Cbus - Cash

Author: Alex Warren **Published:** 01 Apr 2026

Data is provided by the manager at 30 Jun 2025, and currency in AUD, unless otherwise stated

Recommended

Refer to glossary for definition of the rating

Product Review

About this Product

Benchmark	RBA Cash Rate
Product structure	Super Option
Product size	$1.78b
Inception date	Apr 2009
Asset class	Fixed Interest
Sector	Strategic Cash
Peer group	Superannuation
Rated peers	2

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Low
Tenure of Decision Makers	High
Complex (RG240)	No
Strategy Remaining Capacity	N/A
ESG Approach	No ESG Integration
Peer Relative Fees and Costs	Above median

Annual Fees and Costs (% p.a.)

Administration fees and costs	0.36
Investment fees and costs	0.04
Net Transaction Costs	0.00
Buy/Sell Spread	0.00/0.00
Annual fees and costs	**0.40**

Source: FE fundinfo, PDS Date: 01/Sep/2025

Product Opinion

The Option has maintained its '**Recommended**' rating at the latest review. This rating reflects confidence in the investment team, despite recent senior team departures, and the co-tenure of Aspey and Swan, who oversee the day-to-day operational responsibility of the Option.

The Option has faced challenges in meeting its RBA Cash Rate hurdle in recent periods, having previously also struggled against its 'CPI +' objective. Fees are considered high relative to outcomes, albeit with limited like-for-like peers. The Trustee has faced multiple adverse regulatory findings relating to governance and claims handling, with rectification programs ongoing. Board composition, particularly the limited investment management expertise across the IC, remains a weakness relative to peers. A series of senior departures, most recently CIO Brett Chatfield, have materially eroded co-tenure within the investment team.

Lonsec Rating Model

Rating key: ●●● Above ●●○ In-line ●○○ Below

Factor	Peer Rating	YoY Score Change
Business	●●○	—
Team	●●●	—
Process	●●●	—
ESG	●○○	↓
Product	●●●	—
Fees	●○○	↓
Performance	●●○	—

Allocation Profile

Core	■	
Satellite		
	Low Complexity	High Complexity

Return Profile

Income	■	
Capital		
	Defensive	Growth

Strengths

- The Option is considered low risk and highly liquid, without the additional complexity associated with the enhancements seen in some peer cash products.
- Well resourced and experienced senior members of the investment team.
- Multi-layered investment risk management process with good 'look-through' visibility into underlying exposures.

Weaknesses

- Given the cash rate objective, the Option's fee is considered to be relatively high.
- The Option faced challenges meeting its historical CPI+ objective through periods of low cash rates, though has since delivered improved outcomes relative to its RBA Cash Rate objective.
- The Trustee has faced adverse regulatory findings relating to governance and claims handling, with rectification efforts ongoing.

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Key Facts

Key Objectives

Investment objective	Deliver a return aligned with the RBA cash rate after fees and adjusted for implied super tax
Internal return objective	Modestly above the Bloomberg AusBond Bank Bill Index (after adjusting for tax and fees)
Internal risk objective	N/A

Asset Allocation (%) (as at 31/12/2025)

Cash	100.00
Total	**100.00**

Source: FE fundinfo

Rating History

28-Apr-2025	Recommended
29-May-2024	Recommended
20-Apr-2023	Recommended

Top 10 Holdings (as at 31/12/2025)

	Weight (%)
AUSTRALIA & NEW ZEALAND BANKING GROUP	60.6%
COMMONWEALTH BANK OF AUSTRALIA	8.9%
NATIONAL AUSTRALIA BANK	8.4%
WESTPAC BANKING CORPORATION	8.0%
BENDIGO & ADELAIDE BANK	4.4%
BANK OF QUEENSLAND	2.6%
MUFG BANK LTD SYDNEY	2.2%
SUNCORP GROUP	1.4%
DBS BANK	0.9%

