

**MINUTES – ANNUAL MEMBER MEETING  
UNITED SUPER PTY LTD  
ATFT CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND  
HELD VIA VIDEOCONFERENCE  
16 February 2023 - COMMENCING 6.00PM**

**DIRECTORS** Wayne Swan (Chair) (proxy for Stephen Dunne)  
Hedley Davis  
Stephen Dunne  
John Edwards  
Rita Mallia  
Frank O’Grady  
Ray Sputore  
Denita Wawn (proxy for Anne Milner)

**OTHERS PRESENT** Justin Arter, Chief Executive Officer  
(for all, or part thereof) Keith Wells-Jansz, Chief Financial Officer  
Wade Martin, Chief Risk Officer  
Antony Thow, Group Executive – Brand, Growth & Product  
Marianne Walker, Chief Member Officer – Member & Employer Experience  
Kristian Fok, Chief Investment Officer  
Mirella Robinson, Chief Information & Technology Officer  
Kristin Miller, Group Executive – People & Culture  
Luke Slater – Ernst & Young

**MINUTES** Maxine Jacona, Head of Governance & Company Secretary

**APOLOGIES** Stephen Dunne  
Anne Milner  
Earl Setches  
Misha Zelinsky

**Annual Member Meeting Presentation**

Antony Thow, Group Executive – Brand, Growth & Product opened the meeting, advising of the conduct of the meeting, and the necessary formalities, noting that all questions would be answered in the forum, but if they were unable to do so, members would be contacted directly. A relevant record of the Annual Member Meeting would be made available on our website in due course.

Wayne Swan, Chair, welcomed members, especially those who came from Media Super, noting that this was the first Annual Member Meeting since the merger. The Chair gave some background on superannuation, commenting on the strength and success of Australia’s superannuation system for all Australians. He referenced the history of Cbus and the foresight and leadership shown by pioneers such as the late Tom McDonald. The Chair emphasized Cbus’ purpose, being the achievement of the best possible retirement outcome for members.

The Chair noted that Cbus invested responsibly, for the long term and he provided returns for the median MySuper product which over the past decade had returned 7.47% annually, by contrast, Cbus has delivered 8.42% over that period.

Cbus was rated in the top 5 performers over 7, 10 and 20 years by SuperRatings.

The Chair noted that the financial year 2021/22 was a challenging and volatile period for investing with most superannuation funds Australia-wide posting negative returns. Cbus too, posted a negative return, only its fourth in 38 years. The Chair noted that Cbus adjusted its approach whilst remaining true to its strategy, commenting that investment markets remained volatile, however Cbus was producing strong returns for this current financial year, outperforming the market index across several asset classes.

The Chair noted the industries represented within Cbus, including those from the merger with Media Super and provided some analysis regarding the upcoming merger with EISS Super and how that will provide Cbus with representation across the energy sector, assisting with growing scale. The Chair provided the meeting with a reminder of Cbus Property's contribution to Cbus, its history and strong performance, plus its contribution to the provision of jobs on developments. Fulcrum Media was another investment which provided jobs in the film and television industry. Given that the superannuation industry is undergoing rapid change, Cbus has been working hard to ensure that it is Cbus is well positioned to meet that challenge.

The Chair summed up that Cbus invested for the benefit of its members and also in nation-building assets because of its forward-thinking approach to creating long term value.

Justin Arter, Chief Executive of Cbus welcomed attendees, directors and sponsoring organisations to the Cbus Annual Member Meeting for 2022, providing an acknowledgement of the traditional owners of the land, the Wurundjeri people of the Kulin nation, and respect for their living culture and their unique role in the life of these regions. The Chief Executive also gave a financial advice warning.

The Chief Executive provided introductory remarks and background, noting the size of Cbus and outlined the benefits of the merger of Media Super with Cbus, including access to products. The Chief Executive provided metrics on the level of returns and benefits delivered for members over the long term.

### Highlights of 2022

Cbus provided a snapshot of the year.

