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A message from our Chair, Steve Bracks

This year has been unlike any we have experienced.

Inspired by you

As the global COVID-19 crisis challenged the health of the world and then the health of its economies, Cbus was quick to respond. We were inspired by you, our members, who continued to build Australia, while all but essential services went into lockdown.

We developed a comprehensive strategy to manage through the crisis. Key to its success was to understand that members in real need may require access to their super, while at the same time continuing to focus on the needs of members investing for their long term retirement.

At the same time we put processes in place to maximise opportunities to contribute to the economic recovery through investment.

Leading the recovery

Cbus has always been committed to its members and to investing in our industry, to deliver strong returns and ensure a vibrant and thriving building and construction industry, which many of our members are employed in.

For example, Cbus Property has created over 100,000 jobs for building and construction workers since 2006*. By investing back into the economy and funding development projects across the country, Cbus continues to support member jobs and help get the economy back on track.

Earlier this year the South Australian Government announced a $300 million office tower at Pirie Street, Adelaide which is being built in partnership with Cbus Property. This development will support 2,000 jobs and is an important addition to Cbus’ existing portfolio of high-quality properties.

We believe Cbus’ investments are likely to contribute to the creation of around 100,000 Australian jobs through this recovery.

While this has been a challenging year for super, we’re well prepared to weather the storm and move into the future stronger than ever.

For more information on upcoming Cbus Property projects and how they will support Australian jobs, make sure you read our update on page 5, and at cbussuper.com.au/road-to-recovery.

Thank you from David Atkin

Earlier this year I announced that I will be leaving Cbus in 2020 after 12 years as CEO. I initially planned to leave mid-year, but then COVID-19 began to have its significant impact on us all. After reflecting on the disruption the pandemic would have, I decided to stay on longer to provide stability during the crisis.

It has been an honour to serve you, our members.

Cbus has grown from a $13 billion fund in 2008 to a pool of $54 billion of our members’ retirement savings. Cbus continues to innovate, doing more of our investments in-house to deliver better retirement outcomes for members and continuing our expert focus on investing in the built environment. We have also been working hard to improve the ways we serve you including an improved online experience, member statements which tell you how your retirement savings are tracking and the ongoing dedication of all our front-line staff.

As I hand over the reins to Justin Arter, I know Cbus has an incredibly bright future ahead of it. Thanks for placing your trust in us and I look forward to reading Justin’s update in the next edition.

*Estimated jobs since 2006 to June 2020 based on inductions for completed and committed developments.
Chalk it up to experience

Newly retired Cbus member Neil ‘Chalky’ Bruhn has been with Cbus since we started in 1984, and he’s been a sparky even longer.

Chalky began his career in November 1968, when his mate’s dad was looking for an apprentice. But back in the 60s his mind wasn’t always focussed on work. “I was pretty disgraceful as an apprentice! I didn’t like to study much, but I did enjoy it,” Chalky said.

He started as maintenance crew in a factory, but after five years branched out and made a name for himself in heavy construction, working for O’Donnell Griffin at Alcoa, Pinjarra.

After a stint in Port Hedland, where he helped look after 10 power stations, he headed back to Perth to raise his family.

Easing into retirement

After a long and successful career he finally retired in December 2019. “I loved going to work but nowadays if I get down on the floor I have trouble getting up again!”

For now, Chalky’s taking retirement in his stride, keeping himself occupied around the house, pottering in the shed and catching up with his three children and 10 grandchildren.

Chalky set up an income stream account, with the help of Cbus Coordinator, Don Fowlie, so he could continue to enjoy a regular income without relying solely on the Age Pension.

“I think the [Age] Pension’s going to get more complicated as the years go on, so whatever you can do to look after yourself is a good thing.”

And Chalky knows he can contact Cbus if he needs help, like reviewing how much income he can take from his account each year (see page 7).

“I make sure I keep an eye on my statements and everything. And Don keeps me pretty well informed with what’s happening.”

Happy memories, and more to look forward to

Chalky has plenty of stories from his 52 years as an electrician, including how he got his nickname. “That came from a work colleague at Alcoa in 1973! I twisted my back and when I went to the doctor, he told me I had a calcium deficiency. So he gave me these big, chalky calcium tablets to chew on, which I had to take while I was at work. It wasn’t long before the ‘chalk’ eating got shortened to ‘Chalky’!”

After years of hard work, he’s looking forward to living life at his own pace. “I’m pretty normal, I like to be at home. It’s great only doing the things I want to do, when I want to do them.”

“Cbus has been good to me. They give you good returns, so I’d say stick with Cbus, that’s the way to go.”

If you have any questions about your income stream, get in touch with Cbus Advice Services on 1300 361 784 (press 4).
It’s safe to say 2020 is proving to be a challenging year.

In the first half of 2020 we’ve experienced devastating bushfires in Australia and a global pandemic that caused big share market movements.