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/12/2025

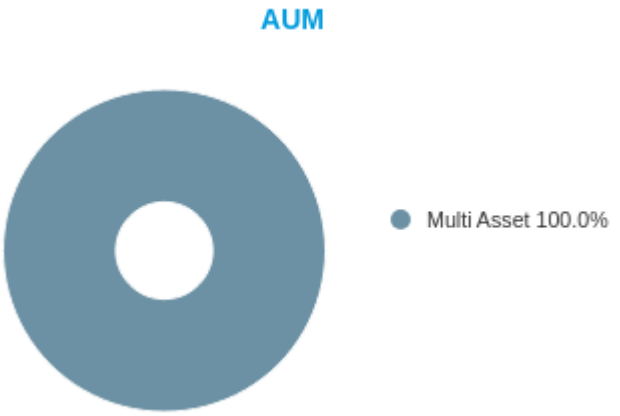
	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	3.81	-	4.01	-	3.89	-	2.61	-
Standard deviation	0.10	-	0.10	-	0.12	-	0.49	-
Excess return (% p.a)	-0.07	-	-0.10	-	-0.14	-	-0.07	-
Outperformance ratio (% p.a)	16.67	-	12.50	-	11.11	-	33.33	-
Worst drawdown (%)	0.00	-	0.00	-	0.00	-	-0.03	-
Time to recovery (mths)	-		-		-		2	
Sharpe ratio	-1.70	-	-2.23	-	-1.81	-	-0.20	-
Information ratio	-1.07	-	-2.10	-	-2.78	-	-1.31	-
Tracking error (% p.a)	0.06	-	0.05	-	0.05	-	0.05	-

Lonsec Peer Group: Fixed Interest - Strategic Cash - Superannuation
Product Benchmark: RBA Cash Rate
Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business

Facts

Fund Name	Construction and Building Unions Superannuation (Cbus)
Fund ABN	75 493 363 262
Inception Date	Jul 1984
RSE licensee profit status	Not For Profit
Membership	929,000



Governance

% Independent board members	14
% Female board members	29
Independent chair	Yes
CEO as Chair	No
Separate Audit Committee	Yes

Metrics

Total AUM	$105.0b
Investment Management Headcount	889
Investment Professionals	102
Sales & Service	175

Who is the Manager?

CBUS ('the Fund') is a large 'not for profit' industry superannuation fund, managing over $109bn in retirement savings for ~930,000 members as at 31 December 2025. The Fund operates a hybrid investment model and continues to grow its internal management capability, with approximately 37% of funds under management ('FUM') managed internally (52% including related parties). Reflecting its construction-industry roots, CBUS has developed particular expertise in real assets dating back to its inception in 1984. The Fund employs 978 individuals, 106 of whom form the investment team.

Lonsec Opinion

Profitability

The Fund is considered a leading Australian provider of superannuation services and is one of the largest funds in the superannuation industry. With the current levels of FUM (~109bn), the Fund is considered to have sufficient scale to benefit members in terms of lower costs and reinvestment in member services.

Business Track record

CBUS was initially established in 1984 for the building and construction industry. The Fund has since broadened its reach through M&A and now services members from other industries, such as the media and energy sectors. The Fund has grown its FUM sustainably since inception and has made key/successful acquisitions since the YFYS reforms. The Fund has a proven long-term track record of managing multi-asset portfolios with noted local expertise in real estate assets through its subsidiary, CBUS Property Pty Ltd.

Business Ownership

The Fund operates on a profit-for-members structure, with members and sponsors owning the Fund. This structure is well aligned with the long-term focus of providing retirement benefits to members and acting in their best interests.

Business Governance

CBUS's governance framework continues to face regulatory scrutiny, though remediation efforts continue. Following several adverse regulatory findings, CBUS has entered into a Court Enforceable Undertaking (CEU) with APRA addressing operational risk management and claims handling, with death benefit payment policies revised and independently reviewed. An APRA-approved rectification plan is underway following Deloitte's 2024 review of Additional License Conditions, which identified deficiencies in director skills and succession processes as well as partnership expenditure oversight. The Board comprises 14 members with two independent Directors and an independent Chair. While composition has improved, with sponsor organisations demonstrating greater awareness of appointee skill requirements, independence remains below peers. The IC consists of seven Board Directors, with six sponsor-appointed and one independent. The limited depth of direct investment management experience across the IC limits the committee's oversight capacity and is considered a relative weakness, particularly given the portfolios' complexity. Despite meaningful progress, material governance concerns persist and outcomes will continue to be closely monitored.

