2024 \$'000
<b>Members' benefits</b>		
<b>Defined contribution members' liabilities</b>		
Allocated to members	(100,714,367)	(90,772,230)
Unallocated to members	(4,999)	(5,244)
Defined benefit members' liabilities	(1,155,033)	(1,183,157)
<b>Total members' benefits</b>	<b>(101,874,399)</b>	<b>(91,960,631)</b>

Obligations relating to members' entitlements are recognised as members' liabilities. They are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their membership as at reporting date, subject to preservation requirements.

## 12. Members' benefits (continued)

### (a) Defined contribution members' liabilities

Defined contribution members' liabilities are measured as the amount of members' account balances as at the end of the reporting period.

Members' account balances are valued by crediting rates determined by the Trustee based on the underlying investment options selected by members.

The defined contribution members bear the investment risk relating to the underlying investment options. Investment option unit prices are updated on a daily basis for movements in investment values.

Refer to Note 18 for the Fund's management of the investment risks.

\$4,999,000 (2024: \$5,244,000) has not yet been allocated to defined contribution members' accounts which consists of contributions received by the Fund that have not been able to be allocated as at the end of the reporting period and insurance claims payable which have not been paid from members' accounts.

### (b) Defined benefit members' liabilities

The valuation of the defined benefit members' liabilities is undertaken by the RSE actuary ('the Actuary') on an annual basis. Defined benefit members' liabilities are measured as the amount of investments needed to yield cash flows sufficient to meet accrued benefits as at the date when they are expected to fall due.

The amount of accrued benefits has been determined on the basis of the present value of expected future payments with reference to expected future salary levels and by application of a market-based, risk adjusted discount rate and other relevant actuarial assumptions.

Accrued benefits are defined as the benefits the Fund is obligated to transfer in the future as a result of membership to the end of the reporting period.

The key assumptions used by the Fund's Actuary to determine the value of the accrued benefits in the current year are:

- Future rate of investment return/discount rate (net of all fees and taxes) forecast at 5.42% (2024: 5.42%) per annum
- Future rate of salary increases forecast at 4.2% per annum for 2025/26 (2024: 5.6% for 2024/25), 3.4% per annum for 2026/27 (2024: 3.4% for 2025/26), 2.9% per annum for 2027/28 (2024: 3.1% for 2026/27) and then 3.5% per annum thereafter (2024: 3.5%)
- Future rate of pension/CPI increases forecast at 1.9% per annum for 2025/26 (2024: 3.8% per annum for 2024/25) and then 2.5% (2024: 2.5%) per annum thereafter.

The Fund's Actuary has used the following movements in the key assumptions to determine the sensitivity in the value of accrued benefits for the current and prior reporting period:

- Future rate of investment return: +/-1% per annum
- Future rate of salary increases: +/-1% per annum
- Future rate of CPI: +/-1% per annum.

The impact of the sensitivity of accrued benefits in these key assumptions are shown below:

2025			
Assumption	Assumed at reporting date % pa	Sensitivity change % pa	Increase/(decrease) in accrued benefits \$'000
Investment return/Discount rate	5.42	+1/-1	(95,091)/111,080
Salary increases	4.2	+1/-1	27,977/(25,685)
Pension/ CPI increases	1.9	+1/-1	83,903/(72,464)

2024			
Assumption	Assumed at reporting date % pa	Sensitivity change % pa	Increase/(decrease) in accrued benefits \$'000
Investment return/Discount rate	5.42	+1/-1	(99,814)/116,867
Salary increases	5.6	+1/-1	30,492/(27,860)
Pension/ CPI increases	3.8	+1/-1	96,969/(83,214)

The RSE Actuary reports on a quarterly basis on the status of the Vested Benefit Index ('VBI'). The VBI is monitored against a Shortfall Limit set at 96%. If the VBI falls below 96%, this will trigger a review by the RSE Actuary and a report that will set out remedial action and rectification plans as required by APRA Prudential Standard SPS 160 *Defined Benefits*.

The amount of vested benefits attributable to defined benefit members as at 30 June 2025 is \$1,156,298,000 (2024: \$1,178,135,000).

## 12. Members' benefits (continued)

### (a) Defined contribution members' liabilities (continued)

The Pool B Sub-Division was over funded as at 30 June 2025 as follows:

2025	Net assets available for defined benefit members \$'000	Actuarial value of accrued benefits for defined benefit members \$'000	Over/(under) funded \$'000
Pool B Sub-Division	1,189,819	1,155,033	34,786

2024	Net assets available for defined benefit members \$'000	Actuarial value of accrued benefits for defined benefit members \$'000	Over/(under) funded \$'000
Pool B Sub-Division	1,150,908	1,183,157	(32,249)

In respect of the underfunded position of defined benefit member liabilities as at 30 June 2024, the Trustee has worked with the relevant employer sponsors to develop a three year rectification strategy.

## 13. Changes in fair value of financial instruments

	2025 \$'000	2024 \$'000
Fund managers' cash and cash equivalents	280,471	144,601
Alternative debt	134,278	110,583
Derivatives	(1,147,426)	297,178
Fixed interest securities	487,275	(12,159)
Australian equities	1,236,871	1,294,232
International equities	5,109,109	3,678,540
Alternative assets	1,432,138	776,006
Investment property trusts	332,349	(497,441)
Total changes in fair value of financial instruments	7,865,065	5,791,540

## 14. Investment expenses

	2025 \$'000	2024 \$'000
Investment manager fees	(128,885)	(109,457)
Performance fees*	(1,059)	11,697
Custodian fees	(9,556)	(8,709)
Asset consulting fees	(2,806)	(2,651)
Other investment expenses	(252,681)	(162,505)
<b>Total investment expenses</b>	<b>(394,987)</b>	<b>(271,625)</b>

