

Annual Report

Construction and Building Unions Superannuation Fund
ABN 75 493 363 262

2026



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Directors' Report

The Directors of United Super Pty Ltd (**Trustee**) present their report on the Construction and Building Unions Superannuation Fund (**Fund** or **CBUS**) for the year ended 30 June 2026.

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 except 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 execution of its operational and investment strategies in support of positive member outcomes. The Fund delivered a result from superannuation activities after income tax of \$9.0 billion (2025: \$9.2 billion) while continuing to achieve strong investment returns and growth in Funds Under Management (**FUM**).¹ Total FUM increased 9.9% to \$115.4 billion (2025: \$105.0 billion), with net assets available for members' benefits increasing 9.7% to \$112.3 billion (2025: \$102.4 billion).

Investment markets experienced periods of volatility during the year reflecting geopolitical developments, changing trade policies and evolving expectations regarding interest rates and economic growth. Despite these conditions, global equity markets delivered positive returns, led by international and emerging markets. The Fund's diversified investment portfolio, including exposures to listed and unlisted equities, infrastructure and property, supported resilient investment performance throughout the year.²

The Directors consider the Fund's long-term investment strategy and diversified asset allocation to have continued to deliver positive outcomes for members during the year. Strong contributions from growth assets and positive performance from private market investments contributed to the Fund's investment results, supporting continued growth in members' retirement savings and the Fund's overall asset base. Property investments recorded improved performance relative to the prior year, while

infrastructure and private market assets continued to provide diversification and long-term value creation.

The Fund's one-year investment performance reflected the benefits of its diversified investment portfolio for members, with:

- Growth (MySuper) option returning 9.25%³ (2025: 10.29%)
- Conservative Growth returning 7.12%³ (2025: 8.48%)
- High Growth returning 10.06%³ (2025: 11.80%)
- Indexed Diversified returning 9.21%³ (2025: 11.68%)

The Fund's financial result reflected investment earnings together with increased investment-related expenses and income tax. Investment expenses increased to \$397.9 million (2025: \$327.7 million), primarily due to higher investment management, performance and other investment-related costs associated with managing a growing investment portfolio. Income tax expense increased to \$654.0 million (2025: \$569.9 million). Despite these increases, the Fund continued to maintain strong financial performance and deliver positive outcomes for members.

Significant changes in state of affairs

Insurance matters

On 25 November 2025, the Federal Court of Australia finalised a case commenced by the Australian Securities and Investments Commission (**ASIC**) against CBUS in relation to historical delays in processing of members' insurance claims. Following mediation, ASIC and CBUS jointly submitted to the Court that a civil penalty of \$23.5 million would be appropriate in respect of the agreed contraventions, with the penalty paid out of Trustee Reserves.

During the year, the Trustee continued implementation of its commitments under an Australian Prudential Regulation Authority (**APRA**) Court Enforceable Undertaking and associated remediation plans. This included further advancement of two key projects, Project Keystone and Project Peak, which are designed to strengthen governance, accountability, risk management and oversight across CBUS. The Keystone Integrated Plan was approved by the Board and submitted to APRA, with work commencing on the initial tranche of transformation activities. The Board maintained oversight of implementation throughout the reporting period.

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 2026.

¹ Total FUM comprises financial assets of \$116.2 billion (2025: \$105.8 billion) less financial liabilities of \$836.4 million (2025: \$702.9 million). Refer to Note 5 of the Financial Statements.

² The S&P/ASX 200 index closed at 8,778.7 on 30 June 2026, up 3% from 8,542.3 as at 30 June 2025.

³ All figures stated are as at 30 June 2026. 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.



Principal activities (continued)

Directors and Company Secretaries

The following persons held office as a Director or 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 - Employer Nominated	Full financial year
P Crumlin	Director - Member Nominated	Full financial year
H Davis	Director - Employer Nominated	Full financial year
S Dunne	Director - Employer Nominated	Full financial year
J Edwards	Independent Director	Full financial year
M Fagan	Director - Employer Nominated	Full financial year
N Fenech	Director - Employer Nominated	Appointed 16 December 2025
S Gordon	Director - Member Nominated	Full financial year
A Hicks	Director - Member Nominated	Appointed 29 October 2025
R Johnston	Director - Member Nominated	Appointed 27 August 2026
A Milner	Director - Employer Nominated	Ceased 15 December 2025
J O'Mara	Director - Member Nominated	Full financial year
E Setches	Director - Member Nominated	Ceased 23 August 2025
R Sputore	Director - Employer Nominated	Full financial year
W Swan	Independent Director and Chair	Full financial year
D Wawn	Director - Employer Nominated	Full financial year
L Weber	Director - Member Nominated	Ceased 19 February 2026
M Jacona	Company Secretary	Full financial year
E Tromans	Company Secretary	Appointed 9 December 2025, Ceased 27 May 2026

Matters subsequent to the end of the financial year

There have been no matters or circumstances that have arisen since 30 June 2026 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 Fund's Product Disclosure Statements and the provisions of the Trust Deed.

The results of the Fund's operations may 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 regulations

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

During the year, the Fund continued preparatory work to support the future implementation of AASB S2 *Climate-related Disclosures*, which will introduce mandatory requirements for disclosing material climate-related risks and opportunities. This work has focused on strengthening governance oversight, enhancing risk management processes and improving data and analytical capabilities, including scenario analysis. While climate-related disclosures for the Fund's investment portfolio are currently provided on a voluntary basis, the Fund expects to apply available transitional relief in the period of initial adoption of AASB S2, where appropriate. The extent, location and form of future climate-related disclosures will be finalised closer to the effective date of the standard, having regard to materiality, data maturity and regulatory guidance.



Principal activities (continued)

Audit and non-audit services

During the year, the following amounts were paid or payable to Ernst & Young (**EY**), the Registrable Superannuation Entity Auditor (**Auditor**) of the Fund and its controlled entities.

	2026	2025
	\$	\$
Amounts paid and payable to EY and related network firms		
Audit services for the statutory financial report of the Fund and its controlled entities	712,319	676,005
Assurance services that are required by legislation to be provided by the external auditor	487,127	147,366
Other assurance and agreed-upon-procedures under other legislation or contractual arrangements	-	69,493
Other non-audit services		
Tax compliance services	508,699	383,420
Tax governance services	65,464	166,179
Total auditor's remuneration	1,773,609	1,442,463

Details are also disclosed in Note 16 Auditor's remuneration.

The Fund may decide to engage the 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 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*.



Remuneration Report (audited)

The Directors of the Trustee present the Fund's Remuneration Report for the year ended 30 June 2026. 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 the Trustee 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 by this report

(i) Directors of the Trustee

Name	Position	Term as Director
M Beveridge	Director - Employer Nominated	Full financial year
P Crumlin	Director - Member Nominated	Full financial year
H Davis	Director - Employer Nominated	Full financial year
S Dunne	Director - Employer Nominated	Full financial year
J Edwards	Independent Director	Full financial year
M Fagan	Director - Employer Nominated	Full financial year
N Fenech	Director - Employer Nominated	Appointed 16 December 2025
S Gordon	Director - Member Nominated	Full financial year
A Hicks	Director - Member Nominated	Appointed 29 October 2025
R Johnston	Director - Member Nominated	Appointed 27 August 2026
A Milner	Director - Employer Nominated	Ceased 15 December 2025
J O'Mara	Director - Member Nominated	Full financial year
E Setches	Director - Member Nominated	Ceased 23 August 2025
R Sputore	Director - Employer Nominated	Full financial year
W Swan	Independent Director and Chair	Full financial year
D Wawn	Director - Employer Nominated	Full financial year
L Weber	Director - Member Nominated	Ceased 19 February 2026



Remuneration Report (audited) (continued)

(ii) Other KMP (Executives)

Name	Position	Term as KMP
K Fok	Chief Executive Officer (CEO)	Full financial year
L Gavin	Chief Investment Officer (CIO)	Full financial year
T Elliott	Chief Financial Officer (CFO)	Appointed 19 January 2026
M Georgiou	Chief Risk Officer (CRO)	Full financial year
B Dean ¹	Chief Strategy Officer (CSO)	Full financial year
A Hagan ²	Chief Technology Officer (CTO)	Appointed 30 October 2025
J Hartman	Chief People Officer (CPO)	Full financial year
P Angelico	Acting Chief Member Officer (CMO)	Appointed 1 July 2026
T Garcia ³	Acting Chief Member Officer (CMO)	Appointed 19 January 2026, Ceased 30 June 2026
N Day	Chief Operating Officer (COO)	Ceased 19 December 2025
M Walker ⁴	Deputy CEO & Chief Member Officer	Ceased 5 September 2025

¹ Acting CMO for the period 24 July 2025 to 19 January 2026

² Acting CTO for the period 30 October 2025 to 6 April 2026. Employment contract was varied from a maximum-term contract to permanent employment, effective 7 April 2026

