Investing your super responsibly  > Page 3

Income for life  > Page 6

Sort your super from the couch!  > Page 11

Catch up from COVID  > Page 4
Maintaining focus in extraordinary times

A message from our CEO Justin Arter

This is my first message to you in Cbus News and I am delighted to be able to write to you directly, in this way.

As for all of Australia, 2020 was a challenging year for the building and construction industry. In response, we were pleased to be able to make investing in the road to recovery a major focus.

Last year, we committed over $950 million to Australian businesses through equity raising, debt finance and project financing. And an extra allocation to the Cbus debt portfolio provided a further $850 million in capital to invest in companies and project finance.

Investing in our industry helps to create jobs for members now, while building your retirement savings for later.

Advocating for members

In the Federal Budget last October, policies were announced that affect superannuation. These changes won’t take effect until 1 July this year, but some changes might mean people entering building and construction won’t automatically join Cbus and won’t have access to insurance designed for our industry. We are working hard to ensure you’re not disadvantaged by these changes.

Cbus is a long-term, high performing fund and members should continue to benefit from this.

Retirement Income Review

The Retirement Income Review was released late last year. A number of areas were discussed, including legislated increases in the super guarantee rate. We support the rate increase and will continue to speak up for members in this and other areas we believe are important.

Another major development for Cbus has been the release of a new Climate Change Roadmap, reinforcing our commitment to the Paris agreement. The Roadmap targets an ambitious 45% reduction in absolute portfolio emissions by 2030, and net zero emissions by 2050.

Thank you for your ongoing support and I look forward to sharing news on our progress in coming months.

You can read more about these developments at cbussuper.com.au/road-to-recovery.

Important updates are now being delivered to your inbox

To help you receive important information about your super sooner, we may communicate with you by email.

This means we may send product disclosure statements, significant event notices and other regulatory updates to you digitally (such as a link in an email) using the email address you’ve provided to us.

If you would prefer to receive information in paper form, you’ll need to let us know.

Why is email better?

- **It’s quicker** – get it straight to your inbox as soon as it’s ready
- **More information** – we usually include links to other helpful info on our website
- **Always on hand** – emails are easy to find and refer back to (even years later).
As a responsible investor, Cbus considers the long-term environmental, social and governance (ESG) risks and opportunities that can impact the value of investments when making decisions. Companies that take ESG factors into account are likely to have sustainable business models and an ability to generate long-term returns for members.

Two areas we’d like to highlight are our new Climate Change Roadmap and focus on Indigenous and community relations.

**Cbus Climate Change Roadmap: Beyond 2020**

As the world moves to lower emissions, a large number of Cbus members work in industries and live in communities that will be impacted.

We’ve created a roadmap to address climate change in our investment portfolios and how we can invest to create opportunities for the future, and not leave workers and communities behind. In our Climate Change Roadmap: Beyond 2020, Cbus has committed to a 45% reduction in absolute investment portfolio emissions by 2030 and net zero greenhouse gas emissions by 2050.

Key to our approach is to limit climate transition risk. This means supporting companies that will be part of the low-carbon transition and filtering out potential fossil fuel ‘stranded asset’ companies that won’t transition. We’re taking a more thoughtful, longer term approach, rather than simply divesting completely from fossil fuels.

**Considering Indigenous and community relations**

Cbus supports reconciliation and is committed to social change and economic opportunities for Aboriginal and Torres Strait Islander Australians. Our Reconciliation Action Plan (RAP) is the first step along the road to reconciliation.

Following the events at Juukan Gorge with the destruction of a 46,000-year-old First Nations’ sacred site by Rio Tinto, we are looking at how we better consider cultural heritage and Indigenous and community relations issues in the companies we invest in.

When companies don’t consider ESG risks like these, there can be real impacts for your super. We saw this with Rio Tinto, where there was a significant loss of value for shareholders, including Cbus.

We’ll continue to engage with companies like Rio Tinto on these important issues.

**Catch up from COVID**

Our Cbus Advice Services team has been helping members affected by COVID-19. We share our top tips on how to get your super plans back on track in 2021.

COVID-19 impacted us in so many ways. Our work, finances and way of life were all put through the wringer. If you accessed some of your super through early release, it probably made all the difference at the time, but money you take out of super today means less money at retirement. So, if you can afford it, now is the time to rebuild. And our team of financial advisers can help.