## 15. Administration and other operating expenses

	2025 \$'000	2024 \$'000
Administration expenses	(66,164)	(66,166)
Audit fees	(1,994)	(1,199)
Actuarial fees	(390)	(418)
Marketing and advertising	(27,317)	(25,577)
Trustee fees and reimbursements	(66,986)	(19,379)
Depreciation and amortisation of owned assets	(9,767)	(13,538)
Depreciation of right-of-use assets	(7,014)	(5,317)
Interest expense on lease liabilities	(1,905)	(1,022)
Other operating expenses (including employee expenses)	(169,497)	(150,217)
<b>Total administration and other operating expenses</b>	<b>(351,034)</b>	<b>(282,833)</b>

## 16. Auditor's remuneration

During the year the following fees were paid or payable for services provided by Ernst & Young, the RSE Auditor of the Fund and its controlled entities:

	2025 \$	2024 \$
Audit services for the statutory financial report of the Fund and its controlled entities	676,005	659,510
Assurance services that are required by legislation to be provided by the external auditor	147,366	94,374
Other assurance and agreed-upon-procedures under other legislation or contractual arrangements	69,493	125,400
<b>Other non-audit services</b>		
Tax compliance services	383,420	236,796
Tax governance services	166,179	136,600
<b>Total other non-audit services</b>	<b>549,599</b>	<b>373,396</b>
<b>Total auditor's remuneration</b>	<b>1,442,463</b>	<b>1,227,670</b>

\*Performance fees recognised include performance fees incurred during the year and changes to the accrual of performance fees. As accrued performance fees are based on fund manager performance against relevant hurdle rates, the Fund's performance fee expense can fluctuate from year to year.

## 17. Segment information

The Fund operates solely in one reportable business segment, being the provision of superannuation benefits to members. The Fund also operates from one reportable geographic segment, being Australia, where its activities are managed. Revenue is predominantly derived from investments, such as interest, distributions and dividends and net changes in the fair value of financial instruments.

## 18. Financial risk management

This note sets out the Fund's approach to Financial Risk Management.

Financial Risk	Description of the Fund's approach to Financial Risk Management
a) Market risk	Is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Change in market prices are reflected in earnings credited to members accounts and Fund reserves. Market risks include: <ul style="list-style-type: none"> <li>• Foreign exchange risk</li> <li>• Interest rate risk</li> <li>• Price risk</li> </ul>
b) Credit Risk	Is the risk that one party to a financial investment will cause financial loss for the other party by failing to discharge an obligation.
c) Liquidity risk	Is the risk that the Fund will encounter difficulty in raising cash to meet commitments associated with members' liabilities or is unable to maintain the targeted risk and return allocation. Liquidity risk also includes Cashflow interest rate risk.
d) Derivatives	Derivatives are used to gain market exposure or reduce risk and/or enhance efficiency.
e) Other	Investment Environmental Social and Governance (ESG) is the risk of failure to appropriately factor material ESG (including climate) risks and opportunities, into the investment decision making processes.

### Overview – Financial Risk Management Framework

The Fund manages these financial risks as part of its overall Risk Management Framework and Investment Governance Framework.

Financial risk management is carried out by the Trustee through the Board and various Committees with advice from external advisors and internal management. The Fund obtains regular reports from each investment manager on the nature of the investments made on its behalf and the associated risks. The Fund obtains formal Derivative Risk Statements from each manager where available.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include asset allocation modelling, historical stress testing and forward looking scenario testing. The Fund uses a range of qualitative measures of risk when assessing the individual managers' and the Fund's overall investment arrangements.

The Trustee determines the strategic asset allocations of each of the Fund's investment options. The Trustee receives advice from its investment advisor in making its determination. The asset allocation is reviewed throughout the year in accordance with the Fund's Risk Management Strategy, Investment Policy and Procedures Manual.

The Fund's investments are held on behalf of the Trustee by JPMorgan Chase Bank, National Association ('JPM') who act as the Fund's master custodian. To the extent assets are held out of custody, the Trustee ensures appropriate controls are in

place to ensure the correct recording of the assets, liabilities, revenues and expenses.

Each investment manager is required to invest the assets managed by it in accordance with the terms of a written mandate or Trust Deed. The Trustee has determined that appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy and outsourcing policy.

### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Changes in market prices are reflected in earnings credited to member's accounts and Fund reserves. Market risk comprises three types of risk: Foreign exchange risk, interest rate risk and price risk.

#### (i) Foreign exchange risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using quantitative and qualitative modelling and sensitivity analysis. The Fund has a Currency Policy. Compliance with the Fund's policy is monitored on a regular basis.

The Fund currently utilises a currency overlay manager to assist with implementation management.

## 18. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Foreign exchange risk (continued)

The tables below summarise the Fund's assets and liabilities that are denominated in a currency other than the Australian dollar.

2025	US Dollar \$'000	Euro \$'000	GB Pound \$'000	HK Dollar \$'000	JPY \$'000	Other \$'000	Total \$'000
Net exposure	29,241,481	6,165,128	1,728,324	1,731,464	1,434,932	4,828,617	45,129,946

2024	US Dollar \$'000	Euro \$'000	GB Pound \$'000	HK Dollar \$'000	JPY \$'000	Other \$'000	Total \$'000
Net exposure	24,426,480	4,244,142	1,348,405	1,057,383	1,521,016	4,390,061	36,987,487

Unsettled sales and purchases, dividends and interest receivable are not included in the net exposure figures shown above. Foreign exchange contracts are the fair value of the exchange exposure (rather than the fair value of the hedged instrument).

#### Sensitivity analysis

Based on an assessment of historical ranges of currency and one standard deviation expectation an assumption of +/-19.5% (2024: +/-17.0%) has been determined by the investment advisor as an appropriate assumption for this scenario analysis.

An 19.5% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2025 would have (decreased)/increased the net assets available to pay members' liabilities and the net result from superannuation activities by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024. The impact mainly arises from the reasonably possible change in foreign currency rates. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to a number of factors including the average absolute divergence between the unhedged and hedged MSCI World ex Australian Index annual returns over a 10 year period.

The amounts shown below are on the basis that all other variables remain constant.