³ Employed under a maximum term contract from 19 January 2026 to 30 June 2026

⁴ Ceased to be KMP on 24 July 2025

Remuneration Framework

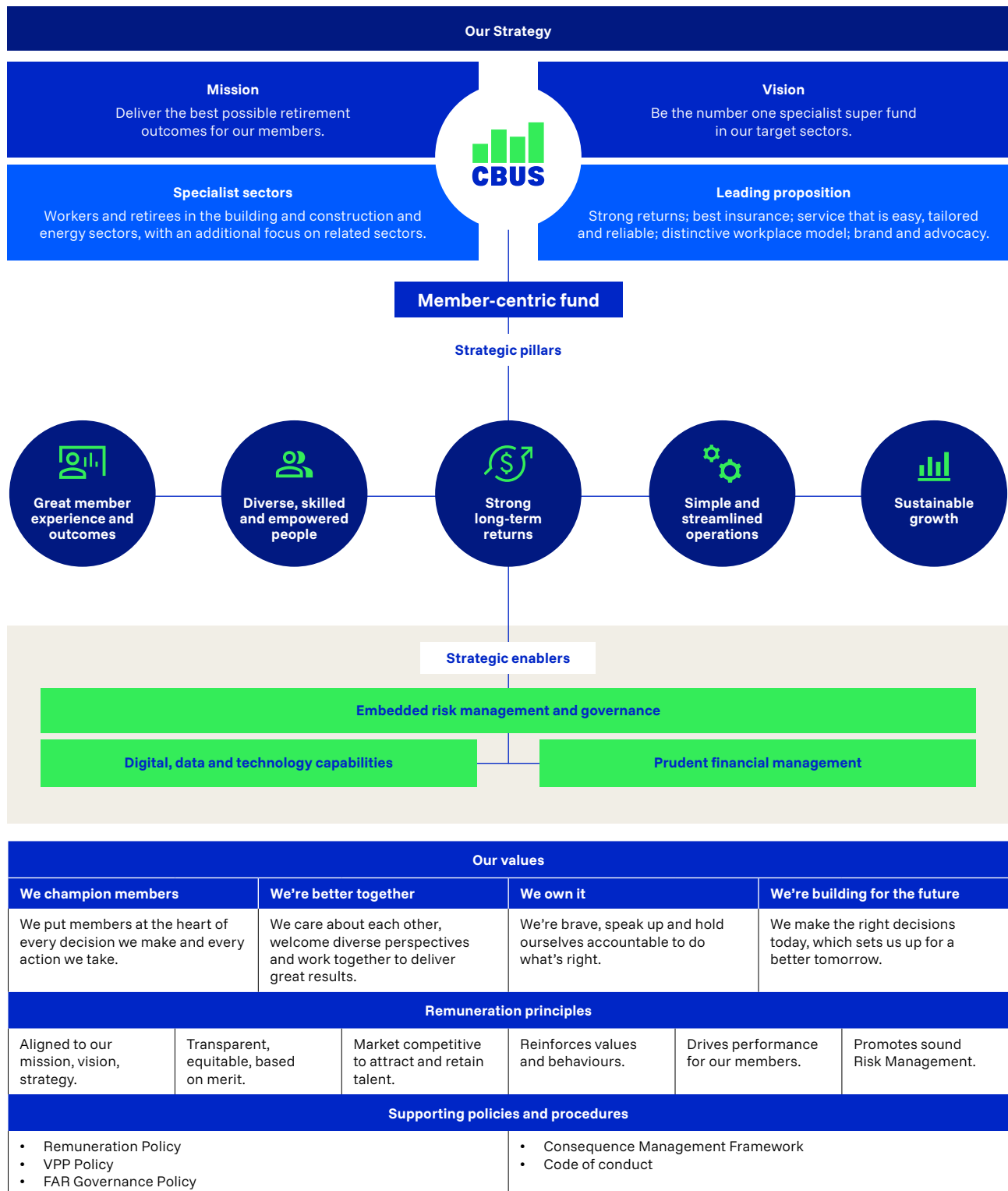
As an Industry Superannuation Fund, CBUS has a clear vision to generate the best possible retirement outcome for our members. The Fund's remuneration practices are designed to reflect our values, placing our members at the centre of everything we do, and to ensure we act in the best financial interests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

The Fund's Remuneration Framework sets out the principles and processes for determining, managing, and monitoring remuneration outcomes. The Framework is designed to reinforce the Fund's culture and values, promote appropriate behaviours, support the achievement of strategic objectives, and ensure that individuals are incentivised to prudently manage risks. It also provides for appropriate consequences where poor risk outcomes occur, in accordance with the requirements of CPS 511 *Remuneration* applicable to the Fund.

Remuneration Governance
The Board The Board oversees the Remuneration Framework and its application to the Fund, with the support of the PCRC, and ensures that the Framework operates effectively having regard to 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. - Review and endorse the structure and quantum of director fees for all group entities on an annual basis. - Application of the Fund's Remuneration Framework, Policy and Variable Payment Plan (VPP). - Ensure the Remuneration Policy is reviewed annually and that the Framework is reviewed independently every three years.



Remuneration Report (audited) (continued)





Remuneration Report (audited) (continued)

(b) Executive KMP remuneration

Executive KMP remuneration can comprise both fixed and variable remuneration.

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

1 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.

2 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.

3 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)

(i) 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. There is no 'target' VPP for participants under the plan. No other KMP are eligible for VPP.

The VPP is designed to align remuneration outcomes with the delivery of strong, sustainable, long-term investment returns for members.

The CIO's VPP outcome is determined through a scorecard approach, incorporating business, team and individual performance measures. This balanced framework reflects the CIO's overall accountability for investment outcomes, leadership and stewardship of members' assets.

Performance Component	Measure	What is Assessed	How Performance is Measured	Purpose
Business (50%)	Inflation Objective (65%)	Real returns delivered to members	Growth option returns measured against CPI + objective % over 1, 3 and 5 years	Supports sustained, inflation-adjusted member outcomes and aligns remuneration with long-term value creation
	Peer Objective (35%)	Relative long-term performance	Five-year Growth option crediting rate and the quartile ranking versus peers using SuperRatings SR50 Balanced Survey	Ensures outcomes remain competitive against comparable superannuation funds
Team (15%)	Investment performance vs benchmark	Collective delivery of investment strategy	Net Investment Return (NIR) of the Growth option measured against Strategic Asset Allocation (SAA) benchmark over 1, 3 and 5 years	Reinforces accountability for risk-adjusted, long-term, investment performance
Individual (35%)	CIO leadership and delivery	Personal contribution and accountability	Assessment against agreed objectives and accountabilities for the year, including leadership, strategic delivery and risk management	Ensures individual performance, leadership and risk management are appropriately reflected in outcomes

Of the awarded variable incentive, 60% is paid following the close and assessment of the performance year. The remaining 40% is deferred, with 20% paid in year four and 20% paid in year five.

(ii) Malus and payment variations

The Board, on the recommendation of the PCRC, may exercise overarching discretion and elect not to make payment of a deferred incentive 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.

(iii) 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 date of payment or vesting of the VPP. 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.



Remuneration Report (audited) (continued)

(ii) Financial year 2026 remuneration outcomes

The PCRC met in August 2026 to review and endorse:

- the CEO's recommendations in respect of the Group Executive remuneration and financial year 2026 performance outcomes of the individual Group Executives
- the CIO's financial year 2026 VPP outcome, with 43.5% of the maximum VPP opportunity awarded and 56.5% forfeited
- the CIO's recommendations for financial year 2026 VPP outcomes for the participating Investment team members and invitation to participate in the financial year 2027 VPP
- the CEO's financial year 2026 performance outcome as assessed by the Chairman.

(iii) Previous KMP payments

The statutory remuneration table below discloses remuneration paid to Executives during the financial year ended 30 June 2026, including amounts paid to Executives who ceased employment with the Fund during the year.

(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	Cash bonus	Non-monetary benefits ¹	Superannuation	Deferred incentive	Annual & long service leave ²		
	\$	\$	\$	\$	\$	\$	\$	\$
K Fok Chief Executive Officer	1,439,731	-	-	30,000	-	67,081	-	1,536,812
L Gavin Chief Investment Officer	956,000	154,408	15,253	30,000	33,481	2,270	-	1,191,412
T Elliott Chief Financial Officer	296,346	-	8,764	13,269	-	25,243	-	343,622
M Georgiou Chief Risk Officer	661,885	-	15,545	29,654	-	21,202	-	728,286
B Dean Chief Strategy Officer	669,615	-	15,545	30,000	-	70,823	-	785,983
A Hagan Chief Technology Officer	491,000	-	8,621	21,692	-	47,716	-	569,029
J Hartman Chief People Officer	529,923	-	15,545	30,000	-	25,625	-	601,093
T Garcia Acting Chief Member Officer	296,483	-	-	13,269	-	27,811	-	337,563
N Day Chief Operating Officer	370,192	-	7,230	19,039	-	-	685,576	1,082,037
M Walker Deputy CEO & Chief Member Officer	163,942	-	3,250	13,269	-	-	663,423	843,884
Total	5,875,117	154,408	89,753	230,192	33,481	287,771	1,348,999	8,019,721

¹ Includes car parking benefits and any associated fringe benefits tax.

² Represents the movement in accrued annual and long service leave entitlements during the year. Leave payments are included in cash salary & fees.

**Remuneration Report (audited) (continued)***(i) Directors' Remuneration*

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.

Director 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 made a remuneration recommendation to the Fund's Board, following their meeting in June 2026.

The Chair of the Board and the independent Directors are paid set annual fees. Other CBUS Directors are currently paid a base fee and an additional 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.

(ii) 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 determination 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 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).

