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From the CEO

Strong long-term returns and a focus on culture has Cbus well placed for the future

At Cbus we are determined to make sure we are delivering the best possible outcomes for our members. Cbus now has over 790,000 members, with $52 billion in funds under management*. The foundation of our success has been built on strong, long-term returns for members and a culture that puts our members and employers first in everything that we do.

In May this year Canstar presented Cbus with the Most Satisfied Customer Award for superannuation. Canstar surveyed about 3,300 members across 70 super funds asking a range of questions in relation to satisfaction drivers including value for money, customer service, communication, investment returns and fees. On all those measures, Cbus significantly outscored the other funds included in the research.

While we are pleased with the recognition, please rest assured that we are not resting on our laurels. Cbus continues to be at the cutting edge of super fund innovation and over the coming years you will see new tools that will give members and employers a better, more seamless experience. As a fund representing an industry with unique needs, we want to make sure that members can manage their super in as many ways as possible. Employers will benefit from a new Employer Join Online form and Employer Portal to make managing super as easy as possible.

We are continuing to bring some of Australia’s best investment expertise in-house. In the last year alone this has saved members around $70 million in investment fees. We expect to be saving $100 million on fees per year in coming years. These are savings that go right back into producing stronger returns.

And once again Cbus is among the top long-term investment performers, returning an average of 9.39% a year for the last ten years. We are proud of our strong track record and we are using our new investment expertise to build on this success. This is important as investment markets continue to face headwinds including low interest rates and difficult international trade conditions.

For 35 years Cbus has been delivering for members and investing back into the construction industry. We take our responsibilities to members and employers seriously. It’s your businesses that are building this country and it is a privilege to be your super fund.

Welcome to the employer newsletter for September 2019

David Atkin,
CEO, Cbus

* as at 30 June 2019

Cbos thanks you for your support.
Together we are building a better future.
After a strong start in July and August, investment markets headed into a period of uncertainty in late 2018, fuelled by slowing global growth and rising US interest rates. The ongoing threat of a trade war between the US and China also did little to lift spirits. December didn’t see a pre-christmas ‘Santa rally’ with markets closing the year in negative territory.

This year share markets got off to a very strong start after the US Federal Reserve revised its interest rate projections and Chinese authorities announced further stimulus. However, the last quarter of the financial year struggled to maintain momentum as markets continued to be weighed down by ongoing concerns about economic growth and, after much talk, President Trump finally delivered a further increase on tariffs for some Chinese exports to the US.

Closer to home, with interest rates and wage growth at historical lows, Australians headed to the polls for a Federal Election in May. The Coalition achieved a surprise victory, which resulted in a 1.7% bounce from Australian share markets on the first trading day after the election.

Throughout the year, property and infrastructure assets produced steady returns. With the rise in share prices over the last 6 months of the year, global shares were the best performing asset class for the past 12 months.

Despite the challenging economic conditions, Cbus delivered a return^ of 6.99% for the Growth (Cbus MySuper) option for the year ending 30 June 2019. This return follows a couple of years of strong performance, which are reflected in Cbus’ very favourable longer-term results.

The 2018/19 financial year closes-up after mixed performance from global investment markets.

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### Performance to 30 June 2019

<table>
<thead>
<tr>
<th></th>
<th>1 year %</th>
<th>5 years % p.a</th>
<th>7 years % p.a</th>
<th>10 years % p.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (Cbus MySuper) option</td>
<td>6.99%</td>
<td>9.01%</td>
<td>10.71%</td>
<td>9.39%</td>
</tr>
<tr>
<td>SuperRatings fund median</td>
<td>6.93%</td>
<td>7.71%</td>
<td>9.48%</td>
<td>8.60%</td>
</tr>
</tbody>
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^ The return for the Growth (Cbus MySuper) investment option is based on the crediting rate, which is the return minus investment fees, the Trustee Operating Costs and taxes. Excludes account keeping administration fee. Past performance is not a reliable indicator of future performance.


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### It pays to focus on the long term

Your super balance can go up and down a lot in the short term, but it’s the return over many years that makes a difference to your future.

And for over 35 years, Cbus has returned an average of 9.23%^ a year.

^ The average annual return shown is from inception to 30 June 2019 based on the crediting rate of our Growth (Cbus MySuper) option.
Cbus Corporate Super

New product coming October 2019

We are excited to announce that we will soon be introducing a new corporate super offering. This product will deliver more flexible insurance cover options for executives, professionals and office-based employees, along with all the same great member and employer benefits available through Cbus Industry Super.

Stay tuned for more information soon.

A better online experience is on its way for employers:

- simplified business management processes
- single log in with access to the Cbus Clearing House
- custom reports and receipts.

New employer portal Coming soon...
Hi-Vis Women Australia
Driving positive change within the industry

In an industry heavily dominated by males, Hi-Vis Women Australia is an independent social enterprise established in 2017 to promote and celebrate women in the building and construction industry.

Led by Linda Hamilton, Co-Director of Hi-Vis Women and Managing Director of BuildCraft WA Pty Ltd, Hi-Vis Women deliver a Mentoring Program and have also developed a project centred around an all-female build. This initiative has been designed to afford opportunities and pathways for women and kids at risk to join an industry that is inclusive, inspiring and invested in the next generation of Hi-Vis Women.