Our advisers spoke to over 33,000 members last year and have a wealth of knowledge and experience to share. Remember, you can chat with a Cbus adviser over the phone – at no extra cost – it’s all part of your membership.

---

**Review your living expenses**

The mortgage might be close to being paid off and the kids may be off your hands (almost!). Why not take a fresh look at your budget and cost of living; you might find you can add more to super than you thought?

Try our **Budget planner** to see where your money goes, plan your spending and how you can save more.


---

**Save for longer and save for your spouse**

Did you know you can add extra to your super up to age 67, even if you’re no longer working? Once you hit 67 you’ll have to confirm you meet the work test to keep taking advantage of the tax benefits (although there are special rules that let you contribute more if you downsize your home).

You can also contribute to your spouse’s super until they turn 75. And, if they’re a low income earner and you add to their super, you could be entitled to a tax offset of up to $540 a year.

Rebuild your super (it’s worth it!)

Did you withdraw super through the COVID-19 early release scheme last year?

The recent tax cuts could be one way to rebuild your super without giving up take home pay.

For example, if you earn $110,000 a year you’ll receive additional annual tax relief of $1,980. If you add this to super as an after tax contribution, you could end up with an extra $65,629 at retirement.\(^ 1 \)

Of course, the best way to add to your super depends on your age, income and personal situation. Try our contributions calculator at cbussuper.com.au/calculators.

**Assumptions:**
1. Default Death & TPD insurance premiums for a manual worker.
2. Admin fee of 0.19% of account balance (capped at $1,000 per year) and $104 per year (inflating at CPI).
3. Investment return of 5.75% per year under the Growth (Cbus MySuper) option.
4. Long term CPI of 2.5% per year and rise in living standards of 1% per year.
5. Couple (currently both aged 50), who retire at age 67, own their home outright and receive the Age Pension.
6. Current value of personal assets $25,000 with no other financial assets outside super.
7. Retirement balance is adjusted for inflation including the expected rise in living standards.
8. Excluding any applicable rebates.

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.

Your coordinators

Local Cbus Coordinators give you personal, face-to-face support when you and your worksite need it. Get in contact today if you need help, or to organise a workplace information session.

Find your local Cbus Coordinator at cbussuper.com.au/coordinators.
Life may change, but with a Cbus Super Income Stream (SIS), life goes on, just how you want it to.

With an income stream your super can give you a regular income once you stop working. If you’re eligible for the Age Pension, you can top up your pension with income from your Cbus account. And there could be tax benefits too.

**Jenny’s income stream lasts longer than savings in a bank account**

Jenny is age 67 and has $80,000 in her super. If she cashes out her super and puts it in the bank, Jenny’s money is predicted to run out at age 83, almost five years before her life expectancy of age 88. By opening an income stream account instead of cashing it out, Jenny’s super is now expected to last to age 90, an additional seven years of income.

For illustration purposes only and does not consider your personal circumstances. Consider your own needs, financial situation and investment objectives before making any financial decisions.

* Super Income Stream assumptions: 1. Age 67 with a $80,000 account balance. 2. Investment return of 6.5% p.a. before investment fees of 0.39% and admin fees of $104 p.a. plus 0.19% of account balance. 3. SIS payments of $4,100 p.a. (indexed annually). 4. 2.5% p.a. inflation. 5. 1.5% p.a. additional increase in living standard. 6. Results are in today’s dollars and do not include income from the Age Pension. Calculated using the Moneysmart Account Based Pension Calculator accessed on 7 October 2020. Source of life expectancy figures: Australian Life Tables 2015–2017.
Enjoy a comfortable retirement with as little as $80,000 super.

Use an income stream to top up your Age Pension

Let’s look at John and Pam. They’re both age 67 and each open an income stream account with a starting balance of $80,000. They each draw down $4,100 a year (this amount is indexed annually). Combined with the Age Pension, their total annual retirement income is $45,214.

Do John and Pam have enough with their combined annual income? The super industry experts – ASFA – say couples need around $40,440 a year to live a modest lifestyle in retirement (e.g. basic activities). Importantly, by taking out a Cbus Super Income Stream, they can enjoy a comfortable lifestyle and have easy access to their super savings, without losing any Age Pension entitlements.