2025	US Dollar \$'000	Euro \$'000	GB Pound \$'000	HK Dollar \$'000	JPY \$'000	Other \$'000
19.50%	(4,771,622)	(1,006,025)	(282,028)	(282,540)	(234,152)	(787,933)
-19.50%	7,083,340	1,493,416	418,662	419,423	347,592	1,169,665

2024	US Dollar \$'000	Euro \$'000	GB Pound \$'000	HK Dollar \$'000	JPY \$'000	Other \$'000
17.00%	(3,549,147)	(616,670)	(195,922)	(153,637)	(221,002)	(637,872)
-17.00%	5,003,014	869,282	276,179	216,572	311,533	899,169

## 18. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Fund's exposure to interest rate movements on those investments are as follows:

2025	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Fund managers' cash and cash equivalents	2,531,574	13,358	5,651,557	8,196,489
Alternative debt	1,572,796	-	-	1,572,796
Derivative assets	123,506	16,510	756,732	896,748
Fixed interest securities	1,775,119	11,520,303	-	13,295,422
Australian equities	-	-	22,003,113	22,003,113
International equities	-	-	31,520,919	31,520,919
Alternative assets	-	-	18,123,667	18,123,667
Investment property trusts	8,305	-	10,135,964	10,144,269
<b>Total financial assets</b>	<b>6,011,300</b>	<b>11,550,171</b>	<b>88,191,952</b>	<b>105,753,423</b>
<b>Financial liabilities</b>				
Derivative liabilities	(111,191)	(2,531)	(589,217)	(702,939)
<b>Total financial liabilities</b>	<b>(111,191)</b>	<b>(2,531)</b>	<b>(589,217)</b>	<b>(702,939)</b>

## 18. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk (continued)

2024	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Fund managers' cash and cash equivalents	1,721,374	14,019	6,087,591	7,822,984
Alternative debt	1,372,300	-	-	1,372,300
Derivative assets	82,341	1,256	446,264	529,861
Fixed interest securities	1,848,751	10,139,031	-	11,987,782
Australian equities	-	-	20,367,526	20,367,526
International equities	-	-	27,824,113	27,824,113
Alternative assets	-	-	15,593,772	15,593,772
Investment property trusts	27,820	-	9,256,954	9,284,774
<b>Total financial assets</b>	<b>5,052,586</b>	<b>10,154,306</b>	<b>79,576,220</b>	<b>94,783,112</b>
<b>Financial liabilities</b>				
Derivative liabilities	(6,952)	(1,837)	(75,608)	(84,397)
<b>Total financial liabilities</b>	<b>(6,952)</b>	<b>(1,837)</b>	<b>(75,608)</b>	<b>(84,397)</b>

#### Sensitivity analysis

Based on an assessment of historical movements in cash and bond rates over rolling 1 year periods, an assumption of +1.90%/-1.90% variable volatility factor has been determined by the Fund's investment advisor as the appropriate assumption for this scenario analysis. A change of +1.90% (2024: +1.90%) in interest rates with all other variables remaining constant would have decreased the Fund's operating result and net assets available for members' benefits by \$331,507,000 (2024: \$288,764,000). A change of -1.90% (2024: -1.90%) in interest rates with all other variables remaining constant would have increased the operating result and net assets available for members' benefits by \$331,507,000 (2024: \$288,764,000). The analysis is performed on the same basis for 2024. The impact mainly arises from the reasonably possible change in interest rates on the fair value of fixed and floating interest securities.

#### (iii) Price risk

Price risk is the risk that the total value of instruments will fluctuate as a result of changes in the market prices, whether caused by factors specific to an individual instrument, its issuer or all factors affecting all similar instruments traded in the market.

The Fund's investments are exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. The securities are classified on the Statement of Financial Position at fair value. All securities investments present a risk of loss of capital. The maximum risk is determined by the fair value of the financial instruments.

Price risk is minimised through diversification and ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies and through robust due diligence processes. Internal and external investment manager mandate compliance is monitored by internal management and the custodian, and performance reports against benchmark are reported on a regular basis to the Investment Committee.



## 18. Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Price risk (continued)

The below sensitivity analysis is based on analysis of historical data in respect of asset class returns and using this analysis to formulate expected future ranges of returns, the investment advisor has determined that the following assumptions are appropriate for this scenario analysis. The assumptions below are based on an expected range of outcomes with a +/- 1% standard deviation.

2025	Carrying amount \$'000	Volatility factor minimum %	Volatility factor maximum %	Effect on net assets \$'000	Effect on net assets \$'000
<b>Financial assets</b>					
Fund managers' cash and cash equivalents	8,196,489	2.0	4.0	163,930	327,860
Alternative debt	1,572,796	-3.0	10.5	(47,184)	165,144
Fixed interest securities	13,295,422	-3.0	11.0	(398,863)	1,462,496
Australian equities	22,003,113	-25.0	39.0	(5,500,778)	8,581,214
International equities	31,520,919	-20.5	34.5	(6,461,788)	10,874,717
Alternative assets	18,123,667	-4.0	18.0	(724,947)	3,262,260
Investment property trusts	10,144,269	-11.0	26.0	(1,115,870)	2,637,510
<b>Total financial assets</b>	<b>104,856,675</b>			<b>(14,085,500)</b>	<b>27,311,201</b>

2024	Carrying amount \$'000	Volatility factor minimum %	Volatility factor maximum %	Effect on net assets \$'000	Effect on net assets \$'000
<b>Financial assets</b>					
Fund managers' cash and cash equivalents	7,822,984	1.5	3.0	117,345	234,690
Alternative debt	1,372,300	-3.5	10.0	(48,031)	137,230
Fixed interest securities	11,987,782	-3.5	10.0	(419,572)	1,198,778
Australian equities	20,367,526	-24.5	40.5	(4,990,044)	8,248,848
International equities	27,824,113	-21.5	33.5	(5,982,184)	9,321,078
Alternative assets	15,593,772	-5.5	17.0	(857,657)	2,650,941
Investment property trusts	9,284,774	-11.5	24.0	(1,067,749)	2,228,346
<b>Total financial assets</b>	<b>94,253,251</b>			<b>(13,247,892)</b>	<b>24,019,911</b>

## 18. Financial risk management (continued)

### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents.

The Fund invests in debt securities, provides direct loans and lends securities secured by collateral which carry credit risk. The Fund employs investment managers to manage the securities within approved credit limits within their mandate. Compliance of managers with their mandates is monitored by internal management and the Fund's custodian.