	2026	2025
Schedule of Fees	\$	\$
Chair of the Board	244,382	237,494
Independent Director (base fee)	150,106	145,875
Board Member (base fee)	76,791	74,627
Investment Committee Chair (base fee)	145,732	141,625
Investment Committee Chair (attendance fee)	9,716	9,342
Investment Committee Member (attendance fee)	5,555	5,398
Committee Chair (attendance fee)	5,937	5,709
Committee Member (attendance fee)	2,980	2,896



Remuneration Report (audited) (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	133,418	16,010	149,428	Director
P Crumlin	120,382	14,446	134,828	CFMEU ¹
H Davis	133,010	15,961	148,971	Director
S Dunne	210,990	25,319	236,309	Director
J Edwards	164,947	19,794	184,741	Director
M Fagan	108,696	13,043	121,739	AWU ²
N Fenech	76,717	673	77,390	Director
S Gordon	117,121	14,055	131,176	AMWU ³
A Hicks	77,104	9,253	86,357	CEPU ⁴
J O'Mara	135,459	16,255	151,714	CFMEU ¹
R Sputore	152,547	18,306	170,853	Director
W Swan	218,198	26,184	244,382	Director
D Wawn	125,174	15,021	140,195	MBA ⁵
Former Directors				
A Milner	53,727	6,447	60,174	Director
E Setches	9,953	1,194	11,147	CEPU ⁴
L Weber	58,395	7,007	65,402	CFMEU ¹
Total	1,895,838	218,968	2,114,806	

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

2 Fees paid to Australian Workers Union (AWU). M Fagan receives the superannuation component of the fees directly into his nominated superannuation

3 Fees paid to Automotive Food Metals Engineering Printing & Kindred Industries Union (AMWU). S Gordon receives the superannuation component of the fees directly into his nominated superannuation

4 Fees paid to Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Divisional Branch (CEPU)

5 Fees paid to Master Builders Australia Limited (MBA)



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

Wayne Swan
Director

Michelle Beveridge
Director

Melbourne
22 September 2026



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with confidence**

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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 2026, 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
22 September 2026

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Statement of Financial Position

As at 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	3 (a)	224,634	190,596
Receivables	4	11,267	14,233
Financial assets	5	116,245,944	105,753,423
Property, plant and equipment	6 (i)	16,868	12,233
Right-of-use assets	6 (ii)	48,887	51,756
Intangible assets	7	-	4,528
Total assets		116,547,600	106,026,769
Liabilities			
Payables	8	(261,228)	(126,792)
Financial liabilities	5	(836,386)	(702,939)
Income tax payables	9 (e)	(328,060)	(184,142)
Lease liabilities	10	(71,822)	(72,999)
Deferred tax liabilities	9 (d)	(2,713,585)	(2,550,438)
Total liabilities excluding members' benefits		(4,211,081)	(3,637,310)
Net assets available for members' benefits		112,336,519	102,389,459
Members' benefits			
Defined contribution members' liabilities			
Allocated to members		(110,626,433)	(100,714,367)
Unallocated to members		(4,739)	(4,999)
Defined benefit members' liabilities		(1,119,717)	(1,155,033)
Total members' benefits	12	(111,750,889)	(101,874,399)
Net assets		585,630	515,060
Equity			
General reserve	2 (n)	86,620	5,899
Administration reserve	2 (n)	124,236	120,531
Insurance reserve	2 (n)	45,584	117,333
Operational risk reserve	2 (n)	256,540	236,511
Defined benefits over funded		72,650	34,786
Total equity		585,630	515,060

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



Income Statement

For the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Superannuation activities revenue			
Interest		871,681	665,082
Dividends and distributions		1,938,338	1,939,810
Changes in fair value of financial instruments	13	7,729,918	7,865,065
Other investment income		93,064	56,154
Total superannuation activities revenue		10,633,001	10,526,111
Expenses			
Investment expenses	14	(397,853)	(327,686)
Administration and other operating expenses	15	(428,979)	(418,335)
Insurance premium expenses		(122,162)	(41,745)
Total expenses		(948,994)	(787,766)
Result from superannuation activities before income tax (expense)/benefit		9,684,007	9,738,345
Income tax (expense)/benefit	9 (a)	(653,986)	(569,925)
Result from superannuation activities after income tax (expense)/benefit		9,030,021	9,168,420
Net (benefits)/losses allocated to members' accounts		(8,997,315)	(9,188,794)
Net change in defined benefit members' liabilities		37,864	67,035
Operating result after income tax		70,570	46,661

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 2026

2026	Notes	Defined Contribution Members \$'000	Defined Benefit Members \$'000	Total \$'000
Opening balance of members' benefits		100,719,366	1,155,033	101,874,399
Contributions received from:				
Employers		6,716,590	27,529	6,744,119
Members		1,350,590	172	1,350,762
Government co-contributions		25,403	-	25,403
Net transfers from other superannuation plans		837,758	-	837,758
Income tax on contributions	9 (c)	(1,074,129)	(4,129)	(1,078,258)
Net after tax contributions		7,856,212	23,572	7,879,784
Benefits paid to members or beneficiaries		(6,838,650)	(92,727)	(6,931,377)
Transfer from defined benefit to defined contribution		8,362	(8,362)	-
Insurance premiums charged to members' accounts		(434,145)	(10)	(434,155)
Death and disability insurance entitlements received		402,787	-	402,787
Benefits allocated to members' accounts, comprising:				
Net investment income		9,150,558	83,369	9,233,927
Administration fees		(233,318)	(3,294)	(236,612)
Net change in defined benefit members' liabilities		-	(37,864)	(37,864)
Closing balance of members' benefits		110,631,172	1,119,717	111,750,889

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 co-contributions		27,401	-	27,401
Net transfers from other superannuation plans		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' accounts		(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		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 Equity

For the year ended 30 June 2026

	General reserve	Administration reserve	Insurance reserve	Operational risk reserve	Defined benefits over/(under) funded	Total equity
2026	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	5,899	120,531	117,333	236,511	34,786	515,060
Net transfers to/(from) reserves	(1,386)	5,701	(693)	(3,622)	-	-
Net allocations (to)/from Members' Benefits	(9,219,708)	236,612	-	(14,219)	37,864	(8,959,451)
Net allocations (to)/from Income Statement	9,301,815	(238,608)	(71,056)	37,870	-	9,030,021
Closing balance	86,620	124,236	45,584	256,540	72,650	585,630

For the year ended 30 June 2025

	General reserve	Administration reserve	Insurance reserve	Operational risk reserve	Defined benefits over/(under) funded	Total equity
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

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 2026

	Notes	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Interest received		7,008	6,843
Death and disability proceeds received from insurer		402,787	415,197
Administration expenses paid		(316,627)	(325,680)
Insurance premiums paid		(473,813)	(456,065)
Income tax received/(paid)		(364,748)	(194,424)
Net cash inflow/(outflow) from operating activities	3 (b)	(745,393)	(554,129)
Cash flows from investing activities			
Purchases of financial instruments		(67,758,296)	(80,716,828)
Proceeds from sale of financial instruments		67,589,610	80,486,587
Payments for fixed and intangible assets		(6,824)	(5,473)
Net cash inflow/(outflow) from investing activities		(175,510)	(235,714)
Cash flows from financing activities			
Employer contributions received		6,744,119	6,127,607
Member contributions received		1,350,762	1,094,679
Government co-contributions received		25,403	27,401
Transfers from other superannuation entities received		837,758	893,524
Benefits paid to members or beneficiaries		(6,931,377)	(6,373,639)
Payment of lease liabilities		(11,293)	(7,487)
Tax paid on contributions		(1,060,431)	(976,142)
Net cash inflow/(outflow) from financing activities		954,941	785,943
Net increase/(decrease) in cash and cash equivalents		34,038	(3,900)
Cash and cash equivalents at the beginning of the financial year		190,596	194,496
Cash and cash equivalents at the end of the financial year	3 (a)	224,634	190,596

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 (**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 (**Trustee**). The registered office of the Trustee is Level 22, 130 Lonsdale Street, Melbourne, VIC 3000.

The 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 22 September 2026. 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.

2 (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 statement 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 its 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 its controlled entities which enables them 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.

2 (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.

Significant estimates and judgements are also applied in determining the fair value of investments, particularly unlisted financial instruments. Investments are measured at fair value using quoted market prices where available or, where market prices are not readily observable, valuation techniques such as discounted cash flow models, comparable market transactions and



2. Summary of material accounting policies (continued)

independent valuations. The valuation of unlisted financial instruments involves significant judgement due to the use of unobservable inputs. Key assumptions include discount rates, forecast cash flows and market comparables. Changes in these assumptions and inputs could have a material impact on the reported fair value of investments. Further information is provided in Notes 18 and 19.

2 (c) New accounting standards and interpretations

(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 2025 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(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 2026 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 2028)

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. The impact of AASB 18 is yet to be determined.

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

AASB 2024-2 amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* in relation to the classification and measurement of financial instruments. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The Fund has not early adopted these amendments and will apply them from 1 July 2026. The Fund is currently assessing the impact of these amendments on its financial statements.

2 (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.

2 (e) Receivables

Receivables are initially recognised at fair value. All receivables, unless otherwise stated, are non-interest bearing, unsecured and generally received within 30 days of recognition. Subsequent to initial recognition, receivables are measured at fair value, which approximates their nominal value due to their short-term nature. Collectability of receivables is reviewed regularly and any impairment is recognised in the Income Statement.

2 (f) Payables

Payables comprise liabilities and accrued expenses owed by the Fund and unpaid as at the end of the reporting period. Payables are measured at cost, which, due to their short-term nature, is considered to be equivalent to fair value in accordance with AASB 1056 *Superannuation Entities*. These amounts are unsecured and are generally settled within 30 days of recognition.

2 (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.

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.

2 (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.



2. Summary of material accounting policies (continued)

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.

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).

In determining the fair value of assets and liabilities, the Fund considers the potential impact of climate-related matters, including current and emerging legislation and regulatory requirements, where relevant.

2 (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 for as separate assets. Any gain or loss arising from impairment and any gain or 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 on a diminishing value basis and is recognised systematically over the estimated useful lives of assets. 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:

Asset Class	Estimated Useful Life
Leasehold improvements	Lease term
Furniture and fittings	5-10 years
Office equipment	10 years
Computer equipment	3-4 years
Motor vehicles	8 years

2 (j) Leases

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

(i) 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 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.

2 (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 *Intangible Assets* 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



2. Summary of material accounting policies (continued)

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 (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.

2 (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.

2 (n) Reserves

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

- A General Reserve to assist the Trustee in managing the crediting rate process for the Fund, receipting investment earnings, incurring investment expenses and applying the net position to members' accounts. The establishment and maintenance of the Reserve is required by the Trust Deed. The Board has determined that the Reserve is to be maintained within a range of 0.00% to 0.25% of the Net Assets Available For Members' Benefits' and seeks to maintain the Reserve to as close to 0.00% as possible, but considers up to 0.25% to be acceptable.
- An Administration Reserve to manage the receipt of member 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 \$106,500,000.
- 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.



2. Summary of material accounting policies (continued)

- 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 Regulation Authority, under Prudential Standard SPS 114 *Operational Risk Financial Requirement*.