Before these events, global economic activity had stabilised. The US/China trade tensions were easing and Brexit happened with both having a positive impact on share markets. In Australia we saw weak household income growth, sluggish consumer spending and some uncertainty in the housing market. The RBA made three cuts to the cash rate across 2019/20 to try and lift growth.

By the end of March 2020, the global environment was very different. What started as a health crisis created an economic crisis, with share markets falling in a month what took around 15 months during the Global Financial Crisis. Whole sectors including retail, hospitality and tourism shut down overnight, as governments sought to contain the spread of the virus.

**Australia steps up to the challenge**

With the benefit of a less densely populated nation, a strong healthcare system and the closure of international and local borders, Australia is closer to getting COVID-19 under control. The Government announced a number of measures, such as JobKeeper, to support incomes and try to ensure that as restrictions are slowly lifted businesses can resume operating fairly quickly.

While we appear to have passed through the initial ‘eye of the storm’ as containment measures are unwound globally, uncertainty remains with the number of virus cases continuing to rise and the emergence of further waves in some regions. International trade uncertainty and weak employment markets will weigh on businesses and households.

Despite these challenging conditions, the Conservative Growth option finished the 2019/20 financial year in positive territory returning 2.59% for the Fully Retired option.

**Think about your long-term goals**

From time to time, external factors may negatively impact investment performance, but historically these periods tend to be temporary. Markets do recover, often rapidly as happened following the 2008 Global Financial Crisis. When thinking about your super, it’s important that you focus on your long-term financial goals and resist the urge to make decisions based on short-term ups and downs in markets.

**Looking ahead**

As we emerge from the crisis, Cbus will contribute to Australia’s economic road to recovery by investing into the building and construction industry.

We see opportunities to work closely with our key sponsoring organisations, as well as Federal and State governments to understand the projects they’re considering and the role Cbus can play in supporting them. This presents a great investment opportunity, while supporting the companies that employ our members and ensuring there are more jobs for workers in these uncertain times.

<table>
<thead>
<tr>
<th>1 year performance to 30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conservative Growth (default)</strong></td>
</tr>
<tr>
<td>Fully Retired</td>
</tr>
<tr>
<td>Transition to Retirement</td>
</tr>
</tbody>
</table>

Past performance is not a reliable indicator of future performance.

*Investment performance is based on the Cbus crediting rate, which is returns 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.


^No relevant peer comparison available for the Transition to Retirement option.
Since 2006, Cbus Property\* projects have generated over 100,000# jobs for workers in the building and construction industries. And as Australia looks to rebuild from the COVID-19 pandemic, these industries will be at the frontline of the economic recovery.

Pirie Street kick starts rebuilding phase

The South Australian Government was recently announced as an anchor tenant for Cbus Property’s $300 million office tower. It is anticipated that construction of this landmark project will support 2,000 jobs.

The office building, located at 83 Pirie Street, will house the South Australian Department of Planning, Transport and Infrastructure.

This project comes at a vital time for the construction industry in South Australia, demonstrating our commitment to building your retirement savings while investing in major projects for your industries.

We are focussed on keeping current projects going and contributing to a decent pipeline of work over the next few years that will result in decent jobs for our members.

We believe our investments will contribute to the creation of around 100,000 Australian jobs through the recovery.

You can read more about Cbus Property projects at cbusproperty.com.au.

\* Cbus Property Pty Ltd is a wholly-owned subsidiary of United Super Pty Ltd and has responsibility for the development and management of Cbus’ direct property investments.

# Estimated jobs since 2006 to June 2020 based on inductions for completed and committed developments.
Can I take lump sum payments from my income stream?

If you’re in a Fully Retired income stream then yes you can. You can make lump sum withdrawals if you need additional funds for a holiday, new car or even in the event of an emergency.

If you have a Transition to Retirement income stream then you can withdraw up to 10% of your total income stream account balance each year as either a lump sum or regular income payments, or a combination of both.

Should I move all my savings to cash investments?

We understand that it can be hard to see the value of your super savings go down especially if you’re getting close to retirement or have already stopped working. But while cash may feel like a safer option, these investments are unlikely to grow enough to keep up with the rising costs of living.

It’s important to remember that even after you’ve stopped working, your savings could still be invested for 20 years or more. So there is time for your account balance to go back up when the markets recover.

And when you change your investments after a major fall, you’re selling them when they’re at a low price and locking in that loss. This could leave you with a lot less money to live off through your retirement.

The default investment option for income stream members is Conservative Growth. This is a diversified investment option which helps to keep your savings growing, while lowering the risk of negative returns.

If you’d like help working out which Cbus investment option is right for you we can provide you with personal advice on where you should invest. This service is part of your Cbus membership so you don’t need to pay extra for this advice.

Can I make extra contributions to my income stream?

