

broadcast

SEPTEMBER 2023

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CEO Message

A message from our CEO Kristian Fok

It is an honour to be writing to you for the first time as CEO and I'm pleased to be able to update you with the following:

A healthy return for our members

We were delighted to announce a healthy return of 8.95%* for our Growth (MySuper) investment option for the last financial year. This is despite the uncertainty and volatility that has been a hallmark of financial markets this past year. For further detail, I encourage you to read the investment market update on page 3.

Leadership

Having led the Cbus Investments team for over 10 years, I was privileged to be appointed permanent CEO by the Board at a critical time for the Fund, and ahead of our 40th anniversary year. The role of Deputy CEO has also been created, with Marianne Walker, our Chief Member Officer appointed – reinforcing our total focus on providing quality service for our members, your people.

One of my first tasks has been to appoint Brett Chatfield as Chief Investment Officer. We are fortunate to secure someone of Brett's calibre for this critical role, with his extensive experience in the finance industry, most recently serving as Cbus Super's Acting Chief Investment Officer and Deputy Chief Investment Officer.

Welcome EISS Super employers

In May we welcomed 17,000 former EISS Super members to Cbus Super, following the successful completion of our merger. I'd like to welcome all new employers to Cbus following the transfer of your employees as new members into our Fund.



Kristian Fok, CEO

Thank you, Justin Arter

Finally, Justin Arter recently announced his retirement from Cbus Super. I'd like to acknowledge Justin's contribution to the Fund as CEO and wish him well for the future.

I look forward to writing to you again in December and would be grateful if you would encourage your employees to look out for their annual statement. They will be distributed shortly and are filled with important information to help our members get the most from their retirement.

A handwritten signature in black ink that reads "Kristian Fok".

Kristian Fok
CEO

* The return for the Growth (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.



Investment market update

from Brett Chatfield,
Chief Investment Officer



Overseas share markets have continued to add to their strong performance recorded in the first half of 2023.

Although we've experienced heightened volatility over the past few years, we are pleased to have delivered a healthy return of 8.95%* for our members for the 2022/23 financial year. This return was largely driven by strong share market performance – both in Australia and overseas, with our infrastructure, global credit and Australian fixed interest asset classes all contributing positively. Both the global fixed interest and the property asset classes had a small negative return over the year, but we remain confident these asset classes will deliver positive results over the long term.

These performance return trends have continued into the new financial year with share markets, particularly in the United States (US), performing well. While the US share market has been strong, performance across other developed markets has been more mixed. One likely reason for this is a growing difference in economic outlooks, with recent data suggesting a more positive economic outcome for the US than previously feared, while greater concerns still linger over inflation and economic growth in several other countries.

In the US, the labour market continues to add jobs at a steady rate, housing construction is showing signs of recovery, household incomes are rising and there has been a rebound in consumer sentiment.

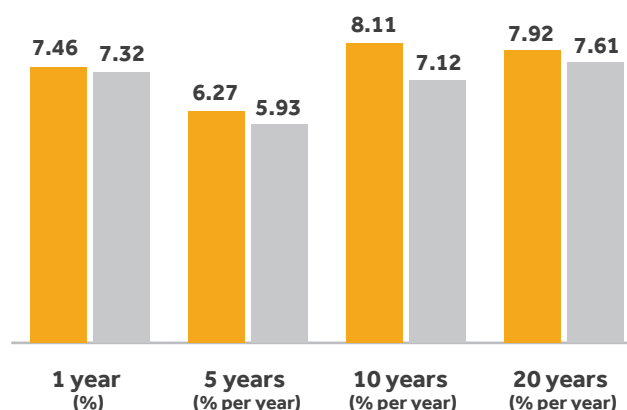
In Australia, while inflation has shown signs of easing, it hasn't been enough to help the overall outlook, which has deteriorated in recent months. With interest rates having risen more than many originally expected, households with a mortgage will continue to feel further pressure.

While property values in some sectors fell last financial year, primarily owing to higher interest rates, fundamentals remain relatively sound with limited new construction and strong occupancy in most property sectors. The office sector has suffered from reduced demand given the rise in remote working. This is expected to primarily affect older buildings that will require capital expenditure to remain competitive. Other property sectors, however, such as industrial and retail, have performed well.

Overall, our portfolios remain well diversified and are designed to withstand short-term market volatility. Our long-term performance remains top quartile[†], highlighting the sustainability of our approach with Cbus Super's commitment to delivering strong retirement outcomes for members, which is our ultimate objective.

Performance (%) to 31 July 2023

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



Past performance is not a reliable indicator of future performance.

* The return for the Growth (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.

† The default Growth (MySuper) option obtained a top quartile performance ranking over 7, 10, 15 and 20 years for the period ending 30 June 2023 (SuperRatings FCRS SR50 Balanced (60-76) Index Survey). Past performance is not a reliable indicator of future performance.