The Fund does not have any significant exposure to any individual counterparty or industry and assets are invested by individual investment managers and in specific investment trusts and investment linked insurance policies.

The Fund permits (within the limitations prescribed in the respective investment mandate) that internal and external investment managers may utilise derivatives such as forward foreign exchange contracts to gain access to, and allow flexibility in, the financial markets in order to manage and structure the Fund's investment portfolio in line with the Fund's investment strategy.

The Fund restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements as set out in Note 18(d).

The fair value of financial assets included in the Statement of Financial Position represent the Fund's exposure to credit risk in relation to those assets. An analysis of debt securities by rating is set out in the tables below:

Rating	2025 \$'000	2024 \$'000
AAA to AA-	11,440,623	9,280,806
A+ to A-	6,158,114	5,781,654
BBB+ to BBB-	1,199,060	495,757
Below BBB-	2,901,203	891,523
No Rating	1,559,517	5,178,790
<b>Total</b>	<b>23,258,517</b>	<b>21,628,530</b>

### (c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising cash to meet commitments associated with members' liabilities or is unable to maintain the targeted risk and return allocation. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, the Fund invests the majority of its assets in financial instruments, which under normal market conditions are readily convertible to cash.

The Fund limits the allocation of cash and ensures that the allocation is consistent with the investment objectives and the Fund's expected demographic profile and net cash flows. The Fund's relatively young membership profile coupled with the bulk of its assets being invested in highly liquid asset classes allows the Fund to tolerate an exposure to assets with lower levels of inherent liquidity (e.g. property and infrastructure investments) in an expectation of higher risk adjusted investment returns in the longer term.

## 18. Financial risk management (continued)

### (c) Liquidity risk (continued)

The tables below analyse the contractual maturities of the Fund's liabilities, based on the remaining period to the contractual maturity date at the year end:

2025	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
Payables	(126,792)	(126,792)	-	-	-
Financial liabilities	(702,939)	(151,568)	(275,729)	(241,662)	(33,980)
Lease liabilities	(72,999)	-	-	(9,953)	(63,046)
Members' benefits	(101,877,008)	(101,877,008)	-	-	-

2024	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
Payables	(119,829)	(119,829)	-	-	-
Financial liabilities	(84,397)	(25,806)	(22,996)	(32,240)	(3,355)
Lease liabilities	(47,582)	-	-	(205)	(47,377)
Members' benefits	(91,960,631)	(91,960,631)	-	-	-

Members' benefits have been included in the 'Less than 1 month' column above as this is the amount that members could call upon as at year end.

The tables below analyse the contractual maturities of the Fund's derivative financial instruments that will be settled on a gross basis, based on the remaining period to the contractual maturity date at the year end:

2025	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
<b>Financial liabilities</b>					
Inflows	20,430,444	9,736,452	6,745,074	3,829,290	119,628
(Outflows)	(21,133,383)	(9,888,020)	(7,020,803)	(4,070,952)	(153,608)
<b>Total</b>	<b>(702,939)</b>	<b>(151,568)</b>	<b>(275,729)</b>	<b>(241,662)</b>	<b>(33,980)</b>

2024	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	>12 months \$'000
<b>Financial liabilities</b>					
Inflows	12,096,730	5,576,893	2,643,493	3,856,815	19,529
(Outflows)	(12,181,127)	(5,602,700)	(2,666,489)	(3,889,055)	(22,883)
<b>Total</b>	<b>(84,397)</b>	<b>(25,807)</b>	<b>(22,996)</b>	<b>(32,240)</b>	<b>(3,354)</b>

## 18. Financial risk management (continued)

### (d) Derivatives

The Fund allows some of its investment managers to use derivatives to obtain market exposure, reduce risk and/or enhance efficiency. Where managers use derivatives, controls or policies must be in place to ensure the Fund is not exposed to undue risk. The Fund will also directly use derivatives for implementation of the investment strategy, most typically to gain or reduce exposure to an asset class in an efficient manner. Derivative exposure is subject to risk limits and must not gear the Fund.

Derivative financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle transactions on a net basis or realise the asset and settle the liability simultaneously.

Fund managers enter into derivative transactions under International Swaps and Derivatives Association ('ISDA') master netting arrangements. Under such arrangements derivative financial assets and liabilities could potentially be offset at the counterparty level under certain circumstances such as default.

The amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency would be aggregated into a single net amount payable by one party to the other and the relevant arrangements terminated.

The ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position as the Fund does not have a legally enforceable right of set-off.

## 19. Fair value hierarchy

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets/liabilities at fair value through profit or loss (refer to Note 5)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### (a) Fair value hierarchy

#### (i) Classification of financial assets and financial liabilities

The Fund classifies fair value measurements of financial instruments using a hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). These inputs must be observable for substantially the full term of the financial instrument
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This includes any instruments that are not categorised in Level 1 or Level 2.

The levels that instruments are being classified in the fair value hierarchy are determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is determined to be a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement to consider factors specific to the instrument being classified.

## 19. Fair value hierarchy (continued)

### (a) Fair value hierarchy (continued)

#### (i) Classification of financial assets and financial liabilities (continued)

#### Recognised fair value measurements

The following tables present the Fund's financial assets and liabilities measured and recognised at fair value:

2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Fund managers' cash and cash equivalents	-	8,196,489	-	8,196,489
Alternative debt	-	1,572,796	-	1,572,796
Derivative assets	-	896,748	-	896,748
Fixed interest securities	-	13,295,422	-	13,295,422
Australian equities	22,001,565	-	1,548	22,003,113
International equities	31,520,919	-	-	31,520,919
Alternative assets	340,565	1,215,032	16,568,070	18,123,667
Investment property trusts	1,541,981	-	8,602,288	10,144,269
<b>Total financial assets</b>	<b>55,405,030</b>	<b>25,176,487</b>	<b>25,171,906</b>	<b>105,753,423</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	(702,939)	-	(702,939)
<b>Total financial liabilities</b>	<b>-</b>	<b>(702,939)</b>	<b>-</b>	<b>(702,939)</b>