You can’t add extra money to your income stream account, but you can make extra contributions to a super account if you’re under 67.

If you’re between 67 and 74 there are some restrictions on contributing to your super account. You must either meet the work test (that’s working for at least 40 hours over 30 consecutive days during the year) or qualify for the work test exemption. If so, you can make after-tax contributions of up to $100,000 to your super account*.

If you’re over 65, you may also be able to contribute the proceeds of selling your home to a super account, under the Government’s Downsizer Contribution scheme. For more information and to check eligibility visit ato.gov.au.

Do you have other questions about your income stream? Access to Cbus Advice Services is included as part of your membership – just call 1300 361 784 and press 4.

*Restrictions apply if your total super balance is $1.6 million or more.

This information is about Cbus and doesn’t take into account your specific needs. You should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement to decide if Cbus is right for you. Call 1300 361 784 or visit cbussuper.com.au for a copy.
Managing your income stream payments

The minimum amount you’re required to draw from your income stream account each year has reduced.

The COVID-19 pandemic has had a particularly negative effect on investment markets. To help reduce the financial impact on retirement savings, the Government has temporarily halved the minimum payment percentage until 30 June 2021.

<table>
<thead>
<tr>
<th>Age band</th>
<th>Under 65</th>
<th>65–74</th>
<th>75–79</th>
<th>80–84</th>
<th>85–89</th>
<th>90–94</th>
<th>95 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous minimum payment</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>9%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>New minimum payment until 30 June 2021</td>
<td>2%</td>
<td>2.5%</td>
<td>3%</td>
<td>3.5%</td>
<td>4.5%</td>
<td>5.5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

It may not be a financially viable option for everyone to reduce their payments. But if you can temporarily reduce how much you receive for the next year, this will give your savings more time to recover from any reduction in value. If you decide to reduce your payments and you qualify for it, you may also be entitled to an adjustment to your Age Pension.

We’re here to help so if you need support working out what’s right for you, speak to Cbus Advice Services on 1300 361 784 (press 4).
Your coordinators

Local Cbus Coordinators give you personal, face-to-face support when you need it. Get in contact today if you need help.

 Nationwide
 Cath Noye: Head of Workplace Services
 (03) 9910 0241 | cath.noye@cbussuper.com.au

 Victoria
 Adrian McNamara
 0409 969 208
 adrian.mcnamara@cbussuper.com.au
 Graeme Barlow
 0400 045 448
 graeme.barlow@cbussuper.com.au
 Peter Muldeary
 0419 594 794
 peter.muldeary@cbussuper.com.au
 Luke Petersen
 0448 895 199
 luke.petersen@cbussuper.com.au
 Rick Ortgera
 0447 889 451
 rick.ortgera@cbussuper.com.au
 Ian Marris
 0448 875 810
 ian.marris@cbussuper.com.au
 Eamonn Wolfe
 0429 801 553
 eamonn.wolfe@cbussuper.com.au
 Gerard Benstead
 0437 942 826
 gerard.benstead@cbussuper.com.au

 Tasmania
 Todd Lambert
 0427 888 591
 todd.lambert@cbussuper.com.au

 New South Wales
 Nick Fodor
 0417 058 467
 nick.fodor@cbussuper.com.au
 Michael Hopper
 0439 073 265
 michael.hopper@cbussuper.com.au
 Rod Jarman
 0400 045 402
 rod.jarman@cbussuper.com.au
 Mansour Razaghi
 0439 658 017
 mansour.razaghi@cbussuper.com.au
 David Curtain
 0437 069 733
 david.curtain@cbussuper.com.au
 Richard Dietmann
 0429 449 078
 richard.dietmann@cbussuper.com.au
 Mark Greenfield
 0409 798 686
 mark.greenfield@cbussuper.com.au

 Western Australia
 Don Fowlie
 0417 971 593
 don.fowlie@cbussuper.com.au
 Philip Milne
 0412 406 348
 philip.milne@cbussuper.com.au

 South Australia
 Mick McDermott
 0429 531 604
 mick.mcdermott@cbussuper.com.au

 Queensland
 Andrew Clark (North QLD)
 0419 142 761
 andrew.clark@cbussuper.com.au
 Paul Connell
 0407 701 392
 paul.c Connell@cbussuper.com.au
 Steve Gaske
 0409 163 589
 steve.gaske@cbussuper.com.au
 Tracie Wilson
 0448 950 708
 tracie.wilson@cbussuper.com.au
 Johnny Lomax
 0437 954 187
 johnny.lomax@cbussuper.com.au

 Northern Territory
 Mick Huddy
 0419 555 261
 mick.huddy@cbussuper.com.au

 Australian Capital Territory
 Mark Dymock
 0437 630 776
 mark.dymock@cbussuper.com.au
 Adrien Baldwin
 0437 014 529
 adrien.baldwin@cbussuper.com.au

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