The Trustee intends to maintain the reserve at 0.25% (2025: 0.25%) of the Fund's Net Assets Available For Members' Benefits within the tolerance limit of 20%.

2 (o) Revenue and expense recognition

(i) Interest revenue

Interest revenue from financial instruments held at fair value is determined based on the contractual coupon interest rate, includes interest from cash and cash equivalents, and is recognised separately in the Income Statement from all other fair value changes in financial instruments.

(ii) Dividends and distribution 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.

(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.

2 (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 or recoverable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and 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.



2. Summary of material accounting policies (continued)

2 (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**).

2 (r) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian Dollars, which is the Fund's functional and presentation currency.

(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.

2 (s) Rounding of amounts

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

2 (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

3 (a) Components of cash and cash equivalents

	2026	2025
	\$'000	\$'000
Cash at bank	224,634	190,596
Total cash and cash equivalents	224,634	190,596

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

	2026	2025
	\$'000	\$'000
Operating result after income tax	70,570	46,661
Change in operating assets and liabilities:		
(Increase)/decrease in financial assets	(10,282,016)	(10,752,961)
(Increase)/decrease in receivables	2,966	(3,431)
Increase/(decrease) in payables	92,752	17,140
Increase/(decrease) in financial liabilities	133,447	618,542
Increase/(decrease) in insurance premiums payables	(31,368)	1,950
Increase/(decrease) in income tax payables	289,238	375,501
Adjustments for non-cash and non-operating items:		
Depreciation and amortisation	16,382	16,781
Net disposal losses/(gains)	3,197	(135)
Additions to right-of-use assets	(9,157)	(24,401)
Additions to lease liabilities	9,145	28,465
Allocation to members' accounts	8,959,451	9,121,759
Net cash inflow/(outflow) from operating activities	(745,393)	(554,129)

4. Receivables

	2026	2025
	\$'000	\$'000
GST receivables	1,378	5,007
Other receivables	9,889	9,226
Total receivables	11,267	14,233

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

	2026	2025
	\$'000	\$'000
Financial assets		
Fund managers' cash and cash equivalents	10,392,295	8,196,489
Credit	6,142,634	5,138,097
Derivative assets	656,358	896,748
Fixed interest securities	10,579,005	9,730,121
Australian listed equities	23,679,263	22,245,302
International listed equities	36,530,271	31,585,387
Unlisted equity investments	18,332,566	17,783,102
Property trusts	9,933,552	10,178,177
Total financial assets	116,245,944	105,753,423
Financial liabilities		
Derivative liabilities	(836,386)	(702,939)
Total financial liabilities	(836,386)	(702,939)

Based on an analysis of updates to the Fund's investment strategy, the segmentation of the Fund's financial assets and liabilities has been refined. Where changes have been made in the current year, prior year balances have been updated on the same basis.

6. Property, plant and equipment

6 (i) Property, plant and equipment

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

	2026	2025
	\$'000	\$'000
Property, plant and equipment		
Opening net book value	12,233	9,757
Additions	9,431	5,473
Disposals	(759)	(414)
Depreciation expense	(4,037)	(2,583)
Closing net book value	16,868	12,233
Cost	30,888	24,945
Accumulated depreciation	(14,020)	(12,712)
Net book value	16,868	12,233



6. Property, plant and equipment (continued)

6 (ii) Right-of-use assets

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

	2026	2025
	\$'000	\$'000
Right-of-use assets		
Opening balance	51,756	26,667
Reassessment of leases	(1,602)	10,138
Additions	9,157	24,401
Disposals	-	(2,436)
Depreciation expense	(10,424)	(7,014)
Closing net book value	48,887	51,756

7. Intangible assets

	2026	2025
	\$'000	\$'000
Internally generated intangible assets		
Opening net book value	4,528	11,712
Disposals and write-downs	(2,607)	-
Amortisation	(1,921)	(7,184)
Total intangible assets	-	4,528

8. Payables

	2026	2025
	\$'000	\$'000
Insurance premiums payables	(115,372)	(32,868)
Investment manager fees payables	(38,746)	(31,458)
Investment manager performance fees payables	(33,546)	(3,461)
Administration expenses payables	(36,167)	(29,801)
Asset consulting fees payables	(240)	(228)
Custodian fees payables	(5,316)	(2,484)
Provision for employee benefits	(31,841)	(26,492)
Total payables	(261,228)	(126,792)

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

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

	2026	2025
	\$'000	\$'000
Current income tax expense/(benefit)		
Current tax on profits for the year	553,103	139,916
Adjustments for current tax of prior periods	(62,264)	(19,778)
Deferred income tax expense/(benefit)		
Relating to origination and reversal of temporary differences	163,147	449,787
Total income tax expense/(benefit) recognised in the Income Statement	653,986	569,925

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

	2026	2025
	\$'000	\$'000
Result from superannuation activities before income tax expense/(benefit)	9,684,007	9,738,345
Prima facie tax at the applicable Australian tax rate of 15% (2025: 15%)	1,452,601	1,460,752
Tax effects of amounts which are not (assessable)/deductible in calculating taxable income:		
Capital (gains)/losses not (assessable)/deductible	(308,808)	(419,061)
Exempt pension income	(114,080)	(134,980)
Net imputation and foreign tax credits	(248,341)	(255,021)
Insurance premium deduction	(65,122)	(61,987)
Adjustments for current tax of prior periods	(62,264)	(19,778)
Total income tax expense/(benefit)	653,986	569,925

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

	2026	2025
	\$'000	\$'000
Contributions and transfers-in	8,958,042	8,143,211
Tax at the complying superannuation fund rate of 15% (2025: 15%)	1,343,706	1,221,482
Tax effects of amounts which are not (assessable)/deductible in calculating contributions tax:		
Non-assessable contributions	(144,403)	(112,271)
Non-assessable transfers-in	(122,281)	(131,094)
No TFN Tax	1,236	1,396
Total income tax on contributions recognised in the Statement of Changes in Members' Benefits	1,078,258	979,513



9. Income tax (continued)

9 (d) Deferred tax liabilities

The table below sets out the movement in temporary differences during the year.

	Opening balance	(Charged)/Credited to Income Statement	Closing balance
2026	\$'000	\$'000	\$'000
Net deferred tax liabilities			
Unrealised (gains)/losses on investments	(2,550,438)	(163,147)	(2,713,585)
Total deferred tax liabilities	(2,550,438)	(163,147)	(2,713,585)

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

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.

9 (e) Income tax payables

The Fund's income tax payable of \$328,060,000 (2025: \$184,142,000) represents the amount of income tax payable in respect of current and prior periods.

10. Lease liabilities

	2026	2025
	\$'000	\$'000
Lease liabilities	(71,822)	(72,999)
Total lease liabilities	(71,822)	(72,999)

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.

**10. Lease liabilities (continued)**

The carrying amounts of lease liabilities and movements during the year are set out below.

	2026	2025
	\$'000	\$'000
Opening balance	72,999	47,582
Additions	9,145	28,465
Reassessment of leases	(1,602)	5,433
Accretion of interest	2,573	1,905
Payments	(11,293)	(7,487)
Disposals	-	(2,899)
Closing balance	71,822	72,999
Current	10,619	9,953
Non-current	61,203	63,046
Total lease liabilities	71,822	72,999

The maturity analysis of the contractual undiscounted cash flows relating to future property lease payments is set out below.

	2026	2025
	\$'000	\$'000
Less than one year	11,753	9,953
One to five years	42,431	43,379
More than five years	29,893	33,070
Total undiscounted lease liabilities	84,077	86,402

The amounts recognised in the Income Statement are set out below.

	2026	2025
	\$'000	\$'000
Depreciation expense of right-of-use assets	10,424	7,014
Interest expense on lease liabilities	2,573	1,905
Rental expense relating to leases of short-term and low-value assets	34	1,031
Total amount recognised in the Income Statement	13,031	9,950



11. Funding arrangement

11 (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 12% (2025: 11.5%). In addition, members and employers can elect to contribute further amounts to the Fund at their own discretion.

11 (b) Defined benefit members' liabilities

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 (2025: 1.9) the value of employee contributions.

Employers also contribute to a Member's Basic Benefit, also referred to as the Basic Benefits for Former Pool B members ('Division C'). This employer funded benefit is generally equal to 2.5% (2025: 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% (2025: 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 (2025: 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% (2025: 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

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 (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.

\$4,739,000 (2025: \$4,999,000) 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.

12 (b) Defined benefit members' liabilities

The valuation of the defined benefit Members' liabilities is undertaken by the RSE Actuary (**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 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 5.72% (2025: 5.42%) per annum
- Future rate of salary increases forecast at 3.6% per annum for 2026/27 (2025: 4.2% per annum for 2025/26), 3.0% per annum for 2027/28 (2025: 3.4% per annum for 2026/27), 2.8% per annum for 2028/29 (2025: 2.9% per annum for 2027/28) and then 3.5% per annum thereafter (2025: 2.5%)
- Future rate of pension/CPI increases forecast at 4.1% per annum for 2026/27 (2025: 1.9% per annum for 2025/26), 3.75% per annum for 2027/28 (2025: 2.5% per annum for 2026/27) and then 2.5% (2025: 2.5%) per annum thereafter.



12. Members' benefits (continued)

The 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 on accrued benefits in these key assumptions are shown below.

Assumption	Assumed at reporting date	Sensitivity change	Increase/ (decrease) in accrued benefits
2026	% pa	% pa	\$'000
Investment return/Discount rate	5.72	1/(1)	(88,247)/102,520
Salary increases	3.6	1/(1)	23,955/(22,084)
Pension/CPI increases	4.1	1/(1)	79,126/(68,703)

Assumption	Assumed at reporting date	Sensitivity change	Increase/ (decrease) in accrued benefits
2025	% pa	% pa	\$'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)

The 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 Actuary, who will produce a report setting out remedial actions and a Rectification Plan as required by APRA Prudential Standard SPS 160 *Defined Benefits*.