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Team

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Leigh Gavin	CIO	No	2023	26/2	9
Justin Pascoe	Strategy lead	No	2024	36/2	26
Linda Cunningham	Portfolio management	No	2016	39/9	31
Michael Swan	Portfolio management	Yes	2017	36/8	31
Gareth Apsey	Portfolio management	Yes	2018	27/7	20

KDM Change*

	Function	Change	Type	Tenure (yrs)	Date of change
Leigh Gavin (Promotion)	CIO	Joined	Internal	2	30/04/2025
Brett Chatfield	CIO	Departed	Exit	12	30/04/2025
Leigh Gavin (Promotion)	Deputy CIO	Joined	Internal	1	01/02/2025
Justin Pascoe	Head of Portfolio Construction	Joined	New	<1	05/08/2024
Alexandra Campbell	Deputy CIO	Departed	Exit	3	01/05/2024
Mark Ferguson	Head of Total Portfolio Management	Departed	Exit	3	01/04/2024
Leigh Gavin	Head of Portfolio Strategies	Joined	New	<1	01/10/2023
Brett Chatfield (Promotion)	CIO	Joined	Internal	12	01/06/2023
Kristian Fok (Promotion)	CEO	Joined	Internal	12	01/06/2023

* Last 3 years

Profile

Size	5
Structure	Centralised
Turnover	Medium

Alignment

Performance-Based bonus	Yes

Resources

	Number	Average Years Experience
Key decision makers	6	25
Portfolio Managers	27	23
Hybrid portfolio manager/ analysts		
Dedicated analysts	34	13
Dedicated dealers	3	13
Quantitative	12	7
ESG/Sustainability	9	14
Macro	8	11
Investment Specialists	3	24

Who is the Team?

The investment team is led by Leigh Gavin, who was promoted to the position following the departure of Brett Chatfield in April 2025. Gavin joined the Fund in 2023 as Head of Portfolio Strategies, before being appointed as Deputy CIO in February 2025. Before joining CBUS, Gavin held senior investment roles across the superannuation and consulting sectors, including five years as CIO of LUCRF Super ($7.4b fund acquired by AustralianSuper), two years as Head of Investment Model Design at AustralianSuper, and 14 years as a Consultant at Frontier Advisors ('Frontier'). While the Deputy CIO position will be dissolved, Gavin is assisted by Justin Pascoe (Head of Portfolio Construction and Execution), Jordan Kraiten (Head of Private Markets), Jess O'Brien (Head of Strategy & Portfolio Performance), Myooran Mahalingam (Head of Equity Manager Selection & Portfolio Construction), Matt Kempton (Head of Equity Strategies), Linda Cunningham (Head of Debt and Alts) and Rosalind McKay (Head of Responsible Investment). Despite increased high-level turnover in recent years, Gavin remains supported by well-credentialled sector 'Heads of', recently bolstered by the appointment of Justin Pascoe, a previous CIO at VFMC.

The Investment Committee ('IC'), chaired by Stephen Dunne, consists of seven voting members and two observers. Given the limited investment management experience across the IC, the committee relies heavily on the investment leadership team for investment advice.

The day-to-day operational responsibility of the Option rests jointly with Michael Swan (Senior Portfolio Manager, Fixed Interest & Cash) and Gareth Apsey (Head of Rates and Liquid Credit).

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Team *(continued)*

Lonsec Opinion

Skill

Swan and Apsey bring over 20 years of industry co-tenure, having managed multiple cash and fixed income portfolios across a range of global and domestic investment managers. Beyond their core fixed income and cash responsibilities, both support Linda Cunningham across liquid credit, with Anne Moal and James Kirk focusing on alternative growth sectors.

The Board has delegated responsibility to the IC for implementing the Fund's Investment Governance Framework, encompassing the development, selection, management, and monitoring of the Fund's investments and strategies. Stephen Dunne's involvement is considered positive and significantly bolsters the investment experience residing within the committee.

Team Size

The investment team comprises 102 professionals and is structured across a mix of asset classes and strategies. The significant growth in staff numbers in recent years reflects the continued internalisation of roles previously outsourced, with hires targeted deliberately following Investment Strategy Reviews that assessed the resource requirements of the Fund.

The team operates a hybrid model, with approximately 37% of FUM internally managed as at 31 December 2025 and a target of approximately 50% by 2028, with no intention to fully internalise. Internalisation is not without risk, and beyond the operational and execution risks associated with building internal capabilities, internally managed assets introduce structural complexities that differ meaningfully from external management. These include the relative difficulty of unwinding internal teams compared to terminating an external manager mandate, and the ongoing challenges of maintaining culture, organisational cohesion, and rigorous risk and governance oversight as the team scales. CBUS has managed these challenges effectively to date.

The Option is currently managed entirely in-house by a dedicated team of two portfolio managers. Given the relatively straightforward nature of the strategy, the current resourcing is considered sufficient.

Track Record/Co-Tenure

Swan and Apsey bring a demonstrable track record across multiple market cycles, complemented by a high level of co-tenure, having worked together for 15 years across their current and prior roles.