- Over 845,000 members
- \$70.8 billion in funds under management
- -3.77% Growth (My Super), however 8.88% Growth (MySuper) annual average return since inception
- Including details of the responsible investment and climate road map: a commitment to a 45% reduction in portfolio emissions, filtering out potential fossil fuel stranded assets and companies
- Updated Cbus' Climate Change Roadmap, tackling real world emissions

### Investing in Industries in which members work

- Investment in Fulcrum Media, providing finance through cash flow, tax offsets, and presales
- Fulcrum Media has provided more than \$650 million to help finance more than 360 films
- Highlights of where Cbus is investing and which Australian industries, including \$270 million in climate-related investments and \$300 million in renewables and to explore new opportunities
- \$1.5 billion in top 20 manufacturers in Australia

### Cbus Property Highlights

Cbus Property continues to be a success story for Cbus, highlights include:

- Cbus Property's portfolio has grown from \$0.5 billion in 2006 to \$6.0 billion in 2022
- Cbus Property returned 13.49% for 2020/21 with an average annual return of 14.92%

- Since 2006, more than 100,000 direct jobs have been created from Cbus Property developments via developments in different sectors including office buildings, residential apartment and townhouses, hotels and retail

### Putting Members first

Cbus is committed to supporting members in what are sometimes, insecure work. T

- Unpaid super is a focus, \$106.6 million recovered for members, an increase over the prior year of 42%
- Great utilisation of Cbus tools including the Payment Checker App

Providing relevant and timely services to Cbus Members is critical to ensuring Members are well prepared for retirement. The strength of Cbus' member service model is that it is flexible to ensure the member queries can be dealt with in a timely way. Key member initiatives include:

### Face to Face servicing – the Cbus point of difference

- During the year, our Coordinators conducted 3,160 workplace visits, over 11,890 one on one member appointments
- 4,183 members visited our offices
- Cbus' seminars and support team engaged with 8,892 members through education sessions
- We held 181 superannuation education sessions on various topics such as investment, insurance, boosting your super as well as 89 retirement planning webinars

### Affordable Insurance

- Cbus provides Members with affordable insurance enabling financial protection for them and their families during their working lives. In 2022, 2,830 claims were paid, resulting in total benefits of \$297.4 million. Claim acceptance rates at Cbus are close to 98% of all insurance claims over the last three years (to 30 June 2022), a market-leading result
- Strong advocacy from Cbus has seen 176,800 members retain automatic insurance cover since 1 April 2020. A total of 263 dangerous occupation exclusion claims paid totalling \$32.8 million in benefits

### Advice – getting ready for your retirement

- Cbus provides advice and education for members throughout their working life and then in retirement. Cbus' team of advisers aim to assist members so they can manage their super and maximise their retirement outcomes.
- The Advice Team held over 28,000 conversations with 631 referrals to financial planners. These services have been extended to Media Super members, with 800 members taking advantage of this (from the merger until 30 June 2022).

### Retirement Strategy

- The retirement strategy for members of Cbus Super and the members of the Media Super division was launched on 1 July 2021 and its focus on engagement service and advice. It is understood that given the nature of the work that Cbus members undertake, many members retire early and involuntarily and have modest savings.

### Competition and Growth

- Growth is a strategic imperative, to improve member outcomes such as lower costs.

- The Cbus merger with Media Super is now complete. The Cbus merger with EISS is on track and we are looking at the transfer of all EISS members to Cbus in May of this year.
- We will not lose sight of our heritage nor our focus and affinity with construction workers, but will take this and broaden it to all industries which build Australia. This broadening of our focus can be seen in our brand refresh and our advertising.

#### Awards and recognition

- Cbus has been honoured with a number of awards and recognised with ratings, all of which highlight Cbus' performance and service quality.

#### Questions and Answers

**Question:** *How do you work out which companies and stocks to invest in and how often is this done or evaluated?*

**Answer:** When you invest in a Pre-mix option with Cbus, your super gets access to range of different investment types, including Australian and international shares, emerging market shares, Australian and international fixed interest, global credit, private equity, infrastructure and property. Depending on the type of investment, each of these asset classes is managed using a number of different strategies, and some strategies are managed in-house by the Cbus investment team, while others are managed by external fund managers that we engage.

For example, for shares, our team manages portfolios across large and small cap stocks, global quality, and quantitative strategies. Collectively, these strategies are designed and managed to meet the long-term performance objectives of each of our investment options and are actively monitored to ensure they stay on track.

You can read more about how we invest in our Investment Handbook, available on our website.

**Question:** *I would be interested to know specifically what media super is investing in ... I expect this will be covered in the meeting.*

**Answer:** Since the merger, Media Super and Cbus members are invested in exactly the same underlying investments, an overview of which was provided in relation to the previous question.

We publish a full list of our portfolio holdings twice a year, as at 30 June and 31 December, and further information on specific investments can be found on our website.