John and Pam’s income each year

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Pension (combined)</td>
<td>$37,014</td>
</tr>
<tr>
<td>Super Income Stream payments (combined)</td>
<td>$8,200</td>
</tr>
<tr>
<td><strong>Total retirement income</strong></td>
<td><strong>$45,214</strong></td>
</tr>
</tbody>
</table>

Keep your money working hard, while you relax

You may stop working but your super won’t. Cbus’ retirement investment options are managed by the same team of investment experts and we offer five pre-mixed investment options, plus Cbus Self Managed, if you’re looking for more control.

Are you thinking about retirement?
Access to Cbus Advice Services is included as part of your membership – just call 1300 361 784 and press 4.

^ Based on current Age Pension income rates using Centrelink assumptions: Homeowner, $10,000 contents, $20,000 car, $20,000 cash at bank. ASFA retirement standard: superannuation.asn.au/retirement-standard.

Your award winning Cbus Super Income Stream

A Cbus Super Income stream is designed to work with the Age Pension. So you can enjoy a steady pay check even after you retire.

Cbus has won the Money magazine Best of the Best Awards for 2021 in the following categories: Best Pension Fund, Best Growth Pension Product and Best Moderate Pension Product. And for the second year running, Cbus has secured a 5-Star Rating for Canstar’s 2020 Account-Based Pensions Star Ratings. Cbus Super Income Stream was one of six products out of 63 products rated to receive a 5-Star Rating.
A year in review

With devastating bushfires in Australia and a global pandemic crisis that impacted workers, businesses and whole economies across the globe, 2020 proved to be a challenging year.

While returns for 2019/20 were down due to COVID-19, most investment options performed well for the six months to the end of December.

COVID-19 saw valuations of our property and infrastructure portfolios fall, as assets like large retail shopping centres, airports and toll roads were impacted by restrictions. These are important investments in our portfolio and we expect they will continue to contribute to returns over the longer term.

Local markets profited from strongly-performing ‘stay at home’ technology companies and online retailers, as well as Aussie states returning to COVID-19 ‘normal’ life.

Outside Australia, international markets saw a ‘mini correction’ in September, which has subsequently reversed. Share markets outside the US broadly tracked sideways over the last six months, while the US strengthened off the back of the US Presidential election and positive news of a COVID-19 vaccine.

Major events like COVID-19 disrupt investment markets. Our investment strategies are built with these sorts of events in mind, and it’s important to remember the long-term nature of super when choosing an investment option.

Our Growth (Cbus MySuper) option, which most of our members are invested in, is designed with a 10-year investment time frame and is invested across a wide range of assets.

Cash rate at record low

In early November, the Reserve Bank of Australia (RBA) reduced the cash rate to a new record low of 0.10%. While this is good news for business and individuals who borrow money, the flipside is lower or negligible income for savers. The RBA also flagged that interest rates are likely to remain low for the next few years.

Most of Cbus’ diversified investment options, except High Growth, are invested in cash and fixed interest and these returns will naturally be impacted by the RBA cash rate. This means a reduction in the cash rate is likely to have a greater impact on the returns of Cbus’ more conservative options with a higher allocation to cash, such as the Cbus Cash Savings and Conservative options, which hold 100% and 57.5% cash assets respectively.

2021 and beyond

Despite initial early success in dealing with the pandemic in Australia, outbreaks have caused further lockdowns in states resulting in stronger restrictions on businesses and industries. Even with the pending vaccine, it will be some months before populations are effectively vaccinated, and we will need to see how the world adapts again.

Visit our website to learn more about our investment strategy at cbussuper.com.au/investments.
Performance to 31 December 2020

- **Growth (Cbus MySuper) option**
- **SuperRatings fund average**

<table>
<thead>
<tr>
<th></th>
<th>12 months (%)</th>
<th>5 years (% per year)</th>
<th>10 years (% per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5.07</strong></td>
<td><strong>8.65</strong></td>
<td><strong>7.14</strong></td>
<td><strong>8.92</strong></td>
</tr>
<tr>
<td><strong>3.30</strong></td>
<td><strong>7.50</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The return for the Growth (Cbus MySuper) option is based on the 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. Past performance is not a reliable indicator of future performance.


---

**Better together**

Two top performing industry super funds*, Cbus and Media Super are looking at creating a fund of around $60 billion and 840,000 members.

---

Cbus and Media Super have recently completed a thorough review (called due diligence) and have agreed to move to the next stage of the merger process. If both funds agree, the merger will be implemented by the end of 2021.