Alignment

The alignment of interests between the Option and investment team is in line with peers and the Fund's 'not for profit' philosophy. The investment team largely has its own superannuation invested in the Fund, and a select number of roles now participate in a variable pay program, with total reward incentives ranging from 0-60%. The Fund has been proactive in developing its remuneration policies and strategies, which is an important consideration given the scale of internalisation underway and the subsequent need to attract and retain talent while maintaining a cohesive culture.

Key Person Risk

Given the assets managed in the Option are relatively vanilla, key person risk associated with Aspey and Swan is considered low.

IC chair, Stephen Dunne, brings more than 25 years of investment experience and, given the committee's reliance on his expertise to compensate for the broader lack of investment management experience, represents a meaningful source of key person risk at the governance level.

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Process

What is the Investment Process?

The Option is designed to provide a very low-risk exposure to cash investments, deliberately designed to be a 'pure' cash product that does not employ extensive enhancements. As a result, the Option may periodically underperform peer cash options that incorporate greater exposure to 'enhanced' cash strategies. The Option is managed entirely in-house with no external managers, with FUM split equally between Cbus's internal cash portfolio and an ANZ bank account.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Style	Semi-active
Sector Exposure	Money market
Available Universe	Australian cash

The Option is a 100% defensive option that invests in a range of Australian cash and money market securities. CBUS manages the Option with the intent to invest in highly liquid securities, maintaining appropriate diversification and positioning the portfolio in line with its stated objectives. The Option will tend to have a modified duration of <0.1 years and will achieve this exposure via a mix of term deposits (TD), negotiable certificates of deposit (NCD), floating rate notes (FRN) and cash. Credit quality will generally range from BBB to AA, with cash being unrated.

Research Process

Idea generation	Systematic framework with a qualitative overlay.
Managers actively tracked	N/A
External consultant	N/A

The Option is reliant on the Fund's credit analysts and portfolio managers' expertise when selecting appropriate securities for the internal cash portfolio. The Fund can draw on research conducted internally by credit teams, which assess the quality of securities/issuers, forecast short-term interest rates, and determine relative value within the market. As a result of this research, the portfolio is currently positioned with an at-call ANZ account, benefiting from an advantageous retail look-through margin and high liquidity. Within the remainder of the portfolio, major bank Negotiable Certificate of Deposits (NCDs) form the largest exposure, favoured for their liquidity, while Term Deposits (TDs) with A-1+/A-1 rated issuers and A-2 NCDs are selectively used for yield enhancement. Exposure to Floating Rate Notes (FRNs) is deliberately minimised given the current margin environment.

The level of research underpinning the management of the Option is considered adequate, with the use of internal tools and proprietary thinking for portfolio construction regarded as ahead of some cash peers.

Process *(continued)*

Portfolio Construction

Portfolio decision making	PM based
Approach to benchmark	Benchmark Aware
Use of mandates	No

Investment management of the Option is currently solely the responsibility of the internal investment team, following the removal of the last external manager in April 2021. CBUS places a high priority on maintaining a high level of liquidity and low risk to achieve the desired risk/return objective.

The Option generally maintains a 50/50 strategic allocation between an internal CBUS Operational Cash portfolio and an ANZ bank account. The ANZ bank account allows for 'look-through' at the member level, resulting in retail-like interest rates for the allocation.

APRA issued guidance to all Registrable Superannuation Entity (RSE) Licensees in June 2018 outlining its expectation that cash options should align with APRA's definition of cash under Superannuation Reporting Standard 530. The Fund viewed this statement positively as the Option is designed to be low risk and highly liquid.

Capacity Management

Capacity is currently not a concern given the asset class, investment approach and wide investable universe.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	BarraOne
Security / issuer limit (min./max)	20% - 35%
Country Limits (Min./Max.)	Australian securities only
Cash Allocation (Typical, Max.)	100%, 100%

At the broad level, the Fund's scenario/risk analysis process ensures the Option is not overly exposed in any one macro scenario. Research and systems are used to examine the style, sector and country exposure characteristics of the sector portfolios and blend managers. CBUS has an extensive risk management framework that incorporates due diligence, liquidity, counterparty risk and valuation policies.

The Investment Team fulfils its operational risk management responsibilities with the support of the Forum for Operational Risk Management (FORM). CBUS also has a Forum for Investment Risk Management (FIRM) to provide a dedicated management group focused on the key investment material risks, and endorse recommended actions to the Risk Committee and/or Investment Committee.