‡ The median return is taken from the SuperRatings Balanced (60-76) survey (31 July 2023). SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit superratings.com.au

Getting to know

Brett Chatfield, Chief Investment Officer

After more than a decade working in the Cbus Super Investments team and most recently serving as the Fund's Acting Chief Investment Officer and Deputy Chief Investment Officer, Brett Chatfield has been appointed Chief Investment Officer.

Two months into this new role now, Brett shares his thoughts about the role, the new five-year investment strategy and his vision for the financial year ahead.



Q Brett, what were your initial feelings about being appointed as Cbus Super's Chief Investment Officer?

I was deeply proud of the opportunity to lead the Cbus Super investment area and to continue to deliver the best long-term returns that we can for our members. We have an amazingly skilled and diverse Investments team, which I am very lucky to lead.

Cbus Super is an exceptional Fund with a long history of serving our members well and I look forward to continuing this into the future. I also have a strong affinity with the construction industry and highly respect the work our members do.

Q What's your personal ethos around leadership?

To me, leadership is all about setting a clear strategy and empowering leaders and their teams. Leadership is not about having all the answers, but rather solving problems together by leveraging expertise both within the team and outside. Finally, investment markets can, and often do, humble you and it is important to always question yourself and constantly seek to get better.

Q Can you tell us about the people and culture in the Investments team, and how this translates to outcomes for our members?

The Investments team has a very open, transparent and collaborative culture, where all team members are focused on the single goal of doing the best we can for members.

We don't like the concept of 'stars' and focus more on everyone working together, respecting each other's inputs and views, and collectively driving better outcomes for our members.

Q You launched the new five-year investment strategy for the Fund recently. What does that mean for our members and employers?

The new five-year investment strategy continues to build on the Fund's internal investment capability, which will see us continuing to expand our Investments team and bring in more assets to be managed in-house.

Since the investment internalisation strategy was launched in 2017, we have delivered total cumulative costs savings for members of over \$500 million since 2017*. The last financial year saw some of the portfolio's strongest investment performers being internal investment teams, which further supports the success of this strategy.






Q What are you looking forward to in FY24?

I am looking forward to continuing to build out our internal capability, increasing the size of our internal strategies, and most importantly delivering the best returns that we can. I am also excited about the work we are doing in several key areas including social and affordable housing, and the energy transition.

*Cumulative fee savings since 2017, calculated annually and include transaction cost savings. As at 30 June 2022. Past performance is not a reliable indicator of future performance.

Cbus Property is aspiring to deliver Australia's most sustainable office portfolio.

Cbus Super is proud to support Cbus Property* in its aspirations to deliver Australia's most sustainable office portfolio. Check out the number of incredible industry-leading certifications:

-  Net Zero Carbon office portfolio, eight years ahead of its 2030 target, as certified by the Climate Active Carbon Neutral building standard
-  Average Green Building Council of Australia 6 Star Green Star Performance rating across its office portfolio
-  Leader in the NABERS Sustainable Portfolios Index 2023 and nationally ranked first for NABERS Waste and fourth for NABERS Energy and Indoor Environment
-  International WELL Building Institute (IWBI) Health Safety ratings achieved across its office portfolio
-  Dual Global Sector Leader in the 2022 Global Real Estate Sustainability Benchmark (GRESB) for both our investment portfolio and development projects

Our certifications speak for themselves[†]



435 Bourke Street, Melbourne, VIC
Designed to feature one of the world's first solar skin facades



83 Pirie Street, Adelaide, SA
Delivered as one of Australia's first all-electric office towers



720 Bourke Street, Melbourne, VIC
Achieved IWBI Platinum WELL v2 pilot certification

* Cbus Property Pty Ltd is a wholly owned entity of Cbus Super and is responsible for the development and management of a portfolio of Cbus Super's property investments. Cbus Property investments are part of the property asset class in the High Growth, Growth Plus, Growth, Conservative Growth, Conservative and Property investment options.

† Refers to portfolio ratings for Cbus Property's office portfolio (not ratings for individual buildings held in the portfolio). The Green Star logo refers to a Green Star Performance Portfolio rating for Cbus Property's office portfolio, which contains seven out of eight buildings that have achieved a 6 Star Green Star Performance rating.

Changes to Cbus Super insurance product and premiums



On 26 August 2023, the cost of death and total and permanent disablement (TPD) cover under Cbus Industry Super has changed. While most members will see a decrease in costs, an increase is unavoidable for some members. The changes will depend on the member's age, occupation category and the type of cover.

Protecting those who need it most

The building and construction sector has the third highest number of fatalities in Australia*. That's why Cbus Super provides tailored insurance options to suit a range of jobs as well as cover dangerous occupations and younger members with comprehensive terms.

Over the last three years to 30 June 2023, we've accepted 97.6% of all claims made, including 96.6% of TPD claims, which is higher than the super industry average of 87%†.

We negotiate with our insurer carefully each year to ensure we're getting the best value cover we can and this year, the cost of death and TPD cover has changed.

Weekly cost per unit of cover

The table below shows how much one unit of cover will cost. You can also see how much this will go up or down by.