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Fund managers' cash and cash equivalents	-	7,822,984	-	7,822,984
Alternative debt	-	1,372,300	-	1,372,300
Derivative assets	-	529,861	-	529,861
Fixed interest securities	-	11,987,782	-	11,987,782
Australian equities	20,356,865	-	10,661	20,367,526
International equities	27,821,056	1,663	1,394	27,824,113
Alternative assets	374,659	1,322,067	13,897,046	15,593,772
Investment property trusts	1,163,345	-	8,121,429	9,284,774
<b>Total financial assets</b>	<b>49,715,925</b>	<b>23,036,657</b>	<b>22,030,530</b>	<b>94,783,112</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	(84,397)	-	(84,397)
<b>Total financial liabilities</b>	<b>-</b>	<b>(84,397)</b>	<b>-</b>	<b>(84,397)</b>

## 19. Fair value hierarchy (continued)

### (a) Fair value hierarchy (continued)

#### (ii) Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels during the current financial year. Transfers occurred in the prior financial year and were disclosed in that period's financial statements.

### (b) Valuation techniques used to derive Level 2 and Level 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These techniques may include the use of recent arm's length market transactions, reference to the fair value of similar instruments, discounted cash flow analysis or other valuation models that incorporate observable market data to the extent possible.

These valuation techniques maximise the use of observable inputs and minimise reliance on unobservable inputs.

#### Level 2 valuations

The Fund's Level 2 financial instruments include fixed interest securities, derivative instruments, alternative debt, alternative assets and fund managers' cash and cash equivalents.

- Fixed interest securities are valued using observable market yields, credit spreads and broker quotes reflecting recent market transactions.
- Derivative instruments are valued using standard valuation models (e.g., discounted cash flows, option pricing) incorporating observable inputs such as interest rate curves and forward exchange rates.
- Alternative debt is valued using pricing models that reference observable inputs, including benchmark yields and market comparables.
- Alternative assets (e.g. unlisted unit trusts) are valued based on net asset values provided by external fund managers, where these values are supported by observable inputs or recent market transactions.
- Fund managers' cash and cash equivalents are valued at face value plus accrued interest, reflecting observable inputs where pricing is not quoted in an active market.

#### Level 3 valuations

The Fund's Level 3 financial instruments include Australian equities, alternative assets, and investment property trusts. These instruments are valued using techniques that incorporate significant unobservable inputs due to the absence of quoted market prices.

- Australian equities are classified as Level 3 where holdings are delisted, suspended or thinly traded. These are valued using the most recent available prices, adjusted for liquidity or other relevant factors.
- Alternative assets (e.g., private equity or infrastructure) are valued based on net asset values or redemption unit prices provided by external fund managers. These valuations incorporate unobservable inputs such as forecast cash flows, valuation multiples or assumptions embedded in unit prices provided in unitholder statements.
- Investment property trusts classified in Level 3 are internally managed and are valued using net asset values, which reflect the underlying valuation of property assets based on discounted cash flow or capitalisation methodologies using unobservable inputs.

Valuations are reviewed regularly and reflect the best estimate of fair value at the reporting date, based on available information.

## 19. Fair value hierarchy (continued)

### (c) Fair value measurement using significant unobservable inputs (Level 3)

The following tables present the movement in Level 3 instruments:

2025	Australian equities \$'000	International equities \$'000	Alternative equities \$'000	Investment property trusts \$'000	Total \$'000
Opening balance	10,661	1,394	13,897,046	8,121,429	22,030,530
Purchases	20,957	62	1,745,777	740,491	2,507,287
Sales	(21,023)	(1,277)	(395,336)	(263,400)	(681,036)
Gains and losses recognised in Income Statement	(9,047)	(179)	1,320,583	3,768	1,315,125
Closing balance	1,548	-	16,568,070	8,602,288	25,171,906
Total unrealised gains or losses recognised in Income Statement attributable to balances held at the end of the reporting period	(9,049)	-	1,467,281	(22,047)	1,436,185

2024	Australian equities \$'000	International equities \$'000	Alternative equities \$'000	Investment property trusts \$'000	Total \$'000
Opening balance	11,787	419	12,214,464	8,184,259	20,410,929
Purchases	12,184	1,257	1,313,729	764,955	2,092,125
Sales	(10,543)	(1,565)	(570,467)	(301,401)	(883,976)
Transfers into/(out of) Level 3	13,621	1,009	346,035	-	360,665
Gains and losses recognised in Income Statement	(16,388)	274	593,285	(526,384)	50,787
Closing balance	10,661	1,394	13,897,046	8,121,429	22,030,530
Total unrealised gains or losses recognised in Income Statement attributable to balances held at the end of the reporting period	(15,815)	189	591,986	(526,023)	50,337

#### (i) Changes in valuation techniques

There have been no changes to asset valuation techniques during the year.

#### (ii) Valuation inputs and relationships to fair value

The Fund's Level 3 fair value investments comprise of investments in delisted or suspended Australian and International equities, unlisted alternative investment assets and investment property trusts.

## 19. Fair value hierarchy (continued)

### (c) Fair value measurement using significant unobservable inputs (Level 3) (continued)

#### (ii) Valuation inputs and relationships to fair value (continued)

Description	Fair value 30 June 2025 \$'000	Fair value 30 June 2024 \$'000	Valuation technique	Key unobservable inputs*	Range of input (Weighted average) 2025	Range of input (Weighted average) 2024
Australian equities	1,548	10,661	Stock Exchange	Last Traded Price	\$0 - \$0.33 (\$0.33)	\$0 - \$0.51 (\$0.19)
International equities	-	1,394	Stock Exchange	Last Traded Price	Not applicable	\$0 - \$114.05 (\$33.90)
Alternative assets	576,802	454,572	External Fund Managers' Unitholder Statements	Redemption Unit Price	\$0.01 - \$12,813 (\$55.39)	\$0.01 - \$12,900 (\$65.35)
	15,991,268	13,442,474	Partner Capital Statements	Net Asset Value	\$0 - \$2,844.9m (\$1,205.3m)	\$0 - \$2,464.1m (\$1,163.2m)
Investment property trusts	8,602,288	8,121,429	Net Assets Valuation	Net Asset Value	\$0 - \$1,328.3m (\$1,225.0m)	\$0 - \$1,395.7m (\$1,142.1m)
<b>Total</b>	<b>25,171,906</b>	<b>22,030,530</b>				

A 10% increase/(decrease) in the key unobservable inputs described above would increase/(decrease) the fair value of financial instruments classified as Level 3 by \$2,517,000 (2024: \$2,203,000).