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ESG

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	General Sustainability or Impact
Non-financial objective	None

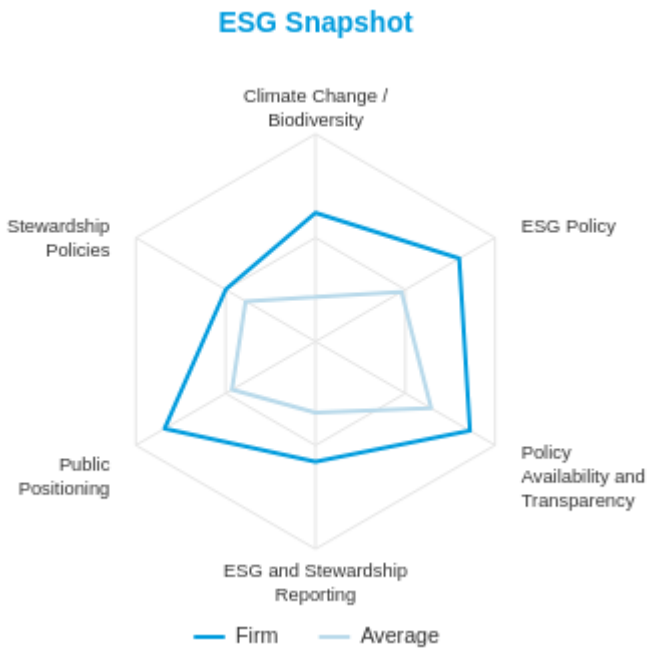
What is the Manager's ESG approach for this product?

The Fund has indicated that their Responsible Investment style is "ESG Integration" and as such, they consider Environmental, Social and Governance factors when assessing investment opportunities. With a primary ESG style of "Risk or Value", Funds will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result, this approach may mean that lower-quality ESG companies are included if the return potential is sufficient, which may conflict with some clients' perception of what a strong ESG process would deliver.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	High



Manager Level Approach

The Fund's overall ESG policy framework and disclosure are ahead of its peers. The Fund is committed to integrating ESG in the investment process with clear evidence of public positioning and a robust policy framework. The responsible investing, proxy voting and engagement policies are available on the firm's website. The proxy voting framework and reporting are in line with peers, supported by a fair framework with publicly available reporting. While the engagement policy provides a robust framework, reporting on engagement outcomes primarily focuses on equity investments.

Product Level Approach

While there may be elements of ESG integration undertaken in underlying asset classes, there is no clear ESG structure at the overall portfolio level, minimum ESG requirements for underlying assets, or required styles of ESG integration. The Fund incorporates climate risk into their capital market assumptions for this product. The Fund applies screens at the overall portfolio level and performs some look-through monitoring. The Fund has a strong overall ESG element in their manager selection process. Managers must adhere to minimum ESG-based investment standards. Documentation requirements are appropriate. There is ongoing monitoring of the policies of sub-managers. Ongoing monitoring of the portfolios of the underlying managers is performed. Proxy voting is retained by the Fund, which ensures that voting is consistent with CBUS policies and values.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such, an alignment review for the product is not required thus the product's risk of misalignment has been assessed as N/A.

Product

Service Providers

Registrable Superannuation Entity	Construction and Building Unions Superannuation (Cbus)
Custodian	J.P. Morgan
Administrator	MUFG
Fund Auditor	Ernst & Young, PricewaterhouseCoopers
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	$1.78b
Fund 12-month net flows	Positive
Buy/sell spreads	0.00%/0.00%
Net transaction costs	0.00
Product type	Registrable Superannuation Entity
Currency hedged	N/A
Use of derivatives	Yes

What is the Product Structure?

The Fund is a registrable superannuation entity (RSE) for which United Super Pty Ltd is the issuer and the Trustee. APRA regulates the trustees of superannuation funds who are required to act in the best interest of their members. Assets are held within a pooled, unitised superannuation trust structure, with unit pricing calculated at the Option level. The structure supports investment in both liquid and illiquid assets, with liquidity and valuation managed through established governance processes.

The Fund internally manages over 37% of its assets, with the remainder managed by external managers.

The Fund is subject to the Federal Government's YFYS reforms, which came into effect on 1 July 2021. A key requirement for APRA under these reforms is to conduct an annual Performance Test, which aims to increase the transparency and accountability of superannuation funds, particularly concerning underperformance. Failure of the Performance Test can halt future contributions and lead to member outflows for the Option.