Age band	Manual		Electech		Non-manual and professional	
	Death	TPD	Death	TPD	Death	TPD
15-24	\$1.05 (↓\$0.19)	\$0.75 (↓\$1.13)	\$0.74 (↓\$0.19)	\$0.52 (↓\$0.77)	\$0.62 (↓\$0.34)	\$0.28 (↓\$0.60)
25-34	\$1.13 (↓\$0.25)	\$1.68 (↓\$0.47)	\$0.82 (↓\$0.20)	\$1.18 (↓\$0.29)	\$0.67 (↓\$0.44)	\$0.68 (↓\$0.36)
35-49	\$1.51 (↓\$0.02)	\$2.33 (↓\$0.02)	\$1.34 (↓\$0.06)	\$1.92 (↓\$0.02)	\$1.15 (↓\$0.33)	\$1.35 (↓\$0.02)
50+	\$2.06 (↑\$0.17)	\$2.80 (↑\$0.23)	\$1.76 (↑\$0.14)	\$2.35 (↑\$0.19)	\$1.73 (↓\$0.02)	\$1.67 (↑\$0.12)

Other product changes

On 26 August 2023, we made some changes to enhance our insurance product by:

- increasing the maximum cover for TPD from \$2 million to \$3 million;
- removing the TPD offset requirement so a member's TPD cover will not be reduced if they have external TPD cover; and
- removing the multiple of salary restriction for members in the Non-manual and Professional occupation categories so they can now apply for increased TPD cover.

Encourage your employees to check their insurance cover

These changes have been applied automatically so members don't have to do anything. They can check the cost of their cover by logging into their Cbus Super account at cbussuper.com.au/login or access the Cbus app.



If your employees need help or advice about their super, we're available on **1300 361 786** weekdays from 8am-8pm (AEST/AEDT).

* Source: Safe Work Australia – Work-related Traumatic Injury Fatalities, Australia 2021 (published November 2022)

† Source: APRA Statistics – Life insurance claims and dispute statistics Dec 2022 (issued 18 April 2023)

Insurance is issued under a group policy with our insurer, TAL Life Limited ABN 70 050 109 450, AFSL 237848

Welcome to EISS Super members and employers

We successfully completed the merger with EISS Super on 12 May 2023 and we're delighted to welcome former EISS Super members and employers to Cbus Super.

The merger established Cbus Super as the leading fund for energy and electrical workers in Australia.

The merger follows extensive due diligence and planning, to deliver benefits for both Cbus Super and former EISS Super members – your employees – which includes developing new defined benefit products for the former members.

We're committed to providing our members with ongoing personalised, in-person support, which means members will continue to receive the same level of service they experienced with EISS Super.

Through strong long-term returns, competitive fees, and investing back into the sectors where our members work, we'll continue to help members' hard work pay off in retirement.



Our dedicated merger webpage – cbussuper.com.au/eiss – is available to help members and employers with any questions about the merger.

Cbus Super welcomes payday super legislation

The Federal Government recently announced a key super reform that from 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages.

Cbus Super has been a long-standing advocate for our members on the issue of unpaid super and we welcome the announcement.

More frequent super payments will ensure that super (or superannuation) contributions can be allocated and invested as soon as possible, creating better retirement outcomes for our members.



Under current laws you need to pay your employees' super at least every three months. Many Cbus Super employers already pay super on a monthly basis and we will work closely with employers to ensure the payday super change is a smooth one.

We believe the majority of businesses do the right thing by paying their employees in full and on time. However, the issue of unpaid super is not just a problem for employees – it can also have an impact on competition. Businesses may be disadvantaged if their competitors don't do the right thing and pay their employees' super. Fixing the issue of unpaid superannuation would create a fairer business environment for the majority of employers who are compliant with their superannuation requirements.



Keeping you informed

Strengthening relationships in Queensland with our new Townsville office

Cbus Super's new Townsville office officially opened in July this year, making Cbus Super the only fund to have an office and local Coordinators in the north Queensland region.

Cbus Super has a strong presence among workers in the energy and electrical sector, which has been further strengthened by our recent merger with EISS Super.

Establishing the Townsville office signals our commitment to Queensland and energy and electrical workers across Australia. Two Townsville-based Coordinators will be on hand to provide face-to-face support for our Cbus members – in the new office, at their worksites or in members' homes across the region.



Left to right: Cbus Super Deputy CEO and Chief Member Officer Marianne Walker, Coordinator Andrew Clark, Board Chair Hon Wayne Swan and Coordinator Wal Giordani.

Help us help you

Sometimes we need to get in touch with important updates but we don't always have your latest contact details.



Your contact details can be updated online at cbussuper.com.au/employer-login or give us a call on **1300 361 784**.

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 about Cbus Super. It doesn't account for your specific needs. Please consider your financial position, objectives and requirements before making financial decisions. Read the Employer Handbook, relevant Product Disclosure Statement (PDS) and Target Market Determination to decide if Cbus Super is right for you. Call **1300 361 784** or visit cbussuper.com.au

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)