**Question:** *Volatility remains an issue for returns and not all members understand how you manage that issue. Would you please talk a bit about your strategies to manage volatility and how that helps with member returns?*

**Answer:** Super is your savings for retirement, so it's typically invested for a long time and that means it's set up to meet your objectives over the long-term. In the short term, it can be very uncomfortable when markets are volatile, and you see your super balance go up and down.

At Cbus, we have built diversified portfolios which generally helps protect members' accounts from any one asset class performing poorly over the short term. Typically, when one type of investment performs poorly, another performs more strongly. Over the Fund's 38-year history, the resilience of this approach has been reinforced through many past market shocks, including the early phase of the COVID-19 pandemic when markets fell then came back very quickly.

However, there are times when several markets experience weaker returns simultaneously like what we saw in the middle of 2022. History has shown that over the long-term, markets recover, and share markets can bounce back quite quickly. It's important to set a long-term goal that suits your needs, and then stick to your plan so that your super benefits from the market recoveries.

**Question:** As at time of meeting are conservative and conservative growth investment options performing better than cash option and if so by how much?

**Answer:** At this point in time, for the financial year to date these options are outperforming the Cash option. As at 31 January 2023\*, our Conservative option outperformed our Cash option across 1-month (+1.85%), financial year to date (+1.60%), 3-year (+0.77%), 5-year (+2.32%) and 10-year periods (+3.28%).

The Conservative option did not outperform Cash over the 1-year period to 31 January 2023, with a difference of -2.89%.

	1 month (%)	Financial year to date (%)	1 year (%)	3 year p.a. (%)	5 year p.a. (%)	10 year p.a. (%)
Conservative	2.09	2.98	-1.41	1.41	3.28	4.72
Cash	0.24	1.38	1.48	0.64	0.96	1.44
Difference	1.85	1.60	-2.89	0.77	2.32	3.28

As at 31 January 2023\*, our Conservative Growth option outperformed our Cash option across 1-month (+2.39%), financial year to date (+3.21%), 3-year (+2.29%), and 5-year (+3.74%) periods. Please note that this option commenced in 2017, so 10-year returns are not yet applicable.

The Conservative Growth option did not outperform Cash over the 1-year period to 31 January 2023, with a difference of -2.12%.

	1 month (%)	Financial year to date (%)	1 year (%)	3 year p.a. (%)	5 year p.a. (%)	10 year p.a. (%)
Conservative Growth <sup>^</sup>	2.63	4.59	-0.64	2.93	4.70	n/a
Cash	0.24	1.38	1.48	0.64	0.96	1.44
Difference	2.39	3.21	-2.12	2.29	3.74	n/a

\*This table shows the most recent crediting rates (published monthly on or around 14 to 21 days following each month's reporting period).

Investment performance is based on the crediting rate, which is the return minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance.

<sup>^</sup>The Conservative Growth accumulation option commenced on 6 July 2017 therefore crediting rate information for longer time periods are not applicable.

**Question:** Like many members I need to see returns on my investments, investment option growth had – 3.77% returns for financial year 2022, what are the expected returns for financial year 2023?

**Answer:** Due to the long-term nature of superannuation, all our pre-mixed investment options are designed and invested to deliver against the option's performance and risk objectives over a 10-year period.

Importantly, our portfolios continue to be managed in accordance with evolving economic and market cycles and remain well-diversified across markets and asset classes. Given how markets can move up and down quite quickly, especially over the last few years, we don't calculate and publish short-term forecasts for investment returns.

Market volatility means that short-term returns can vary significantly, and this has held true for recent super returns. For example, while returns to 30 June 2022 for many funds were in negative territory,

the return for the Cbus Growth (MySuper) option for the current financial year to 14 February 2023 is 6.22%\*.

This is a good example of just how quickly markets can rebound and demonstrates why it's important to set a long-term goal that suits your needs and then stick to your plan so that your super benefits from the market recoveries.

*\*Past performance is not a reliable indicator of future performance. Investment performance is based on the crediting rate, which is the return minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts.*

**Question:** *What is the outlook for Retirement income stream?*

**Answer:** As with the answer to the previous question, due to the long-term nature of superannuation, all our pre-mixed investment options are designed and invested to deliver against the option's performance and risk objectives over a 10-year period.

Importantly, our portfolios continue to be managed in accordance with evolving economic and market cycles and remain well-diversified across markets and asset classes. Given how markets can move up and down quite quickly, especially over the last few years, we don't calculate and publish short-term forecasts for investment returns.