Lonsec Opinion

Service Providers

The Fund employs well-established and reputable service providers. The RSE is a related entity responsible for operating and managing the superannuation fund, holds an AFSL and is required to comply with its AFSL and RSE obligations as outlined under law and the APRA standards. APRA has not flagged any concerns with the RSE at the time of this review. Recent regulatory action taken against the Trustee in relation to claims handling has highlighted the operational risks inherent in outsourcing the administrator function, and the extent to which member outcomes remain the Trustee's responsibility regardless of the performance of third-party service providers. While there is no strong preference for internal versus outsourced administration, funds that manage this function internally retain greater direct control over member-facing processes and outcomes. The reliance on an external administrator is perceived to reduce operational risk but introduces greater governance risk that, while common among peers, requires robust reporting and oversight to mitigate.

Operational 'Red Flags'

The Option is straightforward in nature and does not present any material operational concerns.

Wind-up Risks

The total assets for superannuation products were $109bn as of 31 December 2025, indicating strong market support. Further, at the time of this report, the product has a healthy buffer against the Performance Test. As such, the windup risk is considered low.

Fees

Annual Fees and Costs (% p.a.)

Administration fees and costs	0.36
Investment fees and costs	0.04
Net Transaction Costs	0.00
Buy/Sell Spread	0.00/0.00
Annual fees and costs	**0.40**

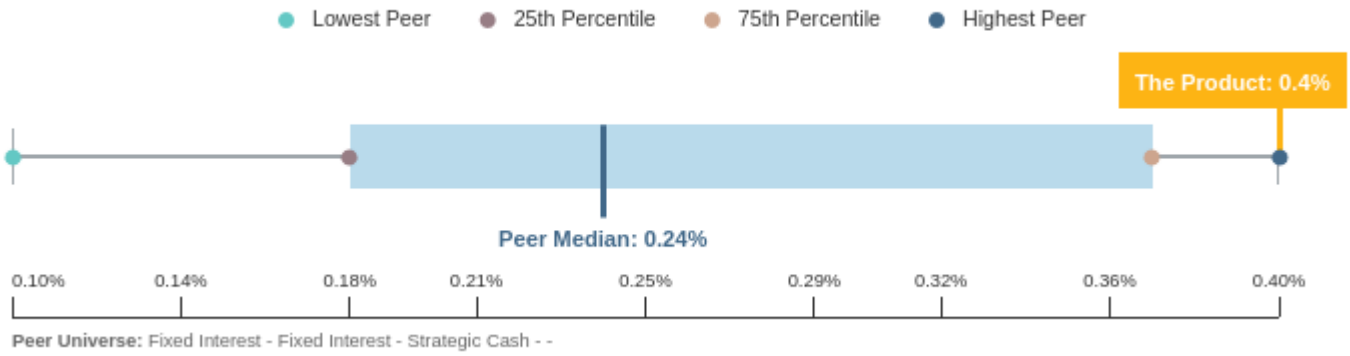
Source: FE fundinfo, PDS Date: 01/Sep/2025

Fees Explained

Fees for the Option are disclosed clearly and comprise investment fees, transaction costs and separate administration fees.

On a $50,000 account balance, total administration fees equate to approximately 0.364% p.a, which includes a flat fee of $52 p.a., 0.190% of account balances (up to $1,000 p.a.), and 0.070% deducted from Fund reserves. Where administration costs exceed member fees collected, CBUS meets these costs from reserves rather than deducting them directly from member balances.

Annual Fees and Costs Peer Comparison



Peer Universe: Fixed Interest - Fixed Interest - Strategic Cash - -

Lonsec Opinion

Annual Fees and Costs

The Option's absolute fee load (AFC of 0.404% p.a.) is considered high relative to the broader cash peer group. This is driven by the administration costs associated with superannuation products. Relative to its only superannuation peer, the Option is more expensive.

Fairness

The AFC is somewhat high given the investment objective and level of activeness.