The planned merger will bring together the two funds’ investment, administration and operations with both Cbus and Media Super retaining their brands.

Media Super oversees just under $6 billion in retirement savings for workers in the printing, arts, media and entertainment industries.

Cbus’ strong commitment to the building, construction and allied industries remains. If the merger occurs, our members can still access the same products and services as they do today.

This is an exciting opportunity for both funds, so keep an eye on cbussuper.com.au/news for all the latest updates.

By increasing our size, both Cbus and Media Super members will benefit.

---

* Top performing funds based on the Cbus Growth option and Media Super Balanced option placing in the SR50 Balanced (60-76) Index in the SuperRatings Fund Crediting Rate Survey June 2020.
Life in pictures

Life on the job can seem ordinary, but everyone has a story to tell. For Henry, telling stories through pictures comes deep from the heart.

Hailing from Gisborne on New Zealand’s North Island, Henry never thought he’d become a hoist driver, or end up working for one employer for 24 years, but he did. “I’ve been in Australia for 26 years. I live here with my wife and two sets of twin girls – 12 and 16. My wife tells me I’m the luckiest person in the city.”

It’s hard work, but Henry loves it

“When I first came to this country in 1994, it was hard to find a job. Someone told me to go to the CFMEU office. I went every few days to see if there was work. One day, the secretary told me I had an interview for a job at Multiplex. I had no idea who Multiplex was, but I went along and they took me on, even though I didn’t have any construction experience.”

Henry was 32 when he started in construction and has worked with Multiplex ever since.

Stories of life on the job

Visit any of Henry’s sites and you’re bound to come across one of his many cartoons depicting life on the job. “The cartoons are my way of telling the story of the workers and day to day life on the project. I know the characters pretty well – some for over 20 years – and there are lots of stories to tell.”

Henry’s love of drawing stems from a deep involvement in contemporary Maori art. “Telling stories is part of our indigenous culture. You can communicate so much through art.”

When asked how his colleagues react to his cartoons, Henry said: “Most are really positive. Some are a bit funny about it. But you’ve got to respect people and their views. That’s something I’ve learned through my cartoons – to respect people – and not to discriminate.”

Cbos, super and retirement

Henry’s boss signed him up to Cbus when he first started at Multiplex and his super has been growing steadily ever since.

You could describe Henry’s super as a bit of a sleeper. But with a history of strong long-term returns*, his super’s looking good.

“I want to try to make something out of the cartoons to benefit my kids in the future and my super will be there to help me do that,” Henry concluded.

* From inception in 1984 to 30 June 2020. The average annual return is based on the 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. Past performance is not a reliable indicator of future performance.
Sort your super from the couch!

A series of new Cbus webinars on super, investing and retiring well are coming to you, right at home.

The sessions build on Cbus’ successful retirement planning seminars but have been expanded to include super topics that work for everyone, whether you’re young, working or thinking about retiring and beyond.

2021 webinar topics

<table>
<thead>
<tr>
<th>Super basics</th>
<th>Super for millennials</th>
<th>Women and super</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting your super</td>
<td>Investments, insurance and beneficiary nominations</td>
<td>How to manage super in your 30s, 40s and 50s</td>
</tr>
</tbody>
</table>

Got an idea for a super topic? Let us know at seminars@cbussuper.com.au.

Why you should tune in

No matter your age, working status or super balance, there’s always something you can do to make your super work harder.

Our webinars are live (not pre-recorded) with qualified financial advisers ready to answer your super questions.

The sessions are run during working hours and in the evenings to suit busy schedules.

So, grab a cuppa, tune in on Zoom and have real-time discussions on super topics that are relevant to you.

And don’t worry – if you prefer to be in person, there will be a mix of seminars and webinars to choose from this year.

Here’s what members think...

“Give the person who thought of this a six-pack! Thank you everyone very much.”

“Jeff Gray’s delivery is great, friendly and conversational but professional.”

“I thank you very much. I need to get a move on and get myself organised for retirement.”

To register for a session, head to cbussuper.com.au/seminars. Partners are welcome to attend.
Get the help you need face to face

The front counter service in Melbourne is open for business at Wesley Place, Level 19, 130 Lonsdale Street.
(Open 9am–5pm, local time, Mon to Fri)

No matter how big or small the need, our front counter team is ready to help with information about: