Looking out for members
A message from our CEO, Justin Arter

There’s lots of talk about super with new super-related laws due to be debated in Parliament.

Cbus is concerned about the proposed plan to ‘staple’ members to their first fund for their working life. This means a member will stay with the first super fund they join, unless they choose another, and could put workers in building and construction at risk of not having insurance that will cover them.

Because of the potential danger of working in the building and construction industries, Cbus has negotiated insurance to cover the hazardous environments that our members typically work in. The risk with the proposal is that a worker moving into the sector from another industry might not have the right default insurance coverage if an accident happens.

No worker in a hazardous industry should be stapled to a fund that has insurance that won’t cover them when they come to claim.

Workers moving into the building and construction industry benefit from automatically having their super paid into a top-performing fund like Cbus which has industry-appropriate default insurance coverage.

We will keep raising awareness on this concerning insurance issue and advocating for the best interests of our members. I have been conducting media interviews to raise awareness on the risks, and talking to government and other politicians and I look forward to updating you further as we continue our advocacy.

For more information about the insurance cover available with Cbus, visit cbussuper.com.au/insurance.

Your super summary and the latest edition of Cbus News are out now

Get the latest updates from Cbus

Inside this edition of Cbus News, you’ll hear about our Climate Roadmap and tips on how to help your retirement savings catch up after COVID-19. There’s also an Investments update from our Chief Investment Officer, Kristian Fok.

Alongside this newsletter, you’ll receive a copy of your 2020 super summary by post or email (depending on how you like to hear from us), so keep an eye out to see how your super’s tracking.

You can access your super summary and copy of Cbus News through your online account at cbussuper.com.au/login.
Start your retirement with a boost

Have the events of the past year got you thinking about retirement? Plan your retirement with Cbus and you could receive a super boost.

If you use your existing Cbus super or Transition to Retirement (TTR) account to start a Fully Retired income stream, you could be eligible for a tax refund from Cbus.

Cbus keeps a small amount of money aside to pay your tax when any of your super investments are sold. We’ll automatically refund that money back to you when you transfer your balance to a Fully Retired account (because you don’t pay tax on that type of account).

The amount of the refund will vary, so to find out how much you could receive give us a call for a balance quote.

In January 2021 Cbus members received an average refund of $3,909.

To be eligible for a tax refund you need to meet three conditions:

1. You transfer your existing Cbus super or TTR account balance to a Fully Retired account.
2. You’ve been a Cbus super or TTR member for the previous 12 months.
3. Your balance was invested in the High Growth, Growth, Conservative Growth or Conservative investment options.

For more information read the Income stream tax refund fact sheet available at cbussuper.com.au/forms or call us for a balance quote on 1300 361 784 (press option 1 and follow the prompts).

Are you invested in cash?

When markets drop, some seek refuge in cash or conservative investments.

But with the cash rate at record lows it might be worthwhile revisiting your investment strategy to make sure it reflects your retirement goals.

In early November 2020 the Reserve Bank of Australia (RBA) reduced the cash rate by 15 basis points to a new record low of 0.10%. With rates this low, if you’re invested in a more conservative investment option, your super may not be growing enough to keep up with the rising costs of living.

Most of Cbus’ diversified investment options, except High Growth, have an exposure to cash and fixed interest and returns from these assets are affected by the RBA cash rate. This means a reduction in the cash rate is likely to have a greater direct impact on the returns of Cbus’ investment options with a higher allocation to cash like the Cash Savings option (an example is shown in the graph on the next page).

It is important to understand how switching investment options can affect your savings, so we encourage you to get in contact with Cbus Advice Services on 1300 361 784 (press option 4), available at no additional cost for Cbus members.
Investment update

Despite the challenges of the COVID-19 crisis and investment market ups and downs throughout 2020, the Growth (Cbus MySuper) option returned 10.15% for the financial year to January 2021, comparing favourably to the median return of the largest 50 balanced super funds of 8.89%.

Our investment strategies are built with major events like COVID-19 in mind so it’s important to maintain focus on the long-term nature of super and invest in an option that has a wide range of assets.

The chart below shows the impacts of switching to the Cash Savings option in late March 2020; at the bottom of the market low caused by the COVID-19 pandemic. By switching to Cash Savings the balance reduced to $44,782 whereas by staying in Growth (Cbus MySuper) the balance would have grown to $52,785.

Past performance is not a reliable indicator of future performance.

*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 account.


For more information on Cbus’ investment options and performance, visit cbussuper.com.au/investment-options.

How switching investment options could affect your savings

$50,000 invested in Growth (Cbus MySuper) option – switched during the COVID-19 market falls

<table>
<thead>
<tr>
<th></th>
<th>Growth (Cbus MySuper) option</th>
<th>SuperRatings fund median</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYTD (%)</td>
<td>10.15</td>
<td>8.89</td>
</tr>
<tr>
<td>5 years (% per year)</td>
<td>9.09</td>
<td>7.71</td>
</tr>
<tr>
<td>10 years (% per year)</td>
<td>8.87</td>
<td>7.40</td>
</tr>
</tbody>
</table>

Switching date: 30 March 2020

$52,785 (+5.6%) Stayed in Growth (Cbus MySuper) + $2,785

$44,782 (-10.4%) Switched to Cash - $5,218

*These figures are for illustration purposes only and do not take into account tax, fees, insurance or contributions. Calculations are based on historical monthly returns from 31 January 2020 to 31 January 2021, switching on 31 March 2020 with a super account balance of $50,000. Past performance is not a reliable indicator of future performance.
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. All onsite visits will be subject to appropriate social distancing and COVID safety requirements.

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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.

Cbus’ Trustee: United Super Pty Ltd ABN 46 006 261 623  AFSL 233792  Cbus ABN 75 493 363 262