

broadcast

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CEO Message

A message from our CEO Kristian Fok



I am pleased to be leading Cbus Super as we move into 2024 and the 40th anniversary year of the Fund's creation – a cause for celebration as we mark the beginning of something special that has transformed how our members' save for and enjoy their retirement.

The support of employers has been a key to this success. Diligence in making sure that contributions are deposited into accounts regularly gives members the best chance to maximise the benefit that compound interest will bring them in retirement.

Renewed leadership

In September important executive roles were announced with the creation of Chief Strategy, Transformation, Operating and People Officer roles. Cbus Super has also appointed a new Deputy Chief Investment Officer.

The appointments are crucial steps to support the renewed strategy for our Fund and supports the Fund's future development, so Cbus is always the organisation we want and need to be for our members and employers.

MBA NSW 150th anniversary dinner

I was pleased to attend the Master Builders Association of NSW 150th Anniversary celebration in October at the Sydney Town Hall, around the corner from where its first meeting with just 25 builders was held 150 years to the day in 1873.

A true highlight of the evening was the screening of a series of short films which showed the rich history of the association through its 150 years.



Kristian Fok, CEO

David Atkin visits

Recently, we were delighted to welcome a former Fund CEO, David Atkin, who led Cbus for over 12 years and is now based in London as CEO of the Principles for Responsible Investment.

David reminded us that "from small things, big things grow" as he recollected with staff on the growth and performance of the Fund during his tenure.

Season's greetings

As we close out the year and reflect on what's been, a highlight to acknowledge is the growth in the number of employers choosing Cbus Super for their staff. Last financial year we saw a 9.5% increase in the number of employers making contributions to the Fund, as highlighted in our Annual Integrated Report.

I thank you for your support of the Fund and hope that you and your employees have had a rewarding 2023, and wish you a prosperous new year.

Kristian Fok
CEO
Cbus Super



Investment market update

from Brett Chatfield,
Chief Investment Officer



Financial markets have experienced weaker performance in recent months as inflation remains above central bank targets and the escalation of Middle East tensions has affected investor sentiment.

Both share and fixed interest markets have been weak, which is unusual as fixed interest can often provide some protection when share markets fall. The main reason for this weakness is a shift in investor views on inflation.

Whilst there has been a welcome easing in inflation in many economies, it remains well above central bank target levels and the pace of slowing is proving more gradual than central banks would like. So it looks like interest rates will need to remain at current levels for longer than previously anticipated in order to bring inflation under control. This has been viewed as bad news for share markets, as higher interest rates could hurt both growth and profits as we move into 2024.

A sharp rise in oil prices has also added inflationary risk back into the market outlook, and the recent escalation of Middle East tensions is contributing to global uncertainty and could potentially push oil prices even higher.

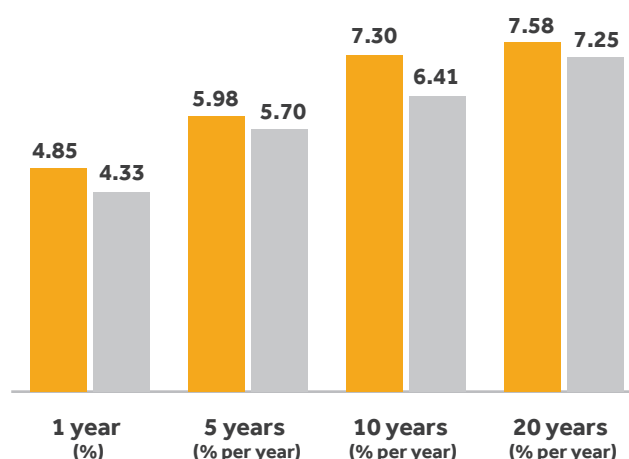
Having kept interest rates on hold since June in response to slowing consumer demand, the Reserve Bank of Australia (RBA) implemented another 0.25% interest rate rise in early November following disappointing inflation data. Encouragingly, the RBA's statement considered "whether further tightening" is required, raising market expectations that this might be the final interest rate increase.

In this weak market environment, members may be concerned about their super balances. We understand that market ups and downs can be unsettling, but it is important to remember that these ups and downs are a normal part of investing. It is also important to remember that super is a long-term investment.

Our Growth (MySuper) investment option continues to deliver strong long-term performance, outperforming the median fund over 5, 10 and 20 years[†] as shown in the chart below. Our investment options remain well diversified and designed to withstand periods of short-term market volatility.

Performance (%) to 31 October 2023

■ Growth (MySuper) option*
■ SuperRatings fund median[†]



* The return for the Growth (MySuper) investment 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.**

[†] The median investment option return is taken from the SuperRatings FCRS SR50 Balanced (60-76) Index (31 October 2023). The default Growth (MySuper) investment option performance ranking was above the median return over 5, 10 and 20 years for the period ending 31 October 2023. SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit superratings.com.au. Past performance is not a reliable indicator of future performance.

How we invest responsibly

We believe well-governed companies that manage material* Environmental, Social and Governance (ESG) risks and opportunities in their operations and supply chains, such as those that impact employees, suppliers, customers, communities and the environment, will protect assets and grow our members retirement savings over the long term.



Our approach to responsible investment includes:

ESG integration



We assess how material ESG risks and opportunities are considered when choosing to invest in a company, or asset, or through an external investment manager and integrate these risks and opportunities as one input into our investment processes.

We're active stewards



In FY23, through voting at annual meetings and through discussions with the company or manager, we aimed to improve practices so that companies we invest in are better run and provide more sustainable long-term returns. We also encourage the development of standards, guidelines and regulatory reform while also promoting a shift towards a sustainable finance system. Either directly or alongside others, we support the development of policies, and research and make submissions to government and regulatory consultations.