## 20. Controlled entities

The Fund's exposure to the fair value of investments held in controlled entities and commitments to these entities are shown below:

2025	No. of entities	Fair value \$'000	Commitments \$'000
<b>Asset class</b>			
Internally managed investment property trusts	13	5,140,897	308,000
Alternative assets	5	1,413,600	382,269
<b>Total</b>	<b>18</b>	<b>6,554,497</b>	<b>690,269</b>

2024	No. of entities	Fair value \$'000	Commitments \$'000
<b>Asset class</b>			
Internally managed investment property trusts	13	4,640,395	398,000
Alternative assets	5	1,447,226	350,551
<b>Total</b>	<b>18</b>	<b>6,087,621</b>	<b>748,551</b>

\* There were no significant inter-relationships between unobservable inputs that may materially affect the fair values.



## 20. Controlled entities (continued)

The Fund has control of the following entities:

Name of entity	Equity holding		Value	
	2025 %	2024 %	2025 \$'000	2024 \$'000
<b>Internally managed Cbus properties</b>				
313 Spencer Street Holding Unit Trust	100	100	196,548	197,847
447 Collins Street Holdings Unit Trust	100	100	251,794	265,445
Cbus Property Commercial Unit Trust	100	100	2,390,045	2,271,968
Cbus Property Developments No. 2 Pty Ltd	100	100	-	-
Cbus Property Developments Unit Trust	100	100	-	-
Cbus Property Group Funding Unit Trust	100	100	3,326	27,820
Cbus Property Hospitality Unit Trust*	100	100	-	-
Cbus Property Pty Ltd	100	100	(8,290)	(5,356)
Cbus Property Residential Operations Unit Trust	100	100	868,641	724,685
Cbus Property Retail Unit Trust	100	100	1,151,745	862,636
George Street Holdings Unit Trust*	100	100	-	-
SESP No.1 Unit Trust	100	100	287,121	295,217
USI (Breakfast Point) Pty Ltd	100	100	(33)	133
<b>Total</b>			<b>5,140,897</b>	<b>4,640,395</b>
<b>Internally managed Australian infrastructure investments</b>				
Cbus AI (Port) Trust	100	100	74,218	73,092
Cbus Forth Ports Trust	100	100	625,265	557,934
Cbus Infrastructure Holding Trust	100	100	-	140,205
<b>Total</b>			<b>699,483</b>	<b>771,231</b>
<b>Australian private equity</b>				
USAM Investments Pty Ltd	100	100	174	170
ROC Cbus Private Equity Trust	100	100	713,944	675,825
<b>Total</b>			<b>714,118</b>	<b>675,995</b>
<b>Total combined</b>			<b>6,554,498</b>	<b>6,087,621</b>

\* These trusts are inactive at reporting date.

## 21. Related parties

### (a) Trustee

United Super Pty Ltd ('USPL') is the Trustee of the Fund.

The Trustee holds an Australian Financial Services Licence and a Registrable Superannuation Entity Licence. A Trustee fee is paid to USPL for services provided to the Fund in accordance with the Trust Deed.

Amounts paid and payable to the Trustee in forms of fees and reimbursements during the financial year are disclosed in Note 15 and total \$65,972,037 (2024: \$19,378,954). As at 30 June 2025, \$250,000 (2024: \$182,955) was payable to the Trustee and is included in payables in the Statement of Financial Position.

### (b) Directors

Key Management Personnel ('KMP') include persons who were Directors of the Trustee at any time during the financial year and up to the date of this report. The Directors' remuneration paid and payable during the financial year is set out in the following table:

	2025 \$	2024 \$
Short-term employee benefits	1,717,627	1,647,062
Post-employment benefits	199,548	181,950
<b>Total</b>	<b>1,917,175</b>	<b>1,829,012</b>

### (c) Other KMP

Other KMP included senior Executives and their remuneration is set out in the following table:

	2025 \$	2024 \$
Short-term employee benefits	6,750,957	7,151,190
Post-employment benefits	223,845	251,730
Other long-term benefits	291,295	-
Termination benefits	319,135	1,120,601
<b>Total</b>	<b>7,585,232</b>	<b>8,523,521</b>

The membership terms and conditions for those Directors and Executives who are members of the Fund are the same as those available to other members of the Fund.

## 21. Related parties (continued)

### (d) Controlled entities

Disclosures relating to controlled entities are set out in Note 20.

### (e) Related party investments and transactions

The Fund's investment assets are held custodially on behalf of USPL as Trustee for the Fund. Details of the Fund's related party investments and transactions are listed below.

#### (i) Frontier Advisors Pty Ltd ('Frontier')

The Fund held 31.0% (2024: 31.0%) shareholding in Frontier valued at \$2,383,280 (2024: \$2,399,400). Frontier provides investment consulting services to the Fund and other institutional clients. During the year, the Fund paid Frontier investment consulting fees of \$2,350,467 (2024: \$2,701,686) and other professional consultancy fees of \$156,332 (2024: \$93,786) on normal terms and conditions.

Mr J Edwards is a Director of Frontier and Director fees of \$17,679 (2024: \$17,164) were paid during the year by Frontier.

#### (ii) ISPT Pty Ltd ('ISPT')

Before ISPT's merger with IFM Investors Pty Ltd, on 13 December 2024, the Fund held an 13.3% interest in ISPT valued at \$1 (2024: 13.3% valued at \$1). ISPT provided management services for unlisted property trusts to the Fund and other institutional clients. ISPT in its capacity as Trustee received \$8,425,918 (2024: \$7,307,949) in fees for the management of portfolios totalling \$1,896,284,356 (2024: \$1,934,047,202).