The amount of vested benefits attributable to defined benefit members as at 30 June 2026 is \$1,134,674,000 (2025: \$1,156,298,000).

The Pool B Sub-Division was over funded as at 30 June 2026 as set out below.

	Net assets available for defined benefit members	Actuarial value of accrued benefits for defined benefit members	Over/(under) funded
2026	\$'000	\$'000	\$'000
Pool B Sub-Division	1,192,367	1,119,717	72,650

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



13. Changes in fair value of financial instruments

	2026	2025
	\$'000	\$'000
Fund managers' cash and cash equivalents	225,497	280,471
Credit	(51,880)	134,278
Derivatives	2,040,811	(1,147,426)
Fixed interest securities	(609,633)	487,275
Australian listed equities	732,666	1,236,871
International listed equities	4,072,263	5,109,109
Unlisted equity investments	843,030	1,432,138
Property trusts	477,164	332,349
Total changes in fair value of financial instruments	7,729,918	7,865,065

14. Investment expenses

	2026	2025
	\$'000	\$'000
Investment manager fees	(134,584)	(128,885)
Performance fees	(36,003)	(1,059)
Custodian fees	(10,407)	(9,556)
Asset consulting fees	(2,960)	(2,806)
Other investment expenses	(213,899)	(185,380)
Total investment expenses	(397,853)	(327,686)



15. Administration and other operating expenses

	2026	2025
	\$'000	\$'000
Administration expenses	(71,565)	(66,164)
Employee expenses	(239,760)	(171,696)
Professional and consulting fees	(47,384)	(25,427)
Promotion, marketing and sponsorship expenses	(27,213)	(27,317)
Audit fees	(3,192)	(1,994)
Trustee fees and reimbursements	967	(66,986)
Other operating expenses	(40,832)	(58,751)
Total administration and other operating expenses	(428,979)	(418,335)

16. Auditor's remuneration

During the year the following amounts were paid or payable to the Registrable Superannuation Entity Auditor (**Auditor**) of the Fund and its controlled entities Ernst & Young (**EY**). The amounts disclosed below are presented on an unrounded basis.

	2026	2025
	\$	\$
Amounts paid and payable to EY and related network firms		
Audit services for the statutory financial report of the Fund and its controlled entities	712,319	676,005
Assurance services that are required by legislation to be provided by the external auditor	487,127	147,366
Other assurance and agreed-upon-procedures under other legislation or contractual arrangements	-	69,493
Other non-audit services		
Tax compliance services	508,699	383,420
Tax governance services	65,464	166,179
Total auditor's remuneration	1,773,609	1,442,463

17. Segment information

The Fund operates in a single reportable business segment, being the provision of superannuation benefits to Members and a single 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 outlines the Fund's approach to financial risk management.

Risk Management Framework and governance

The Fund is exposed to a range of financial risks arising from its investment activities. These risks are managed in accordance with the Fund's Risk Management Framework and Investment Governance Framework, which establish the policies and procedures for identifying, assessing and managing financial risks.

The Trustee has ultimate responsibility for oversight of financial risk management. This responsibility is supported by the Board and relevant Committees under delegated authority, together with internal management and external advisors, including the Fund's investment advisor.

Risk measurement and monitoring

The Fund applies a combination of quantitative and qualitative techniques to measure and monitor its risk exposures. These include strategic asset allocation modelling, historical stress testing, forward-looking scenario analysis, and qualitative assessments of investment managers and investment structures at the portfolio level.

The Trustee determines the strategic asset allocation for each investment option and regularly monitors asset allocations in accordance with the Fund's Risk Management Framework and Investment Governance Framework.

Investment manager oversight and risk reporting

The Fund invests through a range of internal and external investment managers, each of whom is required to operate within a formally documented mandate or Trust Deed requirements. The Trustee assesses prospective investment managers prior to appointment and monitors existing investment managers on an ongoing basis to ensure alignment with the Fund's investment strategy, Investment Governance Framework, asset valuation policy and service provider risk policy. Investment managers are subject to regular performance, risk and compliance monitoring, with reporting provided to management and the Trustee to support ongoing oversight of investment activities and risk exposures.

The Fund receives regular reporting from investment managers on the nature and composition of investments, performance and risk characteristics and compliance with investment mandates. Where relevant, the Fund obtains and reviews derivative risk statements from investment managers to support oversight of derivative exposures.

Custody arrangements and controls

The Fund's investments are primarily held in custody by J.P. Morgan Chase Bank, National Association (**JPM**), acting as the Fund's master custodian.

Where assets are held outside the custodian, the Trustee ensures that appropriate controls and processes are in place to support the completeness and accuracy of financial records and the proper recognition of assets, liabilities, income and expenses.

The Fund's financial instruments give rise to the following key risks:

- Market risk (including foreign exchange risk, interest rate risk and price risk)
- Credit risk
- Liquidity risk.

These risks are managed through the frameworks, governance arrangements and monitoring processes outlined above, supported by diversification across asset classes and investment managers.

18 (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 members' accounts and Fund reserves. Market risk comprises three types of risk:

- Foreign exchange risk
- Interest rate risk and
- Price risk.

**18. Financial risk management (continued)***(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, and compliance is monitored on a regular basis.

The Fund utilises a currency overlay manager to assist with the implementation of foreign exchange risk management.

The tables below summarise the Fund's net assets and liabilities denominated in currencies other than the Australian dollar, which form the basis of the Fund's foreign exchange risk sensitivity analysis.

	USD	EUR	GBP	TWD	JPY	Other currencies	Total
2026	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net exposure	32,018,542	6,360,923	1,666,401	1,993,975	2,145,964	6,781,728	50,967,533

	USD	EUR	GBP	HKD	JPY	Other currencies	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net exposure	29,241,481	6,165,128	1,728,324	1,731,464	1,434,932	4,828,617	45,129,946

Sensitivity analysis

Based on an assessment of historical ranges of currency and a two standard deviation expectation an assumption of +/-19.5% (2025: +/-19.5%) has been determined by the Fund's investment advisor as an appropriate assumption for this scenario analysis.

A 19.5% strengthening/weakening of the Australian dollar against the following currencies at 30 June 2026 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 2025. The impact mainly arises from the reasonably possible change in foreign currency rates.

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

	USD	EUR	GBP	TWD	JPY	Other currencies
2026	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
19.50%	(6,243,616)	(1,240,380)	(324,948)	(388,825)	(418,463)	(1,322,437)
(19.50%)	6,243,616	1,240,380	324,948	388,825	418,463	1,322,437

	USD	EUR	GBP	HKD	JPY	Other currencies
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
19.50%	(5,702,089)	(1,202,200)	(337,023)	(337,635)	(279,812)	(941,580)
(19.50%)	5,702,089	1,202,200	337,023	337,635	279,812	941,580

**18. Financial risk management (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 is set out below.

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
2026	\$'000	\$'000	\$'000	\$'000
Financial assets				
Fund managers' cash and cash equivalents	1,157,235	9,235,060	-	10,392,295
Credit	6,027,925	114,709	-	6,142,634
Derivative assets	136,600	6,008	513,750	656,358
Fixed interest securities	497,087	10,081,918	-	10,579,005
Australian listed equities	-	-	23,679,263	23,679,263
International listed equities	-	-	36,530,271	36,530,271
Unlisted equity investments	-	-	18,332,566	18,332,566
Property trusts	-	-	9,933,552	9,933,552
Total financial assets	7,818,847	19,437,695	88,989,402	116,245,944

Financial liabilities				
Derivative liabilities	(184,877)	(5,232)	(646,277)	(836,386)
Total financial liabilities	(184,877)	(5,232)	(646,277)	(836,386)

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
2025	\$'000	\$'000	\$'000	\$'000
Financial assets				
Fund managers' cash and cash equivalents	2,531,574	5,664,915	-	8,196,489
Credit	4,991,450	146,647	-	5,138,097
Derivative assets	123,506	16,510	756,732	896,748
Fixed interest securities	415,321	9,314,800	-	9,730,121
Australian listed equities	-	-	22,245,302	22,245,302
International listed equities	-	-	31,585,387	31,585,387
Unlisted equity investments	-	-	17,783,102	17,783,102
Property trusts	-	-	10,178,177	10,178,177
Total financial assets	8,061,851	15,142,872	82,548,700	105,753,423

Financial liabilities				
Derivative liabilities	(111,191)	(2,531)	(589,217)	(702,939)
Total financial liabilities	(111,191)	(2,531)	(589,217)	(702,939)



18. Financial risk management (continued)

Sensitivity analysis

Based on an assessment of historical movements in cash and bond rates over rolling one-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% (2025: +1.90%) in interest rates with all other variables remaining constant would have decreased the net assets available to pay members' liabilities and the net result from superannuation activities by \$514,262,000 (2025: \$331,507,000).

A change of -1.90% (2025: -1.90%) in interest rates with all other variables remaining constant would have increased the net assets available to pay members' liabilities and the net result from superannuation activities by \$514,262,000 (2025: \$331,507,000).

The analysis is performed on the same basis for 2025. 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. Performance and benchmark results are reported regularly to the Investment Committee.

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 plus or minus two standard deviations.

	Carrying amount	Volatility factor minimum	Volatility factor maximum	Effect on net assets	Effect on net assets
2026	\$'000	%	%	\$'000	\$'000
Financial assets					
Credit	6,142,634	(1.5)	12.0	(92,140)	737,116
Fixed interest securities	10,579,005	(1.5)	12.0	(158,685)	1,269,481
Australian listed equities	23,679,263	(27.5)	40.5	(6,511,797)	9,590,101
International listed equities	36,530,271	(19.0)	34.0	(6,940,751)	12,420,292
Unlisted equity investments	18,332,566	(4.0)	19.5	(733,303)	3,574,850
Property trusts	9,933,552	(9.5)	24.0	(943,687)	2,384,053
Total financial assets	105,197,291			(15,380,363)	29,975,893

**18. Financial risk management (continued)**

	Carrying amount	Volatility factor minimum	Volatility factor maximum	Effect on net assets	Effect on net assets
2025	\$'000	%	%	\$'000	\$'000
Financial assets					
Credit	5,138,097	(3.0)	10.5	(154,143)	539,500
Fixed interest securities	9,730,121	(3.0)	11.0	(291,904)	1,070,313
Australian listed equities	22,245,302	(25.0)	39.0	(5,561,325)	8,675,668
International listed equities	31,585,387	(20.5)	34.5	(6,475,004)	10,896,958
Unlisted equity investments	17,783,102	(4.0)	18.0	(711,324)	3,200,958
Property trusts	10,178,177	(11.0)	26.0	(1,119,599)	2,646,326
Total financial assets	96,660,186			(14,313,300)	27,029,724

18 (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 credit and fixed interest securities, derivative financial instruments and cash and cash equivalents.