They are currently working with the Shire of Moora to deliver an all-female build. The aim is to complete an entire building development project, whilst promoting women in construction and showcasing the many different skill sets required to complete a project, from local government, consultants, insurance, accounting, marketing, design to name a few. This project also assists in challenging current social and cultural bias and showcasing the unique knowledge and skills that are required to do well in the industry. The aim of their Mentoring Program is to provide Hi-Vis Women and Kids at Risk the opportunity to enter the industry and build stronger career pathways, that may not otherwise have been available to them, by working with a strong team of experienced mentors to gain experience across all facets of the industry.

“We are looking to open up more opportunities for Hi-Vis Women to enter the building and construction industry whilst moving away from the notion that Hi-Vis is purely trade related. Hi-Vis Women are from all walks of life and occupations, with over 20 skill sets required on a project before trades actually get to site. These may be roles not traditionally seen as building and construction roles and we want to provide opportunities to those interested in the industry so they can explore all options available to them.”

Through their work Hi-Vis Women hope to build a stronger industry, one which embraces and provides greater opportunities for females as builders, trades or any other associated profession associated with the building and construction process whilst also addressing the current skills shortage. Hi-Vis Women are always looking to the industry for new Apprenticeship/Mentorship/Placement opportunities that will benefit both the mentees and the building and construction industry.1

1 This information has been provided by Hi-Vis Women Australia ABN 55 629 152 576 (HVWA) and relates to products and services offered by them. Cbus does not recommend, endorse or accept any responsibility for the products. For up-to-date information, refer to HVWA’s website hiviswomenaustralia.com.au.
Collins Arch receives an investment towards greater sustainability

Cbush Property\(^1\) has built a reputation for the construction of highly rated, sustainable projects and also manages a portfolio of award-winning and highly sustainable properties on behalf of Cbus members.

The significant returns generated by Cbus Property for Cbus members shows why a focus on sustainability delivers over the longer-term. Buildings that achieve high ratings, along with achieving better returns, also attract high quality tenants who are aware of their energy usage and carbon footprint. This has a significant impact on a building’s long-term sustainability and efficiency within an investment portfolio. Highly rated developments are also viewed as being more attractive to lenders through a sustainability lens as recently shown by Cbus Property being offered a concessional-rate $100m loan facility by the Clean Energy Finance Corporation (CEFC). The loan is conditional on achieving a range of best-practice sustainability outcomes.

Collins Arch is using technology such as energy efficient facades and high efficiency air conditioning; and capacity for residential electric vehicle charging. These are expected to deliver a minimum 20 percent reduction in the building’s carbon footprint. With its clean energy technologies, the Collins Arch development is an example of how Cbus Property is contributing to new environmentally sustainable standards in cities through a low carbon approach to building design.

Cbush Property’s position as a market leader in sustainable building development was an attractive drawcard for the CEFC, who look for investments that have a strong focus on reducing greenhouse gas emissions. Premium sustainable building developments, like Collins Arch are great long-term investments that will help maximise returns for Cbus members.

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\(^1\) Cbus Property Pty Ltd is a wholly-owned subsidiary of Cbus and has responsibilities for the development and management of Cbus’ direct property investments.
Important information about changes to super

As reported in the last edition of broadcast, the Government introduced new rules for superannuation that came into effect on 1 July 2019 that may affect you and your employees.

What do your employees need to know about these changes?

**Insurance cancelled on inactive accounts**
Insurance may have been cancelled on inactive accounts (accounts that haven’t received a contribution or rollover for the last 16 months) if employees didn’t opt in to keep their insurance. Employees wishing to maintain their insurance cover during a period of inactivity can still opt-in for insurance by contacting us or by visiting cbussuper.com.au/opt-in.

**Fee cap**
A 3% annual fee cap (administration, investment and other fees related to the administration or the investment of the assets of the fund) now applies to accounts with a balance of less than $6,000*.

**Inactive low balance account transfers**
Inactive low balance accounts (less than $6,000) are to be closed and funds sent to the Australian Taxation Office (ATO) with the aim of consolidating and redirecting member funds to active super accounts.

**Exit Fees abolished**
Super funds are no longer able to charge exit fees when members withdraw money or rollover money to another super fund.

The Government is also proposing further amendments to insurance from 1 October 2019 that would see new members under 25 years of age and those with account balances of less than $6,000 losing automatic insurance cover and instead having to opt in for cover. Cbus will continue to advocate for our members to ensure young workers in particular retain these important protections.

We will continue to keep you updated about this important draft legislation.

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*For the fee cap this means you have less than $6,000 invested in the Growth (Cbus MySuper) or other investment option which has not received a contribution or rollover in 16 months.

*For inactive low balance account transfers to the ATO this means you have less than $6,000 invested in the Growth (Cbus MySuper) option or other investment option which has not received a rollover or contributions in 16 months.
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This information is about Cbus. It doesn’t take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement and related documents to decide whether Cbus is right for you.

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