Mr J O'Mara was a Director of ISPT until 13 December 2024. Director fees of \$48,871 (2024: \$26,087) were paid during the period by ISPT.

#### (iii) Industry Super Holdings Pty Ltd ('ISH') and subsidiaries

The Fund held 17.4% (2024: 19.4%) shareholding in ISH valued at \$463,384,266 (2024: \$402,153,091).

During the financial year 2025, the Fund engaged with IFM Investors Pty Ltd, a wholly owned subsidiary of ISH. IFM manages \$14,061,860,151 (2024: \$12,530,974,642) of investments on behalf of the Fund and received \$28,017,500 (2024: \$26,331,565) in fees for the management of these investments.

Industry Super Australia Pty Ltd ('ISA'), wholly owned by ISH, provides marketing and policy advocacy services to the Fund and other institutional clients. During the year, the Fund paid ISA advertising fees of \$1,776,401 (2024: \$3,367,356) and \$197,305 (2024: \$nil) in other fees on normal terms and conditions. Ms M Walker is a Director on the ISA board and no Director fees were paid to the Fund during the year by ISA.

Industry Fund Services Limited ('IFS'), wholly owned by ISH, provides debt collecting and financial services to the Fund and other institutional clients. During the year, the Fund paid IFS debt collecting fees of \$4,029,706 (2024: \$4,094,433), \$198,477 (2024: \$nil) in financial services, and \$24,897 (2024: \$nil) in other fees on normal terms and conditions.

IFS Insurance Solutions Pty Ltd ('IFSIS'), a 65% subsidiary of IFS, provides insurance brokerage services to the Fund and other institutional clients. During the year, the Fund paid IFSIS insurance fees of \$1,151,852 (2024: \$1,243,009) on normal terms and conditions.

### (f) Other related entities

#### (i) Sponsoring organisations

Marketing and promotion of the Fund includes partnership arrangements with the Fund's member and employer sponsoring organisations.

Amounts paid and payable to the Fund's sponsoring organisations are set out in the following tables:

2025	Directors' fee payments \$	Industry partnership payments \$	Rental payments* \$	Total payments \$
Australian Council of Trade Unions ('ACTU')	-	-	-	-
Australian Workers Union ('AWU')	59,786	172,948	-	232,734
Automotive Food Metals Engineering Printing & Kindred Industries Union ('AMWU')	112,159	(33,858) <sup>1</sup>	-	78,301
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia ('CEPU')	113,022	464,793	-	577,815
Construction, Forestry and Maritime Employees Union ('CFMEU')	261,617	702,240	279,701	1,243,558
Master Builders Association ('MBA')	122,843	416,161	11,297	550,301
<b>Total</b>	<b>669,427</b>	<b>1,722,284</b>	<b>290,998</b>	<b>2,682,709</b>

\* There were additional rental payments made to two other related parties during the year. Refer Note 21(f)(ii).

## 21. Related parties (continued)

### (f) Other related entities (continued)

#### (i) Sponsoring organisations (continued)

2024	Directors' fee payments \$	Industry partnership payments \$	Rental payments* \$	Total payments \$
Australian Council of Trade Unions ('ACTU')	-	-	-	-
Australian Workers Union ('AWU')	80,033	180,263	-	260,296
Automotive Food Metals Engineering Printing & Kindred Industries Union ('AMWU')	98,844	(50,787) <sup>1</sup>	-	48,057
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia ('CEPU')	97,894	505,767	-	603,661
Construction, Forestry and Maritime Employees Union ('CFMEU')	227,679	851,794	250,801	1,330,274
Master Builders Association ('MBA')	97,004	491,236	11,297	599,537
<b>Total</b>	<b>601,454</b>	<b>1,978,272</b>	<b>262,098</b>	<b>2,841,825</b>

The amounts above include Directors' fee payments to the sponsoring organisations that employ a Director of the Trustee, payments made under partnership arrangements as well as rental payments for commercial office spaces. All transactions are made on normal commercial terms.

#### (ii) Rental payments for commercial office spaces

The following rental payments for commercial office spaces were made to the following other related parties:

	2025 \$	2024 \$
Canberra Tradesmen's Union Club Limited	39,255	38,074
Cbus Property 50 Flinders Street Pty Ltd ^	-	95,495
Cbus Property Pirie Street Pty Ltd ATF Pirie Street Unit Trust^	157,100	30,499
<b>Total</b>	<b>196,355</b>	<b>164,068</b>

\* There were additional rental payments made to two other related parties during the year. Refer Note 21(f)(iii).

^ Rental payments are received via managing agents.

1 The negative expense relates to an accrual recorded at the end of the prior financial year, which was subsequently reversed in the current year as the anticipated cost did not materialise.

## 21. Related parties (continued)

### (f) Other related entities (continued)

#### (iii) Cbus Property Pty Ltd ('Cbus Property')

Cbus Property is a wholly owned entity and manages a portfolio of the Fund's directly held investment property trusts. It invests in direct property investments in Australia in accordance with the Investment Management Agreement between Cbus Property and the Fund. Cbus Property does not have ownership of any direct property assets.

Ms M Beveridge, Mr H Davis, Mr D Noonan (ceased 31/12/2024), Mr J O'Mara (appointed 28/02/2025) and Mr E Setches are Directors of Cbus Property. Fees earned by these Directors during the year are as follows:

	2025 \$	2024 \$
Short-term employee benefits	427,980	364,002
Post-employment benefits	48,958	40,040
<b>Total</b>	<b>476,938</b>	<b>404,042</b>

The above compensation payments include Directors' fees paid and payable directly to the Fund's sponsoring organisations.

During the current year ended 30 June 2025, Cbus paid Cbus Property \$692 as reimbursement for training and development costs incurred on Cbus' behalf.

During the previous year ended 30 June 2024, the Fund received a total amount of \$56,015 from Cbus Property for co-branded marketing campaign services.

All transactions were made on normal terms and conditions.