The Fund is exposed to credit risk through investments in credit and fixed interest securities, as well as through participation in securities lending arrangements that are secured by collateral. The Fund employs investment managers to manage credit and fixed interest securities investments within approved investment guidelines and mandate restrictions. Compliance with investment mandates is monitored by internal management and the Fund's custodian.

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 represents the Fund's exposure to credit risk in relation to those assets. An analysis of the Fund's credit risk exposures by credit rating is set out in the table below.

	2026	2025
Rating	\$'000	\$'000
AAA to AA-	11,299,105	11,448,884
A+ to A-	9,206,050	6,158,114
BBB+ to BBB-	1,250,139	1,225,944
Below BBB-	4,391,946	3,086,864
No Rating	786,666	1,338,710
Total	26,933,906	23,258,516



18. Financial risk management (continued)

18 (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.

Liquidity risk is managed through a structured framework integrated within the Fund's broader risk management framework, with the objective of ensuring the Fund can meet its financial obligations as they fall due while supporting long-term investment outcomes for members. The Fund maintains sufficient liquidity to meet short-term cash flow requirements, including member benefit payments, switches, investment settlements and derivative margin calls, and actively monitors its liquidity profile at a granular level to respond to changes in market conditions or member behaviour.

Liquidity considerations are embedded in investment decision-making, including maintaining exposures to illiquid assets within defined risk tolerance limits and assessing the impact of new commitments on the Fund's liquidity position. The Fund also maintains adequate liquid asset buffers and applies ongoing monitoring and governance processes to ensure it can rebalance portfolios without being required to sell assets under adverse conditions, thereby protecting member outcomes and portfolio resilience.

The tables below analyse the contractual maturities of the Fund's financial liabilities, based on the remaining period at reporting date to the contractual maturity date. The maturity analysis of lease liabilities is disclosed separately in Note 10.

	Carrying amount	Less than 1 month	1-3 months	3-12 months	Greater than 12 months
2026	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	(261,228)	(261,228)	-	-	-
Financial liabilities	(836,386)	(232,735)	(261,680)	(280,095)	(61,876)
Members' benefits	(111,750,889)	(111,750,889)	-	-	-

	Carrying amount	Less than 1 month	1-3 months	3-12 months	Greater than 12 months
2025	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	(126,792)	(126,792)	-	-	-
Financial liabilities	(702,939)	(151,568)	(275,729)	(241,662)	(33,980)
Members' benefits	(101,874,399)	(101,874,399)	-	-	-

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.

	Carrying amount	Less than 1 month	1-3 months	3-12 months	Greater than 12 months
2026	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities					
Inflows	35,382,642	8,119,735	14,602,084	12,632,351	28,472
(Outflows)	(36,219,028)	(8,352,470)	(14,863,764)	(12,912,446)	(90,348)
Total	(836,386)	(232,735)	(261,680)	(280,095)	(61,876)



18. Financial risk management (continued)

	Carrying amount	Less than 1 month	1-3 months	3-12 months	Greater than 12 months
2025	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities					
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)
Total	(702,939)	(151,568)	(275,729)	(241,662)	(33,980)

18 (d) Derivatives

The Fund uses derivative financial instruments to obtain or adjust market exposures, manage risks and support the efficient implementation of its investment strategy. Derivatives may be used directly by the Fund or by its external investment managers, including to gain or reduce exposure to asset classes in an efficient manner.

The use of derivatives is subject to defined risk limits, governance controls and policy requirements designed to ensure the Fund is not exposed to undue risk and that derivatives are not used to create leverage. Derivative exposures are monitored on an ongoing basis, including requirements to maintain sufficient liquid assets to meet associated obligations such as margin calls.

Derivative financial assets and liabilities are recognised and measured at fair value, with offsetting applied only in limited circumstances as described below.

Derivative financial assets and liabilities are offset and presented on a net basis in the Statement of Financial Position only where there is a legally enforceable right to offset and an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative transactions are typically entered into under International Swaps and Derivatives Association (**ISDA**) master netting arrangements. Under these arrangements, derivative financial assets and liabilities may be subject to close-out netting in certain circumstances, such as upon default. In such circumstances, obligations owing between counterparties may be aggregated and settled on a net basis in accordance with the terms of the relevant agreement as set out in tables below.

	Derivative fair value	Derivative amounts set off	Net amounts presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral	Net exposure after master netting and collateral
2026	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative financial assets	656,358	-	656,358	(422,445)	(67,752)	166,161
Derivative financial liabilities	(836,386)	-	(836,386)	422,445	115,035	(298,906)
Net financial asset/(liability)	(180,028)	-	(180,028)	-	47,283	(132,745)

	Derivative fair value	Derivative amounts set off	Net amounts presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral	Net exposure after master netting and collateral
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Derivative financial assets	896,748	-	896,748	(332,686)	(33,368)	530,694
Derivative financial liabilities	(702,939)	-	(702,939)	332,686	98,337	(271,916)
Net financial asset/(liability)	193,809	-	193,809	-	64,969	258,778



18. Financial risk management (continued)

The amounts disclosed in the columns "Amounts subject to master netting arrangements" represent derivative assets and liabilities with the same counterparties that are eligible for offset only in the event of default, insolvency or bankruptcy. The amounts disclosed for collateral represent collateral arrangements under Credit Support Annexes that mitigate counterparty credit risk but do not satisfy the criteria for offsetting.

The net amount reflects the effect of enforceable master netting agreements and related collateral in reducing the Fund's exposure to counterparty credit risk.

However, ISDA master netting arrangements do not satisfy the criteria for offsetting for accounting purposes because the rights of set-off are enforceable only in the event of default, insolvency or bankruptcy and are therefore not enforceable in the normal course of business.

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.

19 (a) Fair value hierarchy

(i) Classification of financial assets and financial liabilities

The Fund classifies fair value measurement 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 (unadjusted) market prices in active markets for identical assets and liabilities. The main investments in this category are listed equity securities. Where appropriate, the Fund applies an adjustment to quoted market prices to reflect estimated exit prices
- 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)
- Level 3: Investments valued using inputs 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 of the assets or liabilities. 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 judgement 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. Examples of investments classified as Level 3 include unlisted infrastructure, private equity and other unlisted investment vehicles, as well as interests in unlisted unit trusts and other managed funds valued using net asset value, exit price or other valuation techniques that incorporate significant unobservable inputs.

Fixed interest securities predominantly comprise government securities but also include publicly tradeable bonds and other instruments, issued by corporates and other entities.

Credit comprises a broad range of publicly and privately traded debt securities, bonds, loans and other instruments issued by corporates and other entities. Credit is focused on receiving the promised return and return of capital and ranks in priority to equity holders.

**19. Fair value hierarchy (continued)****Recognised fair value measurements**

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

	Level 1	Level 2	Level 3	Total
2026	\$'000	\$'000	\$'000	\$'000
Financial assets				
Fund managers' cash and cash equivalents	-	10,392,295	-	10,392,295
Credit	-	6,142,634	-	6,142,634
Derivative assets	23,327	633,031	-	656,358
Fixed interest securities	-	10,579,005	-	10,579,005
Australian listed equities	23,677,929	-	1,334	23,679,263
International listed equities	36,529,003	-	1,268	36,530,271
Unlisted equity investments	-	646,595	17,685,971	18,332,566
Property trusts	1,716,802	-	8,216,750	9,933,552
Total financial assets	61,947,061	28,393,560	25,905,323	116,245,944

Financial liabilities				
Derivative liabilities	(25,086)	(811,300)	-	(836,386)
Total financial liabilities	(25,086)	(811,300)	-	(836,386)

	Level 1	Level 2	Level 3	Total
2025	\$'000	\$'000	\$'000	\$'000
Financial assets				
Fund managers' cash and cash equivalents	-	8,196,489	-	8,196,489
Credit	-	5,138,097	-	5,138,097
Derivative assets	-	896,748	-	896,748
Fixed interest securities	-	9,730,121	-	9,730,121
Australian listed equities	22,243,754	-	1,548	22,245,302
International listed equities	31,585,387	-	-	31,585,387
Unlisted equity investments	-	1,215,032	16,568,070	17,783,102
Property trusts	1,575,889	-	8,602,288	10,178,177
Total financial assets	55,405,030	25,176,487	25,171,906	105,753,423

Financial liabilities				
Derivative liabilities	-	(702,939)	-	(702,939)
Total financial liabilities	-	(702,939)	-	(702,939)



19. Fair value hierarchy (continued)

(ii) Transfer between levels

The Fund recognises transfers between fair value hierarchy levels at the date of the event or change in circumstances that gives rise to the transfer.

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

(i) Level 2 valuations

The Fund's Level 2 financial instruments include fixed interest securities, derivative instruments, credit investments, certain unlisted equity investments, and fund managers' cash and cash equivalents.