**Question:** *How to find out the best product to invest your super into? Does Super has any crypto investment?*

**Answer:** On the first part of your question, we will follow this up with our advice team because these are questions of a personal nature. Our advice team will be in touch with you to discuss your personal circumstances and options with you.

In relation to the second part of your question, Cbus/Media Super does not invest in crypto currencies.

**Question:** *Can I use my super to invest in purchasing a property overseas?*

**Answer:** When you invest in a Pre-mix option with Cbus/Media Super, your super gets access to a range of different investment types, including Australian and international shares, emerging market shares, Australian and international fixed interest, global credit, private equity, infrastructure and property. You can also choose to invest your super in a "DIY" option which allows you to choose from a range of single-sector options, including property.

Our DIY Property Option invests in unlisted property and Global Listed Real Estate Investment Trusts (GREITs).

If this answer doesn't address your key issues, we are more than happy for our advice team to reach out and have a conversation with you to seek to better answer your query.

**Question:** *Will there be access to Sustainable Growth investment funds of the type Media Super used to have?*

**Answer:** We believe our 'total portfolio' approach to responsible investing is in the best financial interests of members and what our members expect when they invest with us. We consider material Environmental, Social and Governance (ESG) risks and opportunities as a factor of our investment decision making process, applying those considerations across the portfolio, rather than only through a stand-alone SRI option. In this way, all our members benefit from our approach. We also know that SRI options can have higher investment fees, are resource intensive to administer and often have limited take up by members once offered.

**Question:** *Please list any decisions/ actions media super was part of that put profits above environmental protection?*

**Answer:** At Cbus/Media Super, we believe investing responsibly is important for our members' long-term returns and their quality of life in retirement. We believe that companies that take ESG factors into consideration and embed these practices into their business models will generate stronger, more sustainable long-term returns. That's why our investment approach integrates ESG risks and opportunities across our portfolio.

We have an obligation to ensure our members' best financial interests are not compromised, so incorporating ESG considerations into investment decision-making ensures our members' super is invested responsibly, and also helps them achieve their retirement goals.

**Question:** *Why did we have to merge and why was Cbus chosen? Will Media Super cease to exist in the future due to this?*

**Answer:** The decision to merge was made by the trustee directors of the board of Media Super. They did so because they thought a merger would be in the best interests of members because being in a larger fund would provide benefits that come with scale.

Those directors decided on Cbus for a range of reasons: they considered us as a high performing fund dedicated to serving its members and that we would serve the members of Media Super with the same resources and commitment that we apply to Cbus members. In addition, we work with the major employer and member organisations so that we are aware of our Media Super members' experiences and needs. We honoured the request to retain the brand alongside important partnerships in the industries in which Media Super members work.

The merger occurred less than a year ago and we are working hard to ensure that Media Super members are well looked after. We want to be a part of their world in the same way that we are a major player in the other industries where our members work.

**Question:** *Why was promotion marketing and sponsorship expenditure so high?*

**Answer:** We set out to market the fund in the most cost-effective way. The fact is we are in a competitive environment and we believe we are an attractive destination for people so we publicise our competitive advantages through various channels. In comparison to other spends in the market by similar institutions, ours is relatively modest.

In a similar vein, the partnerships with our employer and union sponsoring organisations are one of the fund's most cost-effective marketing channels.

All are managed with strict and robust governance arrangements which the Hayne Royal Commission suggested could serve as a model to other funds.

**Question:** *Why is my accumulation account in Media Super, when my Pension Account is with Cbus?*

**Answer:** It's important we provide clarification in relation to the answer provided to this question which indicated that Media Super did not possess a pension product. Media Super did have a pension product, but as a result of the merger with Cbus and in members' best financial interests, it was considered more viable that all members transfer into the Cbus pension (Super Income Stream), and as such the product did not continue as part of the Media Super division at the time of the merger. Media Super members received a Significant Event Notice that outlined the transfer to the Cbus Super Income Stream. All former Media Super pension members are now in the Cbus Super Income Stream and the Media Super pension product no longer exists.

Cbus has reached out to members who asked about this and commented at the meeting to provide clarification. We apologise for any confusion caused.