We're evidence driven



We use a wide range of information and data to continuously evolve our evidence-based approach. We're involved in ongoing research to understand emerging issues, and provide evidence to measure and support our approach.

We're transparent



We measure our activities and report on our progress, so our members can be confident that we do what we say we do.

While our core focus is on integration of material ESG risks and opportunities, we have identified key areas of focus: climate change and the energy transition and human, community, and labour rights (for example modern slavery and workplace safety). These areas of focus represent systemic risk, are aligned with our members' interests, and are topics where we believe we can measure, engage and report on our progress.

Importantly, we strive to demonstrate responsible investment leadership in asset classes where we invest directly and use our knowledge gained from the industries our members and employers work in. For example, investing in the real economy (including new properties and how we improve the sustainability of existing buildings), affordable housing, and supporting the energy transition (including an equitable transition for workers.)

Our key beliefs



We act in our members' best interest



We aim to apply a 'whole of fund' approach across our total portfolio



We advocate for a more sustainable future

* Material ESG risks and opportunities are those that are likely to affect business or investment performance.

Tools to help your employees plan for retirement

With over 600,000 Australians intending to retire in the next few years*, it'll come as no surprise that retirement planning is top of mind for many.

At Cbus Super we understand that planning for retirement isn't a one-size fits all approach. That's why we offer a range of tools and services to help Cbus Super members, no matter how far along they are in their planning.

Here's a snapshot of the tools available to help your employees plan for their retirement.

Calculators to model different scenarios



Whether it's understanding how adding extra to super can benefit retirement or help to budget and plan retirement spending, we have a calculator to help. Members can even use a calculator to determine if their super balance, plus any Government Age Pension, is going to be enough income in retirement. You'll find our calculators at cbussuper.com.au/calculators.

Videos that explain key topics



We've created a library of videos to help break down some key super topics for members, including transitioning to retirement, how our Super Income Stream works and the Age Pension. View our videos on our Know-how HQ at cbussuper.com.au/knowhow.

Face-to-face or online retirement sessions



Our retirement seminars cover topics like retirement planning, the Age Pension, and transition to retirement. The sessions are relaxed and informal so anyone can join and the best part, there's no additional cost – it's part of being a Cbus Super member. View our upcoming sessions at cbussuper.com.au/seminars.

Financial advice to help members plan



Our Cbus Advice Services team can provide advice over the phone on several super topics, including the best ways to maximise super for retirement. If a member wants more comprehensive, personal advice, our team can refer them to an accredited financial planner. Information on Cbus Advice Services can be found at cbussuper.com.au/advice-services.

Members can also find a wealth of retirement planning information on our website. With topics like how much super is needed for retirement to how volatile markets and cost-of-living pressures can impact retirement, members will find cbussuper.com.au/retirement-planning a good place to start.

Did you know we regularly search out duplicate member accounts?



There may be several reasons why a member has more than one Cbus Super account. But much like having multiple accounts with different super funds, members could be paying more fees than they need to be.

To help our members avoid paying multiple fees, Cbus Super undertakes a monthly process to identify members who have duplicate accounts (such as two Cbus Industry Super accounts). Once identified, we undertake a series of steps to assess and verify if the duplicate accounts should be merged.

Key things we look at to assess if we should merge the accounts include:

- what, if any, insurance the member has
- the most recent contributions received into their account
- the member's investment choices, and
- any beneficiary nominations.

We'll notify the member once their accounts have been merged and let them know of any insurance premiums or administration fees that may have been refunded to their account.



If your employee notices that they have two Cbus Super accounts, they can also contact us on **1300 361 784** (8am to 8pm AEST, Monday to Friday) or by email at cbusenq@cbussuper.com.au to request their accounts to be merged.





Keeping you informed

Read the Cbus Annual Integrated Report

We're pleased to announce that the 2023 Cbus Annual Integrated Report is now available.

This year's report is the 9th Annual Integrated Report the Fund has produced, reinforcing our commitment to transparent, best practice reporting. Our goal is to clearly document and highlight how we're creating value for members and stakeholders in the short, medium and long term.

The report highlights Cbus Super's achievements in the last year and strategy moving forward. The themes of this year's report include the challenges of our current operating environment and how the fund is responding to remain strong and grow into the future.



Visit cbussuper.com.au/annual-report to read the report.

Annual member statements now available

Annual statements were sent to members in September and members can see how their super has tracked over the past year by simply logging into their online account.

Many members would've also received a personalised video snapshot, highlighting important information, such as their 30 June balance, any insurance cover they may have and if they're on track for a comfortable retirement and what to do if they're not.





WE'RE TAKING A BREAK

All Cbus Super offices will be closed from 12pm on Friday 22 December 2023
and will reopen on Tuesday 2 January 2024.

If you have any questions over the closure period, please call our contact centre
on **1300 361 784** during the following operating hours:

Wednesday 27 December
8am to 5pm AEDT

Thursday 28 December
8am to 5pm AEDT

Friday 29 December
8am to 5pm AEDT

We'd like to wish you and your families
a safe and happy holiday season.

Contact us



1300 361 784 8am to 8pm (AEST/AEDT)
Monday to Friday, closed on national public holidays



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Log in to chat to us online



Visit us in person in Adelaide, Brisbane, Melbourne,
Perth and Sydney. Details: **cbussuper.com.au/contact**

This information is general in nature. It doesn't account for your specific needs. Please look at your objectives and business requirements and seek financial advice before making financial decisions. Read the Employer Handbook, Cbus Industry Super Product Disclosure Statement (PDS) and Target Market Determination to decide what's right for you. Call **1300 361 784** or visit **cbussuper.com.au** for a copy.

United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super)