- Fixed interest securities are valued using market-based pricing models, including discounted cash flow techniques, which incorporate observable market inputs such as market yields, credit spreads and broker quotes reflecting recent market transactions
- Derivative instruments including foreign exchange forwards, futures and swaps, are valued using standard valuation techniques, such as discounted cash flow models and option pricing models, incorporating observable inputs such as interest rate curves, forward exchange rates, quoted market prices and market volatilities
- Credit instruments are valued based on prices observed in secondary markets and/or other observable market inputs including yields, discount rates and comparables
- Unlisted equity investments, such as unlisted unit trusts, are valued based on unit prices provided by external fund managers, which are frequently traded and prepared using observable market inputs
- Cash and cash equivalents held by fund managers, including cash at bank, term deposits and certificates of deposit, are valued at face value plus accrued interest, which approximates fair value. The valuation is based on observable market inputs and therefore classified within Level 2 of the fair value hierarchy.

(ii) Level 3 valuations

The Fund's Level 3 financial instruments include certain listed equities, unlisted equity investments and property trusts. These instruments are valued using valuation techniques that incorporate significant unobservable inputs and are therefore classified within Level 3 of the fair value hierarchy.

- Listed equities are classified as Level 3 where holdings are delisted, suspended, thinly traded or subject to restrictions on sale. These investments are valued using the most recent available market prices, adjusted where necessary for liquidity, marketability restrictions or other relevant factors. Significant judgement is exercised in determining the appropriateness of such adjustments
- Unlisted equity investments comprise private equity, infrastructure and other unlisted investment vehicles. These investments are valued based on net asset values or redemption unit prices provided by external investment managers. The underlying valuations may incorporate significant unobservable inputs, including forecast cash flows, discount rates, earnings multiples, revenue multiples and assumptions regarding future operating performance. An increase in forecast cash flows or valuation multiples would result in an increase in fair value, while an increase in discount rates would result in a decrease in fair value. Significant judgement is exercised in determining whether valuation inputs are observable or unobservable, assessing the reasonableness of valuations provided by external investment managers, and evaluating the nature of the underlying investments held within the investment vehicle
- Property trusts are valued based on net asset values derived from the underlying property assets. These valuations incorporate significant unobservable inputs derived from underlying investment property valuations, which are typically determined using discounted cash flow and capitalisation rate methodologies. Significant unobservable inputs may include discount rates, capitalisation rates, rental growth assumptions and occupancy assumptions. Significant judgement is required in assessing the reasonableness of the assumptions used in determining fair value.

(iii) Valuation oversight and review process

Valuations are reviewed regularly and represent the Trustee's best estimate of fair value at the reporting date based on available information.

For externally managed investments, investment managers provide valuations on a monthly or quarterly basis.

For directly held property trusts and unlisted equity investments, valuations are based on independent valuations procured by the investment manager or investee entity.



19. Fair value hierarchy (continued)

In the absence of observable market prices at the reporting date, the Trustee assesses the valuation techniques applied by investment managers to determine whether the reported net asset values or redemption unit prices represent a reliable estimate of fair value. This assessment includes consideration of the valuation techniques applied to the underlying assets, the results of the investees' most recent financial statement audits and operational due diligence reviews, and movements in net asset values relative to comparable asset classes and relevant benchmarks. Management reviews and adopts valuations where representative of fair value unless there is objectively verifiable evidence that an adjustment is required.

Directly held property trusts and unlisted equity investments are subject to independent valuations procured by the investment manager or investee entity. The valuation techniques applied include the discounted cash flow method under the income approach, typically used as the primary valuation methodology, and the market approach, used as a secondary methodology to cross-check the valuation.

Under the discounted cash flow method, estimated future cash flows are based on the investee entity's forecasts and discounted using an appropriate discount rate to determine the present value of the investment. Under the market approach, valuation multiples implied by the primary valuation methodology are compared with the trading multiples of comparable listed entities and/or valuation multiples implied by recent transactions involving broadly comparable businesses. This comparison is used to assess the reasonableness of the valuation.

19 (c) Fair value measurement using significant unobservable input (Level 3)

The following tables present the movement in Level 3 instruments.

	Australian listed equities	International listed equities	Unlisted equity investments	Property trusts	Total
2026	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	1,548	-	16,568,070	8,602,288	25,171,906
Purchases	5	861	897,388	1,088,482	1,986,736
Sales	(425)	-	(686,936)	(1,292,077)	(1,979,438)
Transfer into/(out of) Level 3	1,327	455	-	-	1,782
Gains and losses recognised in Income Statement	(1,121)	(48)	907,449	(181,943)	724,337
Closing balance	1,334	1,268	17,685,971	8,216,750	25,905,323
Total unrealised gains or losses recognised in Income Statement attributable to balances held at the end of the reporting period	1,295	(48)	(549,364)	(288,660)	(836,777)

	Australian listed equities	International listed equities	Unlisted equity investments	Property trusts	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'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



19. Fair value hierarchy (continued)

(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 investments in delisted or suspended Australian and international listed equities, unlisted equity investments and property trusts.

The table below sets out the valuation techniques, significant unobservable inputs and sensitivity analysis for the Fund's Level 3 investments as at 30 June 2026.

Description	Fair value 30 June 2026 \$'000	Valuation technique	Key unobservable inputs*	Sensitivity range of input %	Downside impact on Fair Value \$'000	Upside impact on Fair Value \$'000
Australian listed equities	1,334	Market approach using adjusted last traded price	Estimated exit price	(27.5) to 40.5	367	540
International listed equities	1,268	Market approach using adjusted last traded price	Estimated exit price	(19.0) to 34.0	241	431
Unlisted equity investments	15,970,687	Net Asset Values or redemption unit prices provided by fund managers	Fair value adjustment to NAV based on changes in underlying forecast cashflows, discount rates and other market factors that may impact the investment's exit price	(4.0) to 19.5	638,826	3,114,277
Unlisted equity investments	1,715,284	Discounted Cash Flow (DCF)	Discount rate	7.8 to 14.7	105,037	112,598
Property trusts	8,216,750	Net Asset Values or redemption unit prices provided by fund managers	Fair value adjustment to NAV based on changes in underlying capitalisation rate, discount rate and other market factors that may impact the investment's exit price	(9.5) to 24.0	780,591	1,972,020
Total	25,905,323				1,525,062	5,199,866

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

In the prior year, the sensitivity analysis was performed utilising a 10% increase/(decrease) of the total fair value of financial instruments classified as Level 3, which resulted in an increase/(decrease) of \$2,517,191,000.

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.

	No. of entities	Fair value \$'000	Commitments \$'000
2026			
Asset class			
Property trusts	13	4,821,583	1,000,395
Unlisted equity investments	5	1,229,266	429,754
Total	18	6,050,849	1,430,149



20. Controlled entities (continued)

2025	No. of entities	Fair value \$'000	Commitments \$'000
Asset class			
Property trusts	13	5,140,897	308,000
Unlisted equity investments	5	1,413,601	382,269
Total	18	6,554,498	690,269

The Fund has control of the following entities:

Name of entity	Equity holding		Value	
	2026 %	2025 %	2026 \$'000	2025 \$'000
Cbus Property				
313 Spencer Street Holding Unit Trust	100	100	195,270	196,548
447 Collins Street Holdings Unit Trust	100	100	349,527	251,794
Cbus Property Commercial Unit Trust	100	100	2,212,375	2,381,722
Cbus Property Group Funding Unit Trust	100	100	105,651	3,326
Cbus Property Residential Operations Unit Trust	100	100	384,780	868,641
Cbus Property Retail Unit Trust	100	100	1,262,906	1,151,745
SESP No.1 Unit Trust	100	100	311,074	287,121
Total			4,821,583	5,140,897
Australian infrastructure investments				
Cbus AI (Port) Trust	100	100	82,185	74,218
Cbus Forth Ports Trust	100	100	551,545	625,265
Cbus Infrastructure Holding Ltd*	100	100	-	-
Total			633,730	699,483
Australian private equity				
USAM Investments Pty Ltd	100	100	142	174
ROC Cbus Private Equity Trust	100	100	595,394	713,944
Total			595,536	714,118
Total combined			6,050,849	6,554,498

* This entity was inactive at the reporting date.



21. Related parties

The amounts disclosed in this note are presented on an unrounded basis.

21 (a) Trustee

United Super Pty Ltd (**Trustee** or **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 during the financial year are included within the Trustee fees and reimbursements balance disclosed in Note 15. Trustee fees and reimbursements resulted in a net credit of \$967,209 (2025: expense of \$66,985,779). The net credit arose from a \$5,980,609 reimbursement received from the Trustee, which exceeded Trustee fees and reimbursements recognised during the year.

21 (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.

	2026	2025
	\$	\$
Short-term employee benefits	1,895,838	1,717,627
Post-employment benefits	218,968	199,548
Total	2,114,806	1,917,175

21 (c) Other KMP

Other KMP included Senior Executives and their remuneration is set out in the following table.

	2026	2025
	\$	\$
Short-term employee benefits	6,119,278	6,750,957
Post-employment benefits	230,192	223,845
Other long-term benefits	321,252	291,295
Termination benefits	1,348,999	319,135
Total	8,019,721	7,585,232

The membership terms and conditions for 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)****21 (d) Controlled entities**

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

21 (e) Related party investments and transactions

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

(i) Frontier Advisors Pty Ltd (Frontier)

The Fund held a 5.6% (2025: 31.0%) shareholding in Frontier valued at \$589,540 (2025: \$2,383,280). Frontier provides investment consulting services to the Fund and other institutional clients. During the year, the Fund paid Frontier investment consulting fees of \$2,959,741 (2025: \$2,350,467) and other professional consultancy fees of \$109,046 (2025: \$156,332) on normal terms and conditions. As at 30 June 2026, \$266,730 (2025: \$243,152) was payable to Frontier and is included in payables in the Statement of Financial Position.

Mr J Edwards is a Director of Frontier and Director fees of \$9,520 (2025: \$17,679) were paid during the year by Frontier.

Mr K Fok was appointed a Director of Frontier in December 2025 and earned Director fees of \$9,183 during the year. The fees were paid by Frontier in August 2026.

(ii) Industry Super Holdings Pty Ltd (ISH) and subsidiaries

The Fund held 17.4% (2025: 17.4%) shareholding in ISH valued at \$550,075,136 (2025: \$463,384,266).