Performance

Performance Summary

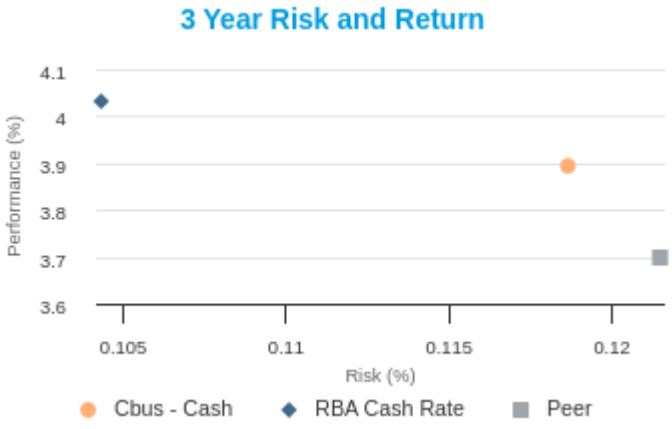
PDS return objective	Deliver a return aligned with the RBA cash rate after fees and adjusted for implied super tax
Internal return objective	Modestly above the Bloomberg AusBond Bank Bill Index (after adjusting for tax and fees)
Internal risk objective	N/A
Product benchmark	RBA Cash Rate
Lonsec peer group	Superannuation

Alpha Generation

Investors should note that prior to 31 January 2020, the Option's benchmark was changed from CPI+ 0.75% p.a. to the RBA Cash Rate adjusted for implied super tax. The Option's 5-year return to 31 December 2025 (2.61% p.a.) exceeded the RBA Cash rate when adjusted for the superannuation tax (15%) by 0.33% p.a.

The Option has outperformed its only superannuation peer over 3 years, as demonstrated by the risk/return graph.

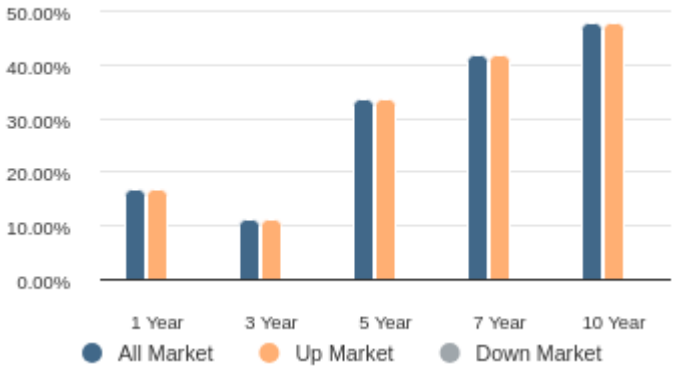




Alpha Consistency

The Fund has amended the return target in recent times from a CPI plus 0.75% objective to an “aligned with the RBA Cash Rate” objective. While noting the Option has consistently been challenged in meeting the ‘CPI plus’ hurdle, we acknowledge the difficulties in achieving it due to very low cash rates. The Option's performance relative to its RBA Cash Rate (adjusted for super tax) objective has been more consistent.



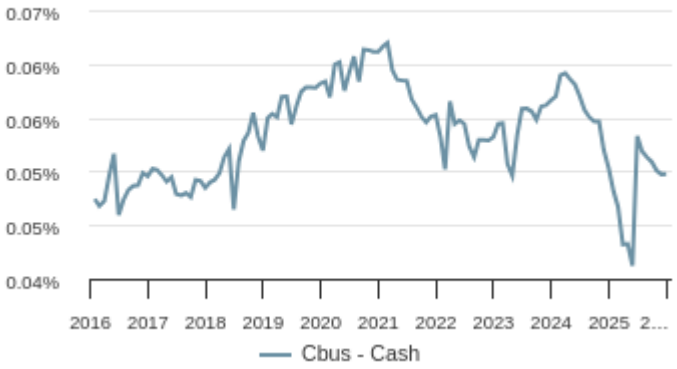


Performance *(continued)*

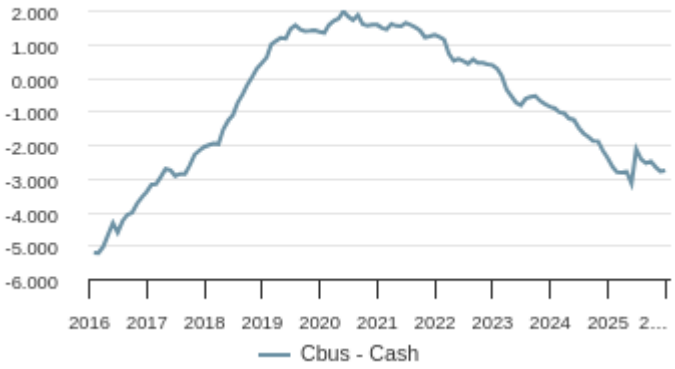
Benchmark Relativity

The Option's tracking error, a measure of activeness, versus the RBA Cash Rate is low given it is not intended to provide a highly 'active' exposure to cash.