**Question:** *For many years I have saved with Media Super why do I have to move to Cbus income stream. Is it the same organisation?*

**Answer:** As for the previous question, and to clarify the answer provided to the member at the meeting which indicated that Media Super did not possess a pension product, Media Super did have a pension product, but as a result of the merger with Cbus and in members' best financial interests, it was considered more viable that all members transfer into the Cbus pension (Super Income Stream), and as such the product did not continue as part of the Media Super division at the time of the merger. If the member is in the Cbus Super Income Stream, this will be due to the fact that they held a pension account with Media Super, which was transferred to a Cbus Super Income Stream (SIS) account. The Media Super Division does not offer a pension product, which is why the member's pension account is with Cbus.

**Question:** *The wonderful Virginia Flint was my go to person for any questions in Media Super before Cbus took over. Where is such a person now?*

**Answer:** We have staff dedicated to assisting Media Super members. Our coordinators, employer representatives and our Advice team are all available for Media Super members and employers.

We also have dedicated staff to liaise with our employer and member organisations so that we understand the issues and needs of members and employers in the industries in which our Media Super members work. Depending on your query, you can be assisted by our staff from the appropriate department.

**Question:** *What changes were made to our insurance cover when we merged with Cbus?*

**Answer:** The key changes from the merger for Media Super members in relation to insurance were: for the majority of members a premium reduction of 2% for the same amount of cover; an improved total and permanent disablement definition; ability to take out any combination of insurance cover from death, total and permanent disablement, and income protection; and the change of insurer from Hannover to TAL.

**Question:** *Why don't the members hear from our member Directors like Frank O'Grady or Earl Setches? We know and trust these people after a lifetime of service to the construction industry.*

**Answer:** Frank and Earl are both directors on our board and make valuable contributions on the committees they serve and on the board itself. If there is a request for Frank or Earl to address a meeting or any other kind of forum regarding Cbus, I'm sure that can be arranged.

**Question:** *How do we know that CEO Justin Arter is steering the ship when we are not privy to his vision or hear from him, he receives a significant salary and benefits?*

**Answer:** The CEO indicated he was really pleased to be in attendance this evening and genuinely enjoys presenting at our Annual Members' Meeting. It was outlined that the CEO also routinely address members and delegates at various forums, conferences and briefings throughout the year. As well as discussing the fund's successes, plans for the future and other developments, these events are an excellent opportunity to hear from members about their priorities and concerns.

**Question:** *When will there be an in-person option attendance in the future in addition to online meeting options?*

**Answer:** We will take your feedback on board and give it consideration, but one of the main reasons that we hold the meeting in this format is that we are a national fund with members all over Australia. Having a meeting online is the best way for all members to participate equally.

**Question:** *It would be nice to see give away T-shirts, hats, beanies.*

**Answer:** As part of our marketing budget, we do produce some merchandise including t-shirts, hats and beanies for members – usually for certain events. However, producing merchandise is an expensive exercise and while we know that many of our members love merchandise, everything we do must be in our members' best financial interest and we must comply with relevant regulation to that end.



**Question:** *How much super will I have by the time I'm 67?*

**Answer:** This is a question of a personal nature and we are happy to reach out to you, to discuss your particular situation.

**Question:** *Why can't I access my super before I stop work before I'm 65?*

**Answer:** Superannuation is a long-term in nature and there to support you in your retirement. There are laws that govern how and when members can access their money and like all super funds, Cbus must comply with the law.

**Question:** *How wide and how deep is CBUS' commitment to responsible investment, how many investments does it have in the gambling industry, and how thoroughly does CBUS screen for gambling investments?*

**Answer:** Our whole of fund approach applies the same responsible and sustainability principles regardless of whether investments are managed internally by the Cbus investment team or through an external fund manager.

Our approach considers how ESG issues that we regard as material, or highly likely to affect business or investment performance, are managed as one input when making investment decisions and choosing investment managers, companies, and assets. We then monitor ESG performance over time.

Whilst we do have some exclusions across the Fund, as our primary approach to responsible investment is through ESG integration, we do not explicitly exclude investments in the gambling industry. The Fund has exposure to 11 companies totalling approximately 0.77% of the Growth (MySuper) option, as at 28 February 2023.

**Question:** *I tried to click on my occupation when signing up. I came from Media Super and I am an actor. I am not on the list. Are you catering for us?*

**Answer:** We have investigated the occupation listing on sign up and your experience of this. We will look at this list further moving forward.

### **Closing**

Cbus advised that it was a pleasure to speak to members and the engagement with members continues to remain especially important. Cbus thanked members for joining the meeting.

The Annual Member Meeting closed at 6.58pm.