#### (iv) Super Members Council of Australia Limited ('SMC')

SMC provides policy and advocacy services on behalf of members to the Fund. During the year, the Fund paid \$613,734 (2024: \$471,072) in membership fees on normal terms and conditions. Mr W Swan is a Director on the SMC Board and no Director fees were paid during the year by SMC.

#### (v) Australian Council of Superannuation Investors ('ACSI')

Cbus is a founding member of ACSI, an organisation owned exclusively by its members which exists to provide a strong, collective voice on financially material ESG issues. Mr K Fok is a Director on ACSI's Board of Directors and the Fund paid \$451,231 (2024: \$410,920) in membership fees. In addition, the Fund paid \$114,871 (2024: \$164,389) for other services. Membership and other service fees were made on normal terms and conditions.

#### (vi) Investor Group in Climate Change ('IGCC')

IGCC is the leading network for Australian and New Zealand investors to understand and respond to the risks and opportunities of climate change.

The Fund paid \$36,575 (2024: \$62,700) in membership fees and paid \$nil (2024: \$10,450) in research fees. Mr S Dunne is on the Board of IGCC. Membership and research fees were on normal terms and conditions.

#### (vii) Australian Sustainable Finance Institute ('ASFI')

ASFI is committed to realigning the finance sector to create a sustainable and resilient financial system by directing capital to support greater social, environmental and economic outcomes. Mr K Fok is Chair of the Board of Directors of ASFI and the Fund paid \$22,990 (2024: \$20,900) in membership fees, \$52,250 (2024: \$52,250) in research fees, and \$4,859 (2024: \$nil) in other fees. Membership and other project support were made on normal terms and conditions.

#### (viii) Plumbing Industry Climate Action Centre Ltd ('PICAC')

PICAC provides brand promotion, advertising, and member superannuation training services to Fund members. \$nil (2024: \$10,973) of sponsorship fees were paid on normal terms and conditions. Mr E Setches is Chair of the Board of Directors of PICAC and no Director fees were paid during the year by PICAC.

#### (ix) Redundancy Payment Central Fund Ltd ('Incolink')

Incolink provides income protection for the building and construction industry. Mr E Setches and a related party to Mr B Dean are Directors on Incolink's Board of Directors. \$65,313 (2024: \$195,938) of sponsorship fees were paid on normal terms and conditions.

## 21. Related parties (continued)

### (f) Other related entities (continued)

#### (x) The Centre for Workers' Capital Pty Ltd

The Fund is a member of the Centre for Workers' Capital Pty Ltd. \$62,700 (2024: \$nil) of membership fees were paid on normal terms and conditions. Mr P Crumlin is a Director on the Board and no Director fees were paid to him during the year.

#### (xi) Construction Industry Training Council

The Fund is a member of the Construction Industry Training Council. \$3,135 (2024: \$nil) of sponsorship fees were paid on normal terms and conditions. Mr J O'Mara is a Director on the Board and no Director fees were paid to him during the year.

## 22. Insurance arrangements

The Fund provides income protection, death and total and permanent disability ('TPD') benefits to its members. The Trustee has group policies in place with third party insurance companies to insure death and disability benefits for the members of the Fund. The Trustee acts as an agent for these arrangements.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts and reinsurance recoveries are recognised in the Statement of Changes in Members' Benefits.

## 23. Contingent assets, contingent liabilities and commitments

On 12 November 2024, ASIC commenced a legal proceeding against the Trustee in respect of the handling of claims for death benefits and TPD insurance.

The Trustee has been cooperating with ASIC throughout its investigation and in the proceeding, and the parties are engaging in an alternative dispute resolution process to avoid protracted litigation.

In February 2025, the Fund entered into a Court-enforceable Undertaking (CEU) with APRA in relation to its operational risk uplift program. An Integrated Plan for the CEU is being finalised by the Trustee and APRA. Implementation of the Integrated Plan, once approved, will involve an economic outflow from the Fund, which is not considered to be material to the Fund's financial statements.

### Investment commitments

The Fund made commitments to invest in certain financial assets. Significant investment commitments contracted for at the end of the reporting period but not recognised as assets are as follows:

	2025 \$	2024 \$
Alternative debt	54,170	89,598,174
Alternative assets	3,038,664,209	3,087,919,248
Investment property trusts	386,217,219	553,165,618
<b>Total</b>	<b>3,424,935,598</b>	<b>3,730,683,040</b>

Apart from the contingent liability referred to above, there are no other material contingent assets, contingent liabilities or commitments as at 30 June 2025.

## 24. Matters subsequent to the end of the financial year

As at the date of this report, the legal proceeding against the Trustee by ASIC in the Federal Court of Australia remains on foot with an upcoming hearing scheduled for November 2025.

There have been no other matters or circumstances that have arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations, results of those operations and state of affairs of the Fund in future financial years.

# Trustee's Declaration

In the opinion of the Directors of the Trustee of Construction and Building Unions Superannuation Fund:

(a) the financial statements and notes set out on pages 16 to 54 are in accordance with the *Corporations Act 2021*, including:

- (i) complying with Australian Accounting Standards (including interpretations) and other mandatory professional reporting requirements
- (ii) giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the year ended on that date

(b) the Fund operated in accordance with its constituent Trust Deed; the relevant requirements of the *Corporations Act 2001* and Regulations; the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001* during the year ended 30 June 2025

(c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of United Super Pty Ltd as the Trustee for the Construction and Building Unions Superannuation Fund.

Director

Director

Melbourne  
1 October 2025

## Independent auditor's report to the members of Construction and Building Unions Superannuation Fund

### Opinion

We have audited the financial report of Construction and Building Unions Superannuation Fund (the RSE), which comprises the statement of financial position as at 30 June 2025, the income statement, statement of changes in member benefits, statement of cash flows and statement of changes in equity for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the RSE is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the RSE's financial position as at 30 June 2025, and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





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### **Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the financial report**

The directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the RSE's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on the audit of the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 6 to 13 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Construction and Building Union Superannuation Fund for the year ended 30 June 2025, complies with section 300C of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in dark ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in dark ink that appears to read 'Maree Pallisco'.

Maree Pallisco  
Partner  
Melbourne  
1 October 2025