During the financial year 2026, the Fund engaged with IFM Investors Pty Ltd (**IFM**), a wholly owned subsidiary of ISH. IFM manages \$16,904,020,031 (2025: \$14,061,860,151) of investments on behalf of the Fund and received \$37,568,661 (2025: \$28,017,500) 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 \$1,768,671 (2025: \$1,776,401) and \$nil (2025: \$197,305) in other fees on normal terms and conditions. Ms M Walker served as a Director of ISA until September 2025. No Director fees were paid during the year.

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 \$4,250,625 (2025: \$4,029,706), \$329,457 (2025: \$198,477) in financial services, and \$1,463 (2025: \$24,897) 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 \$1,026,936 (2025: \$1,151,852) on normal terms and conditions.

There were no amounts payable to ISH or its subsidiaries as at 30 June 2026 (2025: nil).



21. Related parties (continued)

21 (f) Other related entities

(i) Sponsoring organisations

The Fund's promotion, marketing and sponsorship expenses include partnership arrangements with member and employer sponsoring organisations.

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

	Directors' fee payments	Industry partnership payments	Rental payments ¹	Total payments
2026	\$	\$	\$	\$
Australian Workers Union (AWU)	108,696	172,686	-	281,382
Automotive Food Metals Engineering Printing & Kindred Industries Union (AMWU)	117,121	52,250	-	169,371
Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU)	97,504	675,630	-	773,134
Construction, Forestry and Maritime Employees Union (CFMEU)	351,944	391,258	249,901	993,103
Master Builders Association (MBA)	140,195 ²	464,644	9,879	614,718
Total	815,460	1,756,468	259,780	2,831,708

¹ There were additional rental payments made to two other related parties during the year. Refer Note 21(f)(ii).

² Fees paid to Master Builders Australia Limited.

	Directors' fee payments	Industry partnership payments	Rental payments ¹	Total payments
2025	\$	\$	\$	\$
Australian Workers Union (AWU)	59,786	172,948	-	232,734
Automotive Food Metals Engineering Printing & Kindred Industries Union (AMWU)	112,159	(33,858) ²	-	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 ³	416,161	11,297	550,301
Total	669,427	1,722,284	290,998	2,682,709

¹ There were additional rental payments made to two other related parties during the year. Refer Note 21(f)(ii).

² 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.

³ Fees paid to Master Builders Australia Limited.

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 and conditions.



21. Related parties (continued)

(ii) Rental payments for commercial office spaces

The following rental payments for commercial office spaces, entered into on normal commercial terms and conditions, were made to the following other related parties. No amounts were payable in respect of these lease arrangements as at 30 June 2026 (2025: nil).

	2026	2025
	\$	\$
Canberra Tradesmen's Union Club Limited	39,255	39,255
Cbus Property Pirie Street Pty Ltd ATF Pirie Street Unit Trust [^]	155,130	157,100
Total	194,385	196,355

[^] Rental payments are received via managing agents.

(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 E Setches and Mr J O'Mara are Directors of Cbus Property. Fees earned by these Directors during the year are as follows.

	2026	2025
	\$	\$
Short-term employee benefits	478,070	427,980
Post-employment benefits	26,274	48,958
Total	504,344	476,938

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

During the year, CBUS paid Cbus Property \$nil (2025: \$692) as reimbursement for training and development costs incurred on CBUS' behalf.

All transactions were made on normal commercial 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 \$848,579 (2025: \$613,734) in membership fees on normal commercial terms and conditions. Mr W Swan is a Director on the SMC Board and no Director fees were paid during the year.

(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 \$457,947 (2025: \$451,231) in membership fees. In addition, the Fund paid \$143,360 (2025: \$114,871) for other services. Membership and other service fees were on normal commercial 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, resulting in \$65,868 (2025: \$36,575) of membership fees and \$3,542 (2025: \$nil) of other general expenses paid. Mr S Dunne is on the Board of IGCC. Membership and research fees were on normal commercial terms and conditions.



21. Related parties (continued)

(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 (2025: \$22,990) in membership fees, \$nil (2025: \$52,250) in research fees, and \$nil (2025: \$4,859) in other fees. Membership and other project support were on normal commercial terms and conditions.

(viii) 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. \$nil (2025: \$65,313) of sponsorship fees were paid on normal commercial terms and conditions.

(ix) The Centre for Workers' Capital Pty Ltd

The Fund is a member of the Centre for Workers' Capital Pty Ltd, \$62,700 (2025: \$62,700) of membership fees were paid on normal commercial terms and conditions. Mr P Crumlin is a Director on the Board of Directors and no Director fees were paid to him during the year.

(x) Construction Industry Training Council

The Fund is a member of the Construction Industry Training Council, \$3,135 (2025: \$3,135) of sponsorship fees were paid on normal commercial terms and conditions. Mr J O'Mara is a Director on the Board of Directors and no Director fees were paid to him during the year.

22. Insurance arrangement

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, and 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

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. The amounts disclosed below are presented on an unrounded basis.

	2026	2025
	\$	\$
Credit	322,169,554	287,518,140
Unlisted equity investments	3,564,601,955	3,368,622,966
Property trusts	1,108,975,480	386,217,219
Total	4,995,746,989	4,042,358,325

Except for the investment commitments disclosed above, the Fund had no other material contingent assets, contingent liabilities or commitments at 30 June 2026.

24. Matters subsequent to the end of the financial year

There have been no matters or circumstances that have arisen since 30 June 2026 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 16-55 are in accordance with the *Corporations Act 2001*, 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 2026 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 2026
- 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.

Wayne Swan
Director

Michelle Beveridge
Director

Melbourne
22 September 2026



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

Opinion

We have audited the financial report of the Construction and Building Unions Superannuation Fund (the RSE), which comprises the statement of financial position as at 30 June 2026, 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 2026, 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 audits of the financial report of public interest entities 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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Valuation of level 2 and level 3 financial assets

Note 19 to the Financial Report

Why significant	How our audit addressed the key audit matter
At 30 June 2026 the RSE's financial assets measured at fair value through profit and loss predominately comprised investments in cash, credit instruments, derivatives, fixed interest instruments, listed equities (Australian and International), unlisted equities and property trusts. Note 19 to the financial report describes the valuation techniques and inputs used to determine the fair value of these financial assets, which are carried at fair value through profit and loss. The RSE outsources certain processes and controls related to the custody and investment management of the financial assets, including the recording and valuation of investments. The valuation of level 2 and level 3 financial assets was considered a key audit matter due to the: - Size of financial assets which comprise a significant proportion of total assets of the RSE, and the impact of the net change in valuation of financial assets on the income statement. - Level of judgement in assessing the valuation of level 2 and level 3 unlisted equities, which are generally based on the net asset value (NAV) of the unlisted equity provided by the underlying investment manager. - Level of judgement in assessing the valuation of directly-held credit instruments, which are based on credit ratings assigned by the RSE. - Level of judgement in assessing the valuation of directly-held unlisted equities, which are based on independent external valuations obtained by the RSE. These valuations are based on unobservable inputs including discount rates and capitalisation rates.	Our procedures included: - Assessing the design effectiveness of the RSE's valuation process for financial assets. - Obtaining and assessing the independent assurance report of the RSE's administrator and custodian to assess the design and operational effectiveness of processes and controls relevant to the custody, recording and valuation of the RSE's financial assets. - Risk assessing the external investment manager by: - Reviewing the length of operating history, market reputation and prominence within the industry, licensing and regulatory approvals and regulatory history, including any breaches, investigations, or enforcement actions. - Performing an independent search to identify any adverse media coverage, regulatory concerns, litigation, or other negative matters Confirming whether key functions, including accounting records and unit pricing, were administered by an independent third-party i.e. administrator and/or custodian. - Assessing the quantity of investments held against the quantity confirmed by the Custodian and/or the underlying investment manager at 30 June 2026. - Testing the valuation of investments on a sample basis. Our procedures included: <i>For directly held credit instruments:</i> - Assessing the reasonableness of credit ratings applied by the RSE to all directly-held credit instruments. - Involving our valuation specialists, we performed an independent revaluation of all directly-held credit instruments based on the credit ratings assigned by RSE. <i>For level 2 and level 3 unlisted equities (including CBUS Property):</i> - Assessing the fair value recorded by the RSE against the fair value provided by the investment manager of the underlying funds and unlisted equities. The fair value at year-end is based on NAV of the underlying funds and unlisted equities. - Assessing the year-end NAV against the redemption price of transactions in the underlying fund and unlisted equity during the year. - Assessing redemption liquidity by reviewing confirmation responses to ensure that no redemption restrictions, gating arrangements, or other limitations on investor withdrawals were currently in place. - Assessing the latest available audited financial statements of the underlying funds and unlisted equities to:

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Why significant	How our audit addressed the key audit matter
	- determine the reliability of the financial information on which the year-end NAV is based. - assess the valuation techniques applied by the investment manager for consistency with the accounting standards and the valuation techniques applied by the RSE. - Where the audited financial statements have a different year-end to the RSE, determining an appropriate external benchmark and assessing the movement in the NAV from the audited financial statement date to 30 June 2026 against this benchmark. - Obtaining controls assurance reports for the investment manager, where available. <i>For directly held unlisted investments:</i> - Involving our valuation specialists in assessing the reasonableness of key assumptions applied in the discounted cash flow model including discount rates, forecast cash flows, terminal growth rates and, where applicable, evidence of recent transactions. - Assessing the objectivity, competence and capability of the specialist valuers engaged by the RSE in determining the valuations of these assets. - Assessing the adequacy of the disclosures included in Note 19 to the Financial Report against the requirements of the Australian Accounting Standards.

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 United Super Pty Ltd (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

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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.
- 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.



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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 2026.

In our opinion, the Remuneration Report of the Construction and Building Unions Superannuation Fund for the year ended 30 June 2026, 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.

Ernst & Young

Maree Pallisco
Partner
Melbourne

22 September 2026