3 Year Rolling Tracking Error Over 10 Years



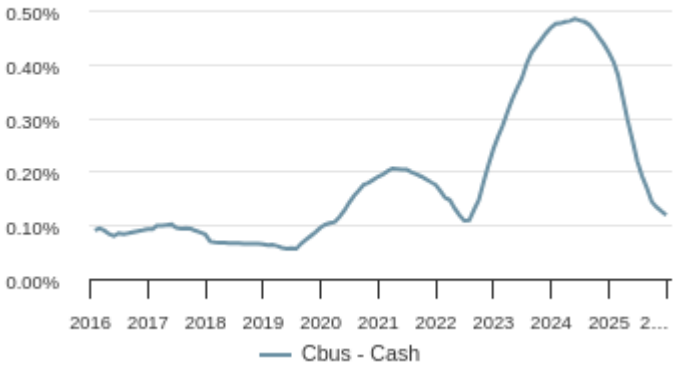
3 Year Rolling Information Ratio Over 10 Years



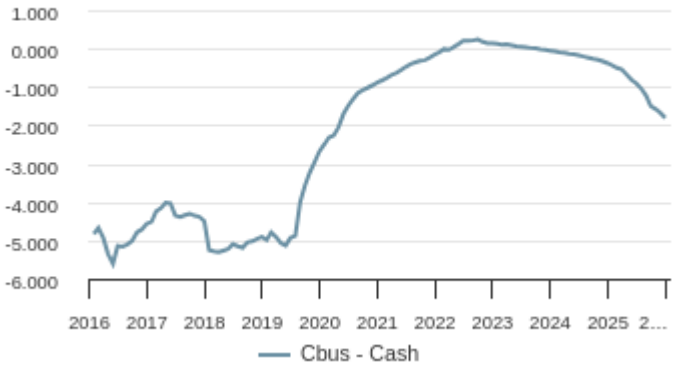
Return Volatility

The Option's three-year rolling volatility has been low over the long term, albeit with a notable spike in the recent period.

3 Year Rolling Standard Deviation Over 10 Years



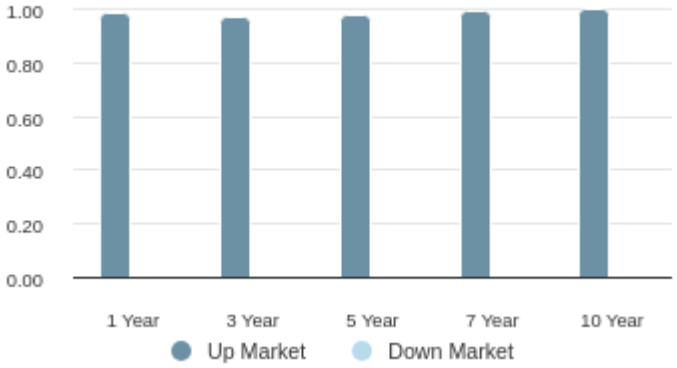
3 Year Rolling Sharpe Over 10 Years



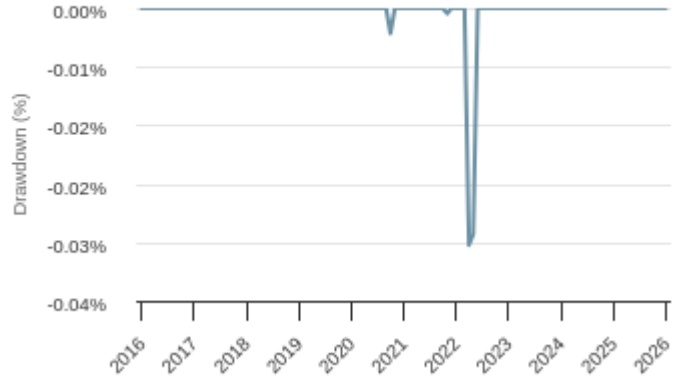
Product Defensiveness

The Option's worst drawdowns have been reasonable through time.

Market Capture Ratio



Drawdowns



Ratings

'**Highly Recommended'** rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.
'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.
'**Investment Grade'** rating indicates that Lonsec has conviction the product can meet its investment objectives.
'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.
'**Not -Approved'** rating indicates that Lonsec does not believe the product can meet its investment objectives.
'**Closed / Wind Up'** status is applied when the product has been closed.
'**Fund Watch'** status is applied when a rating is under review due to the occurrence of a significant event relating to the product.
The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.
The '**Screened Out'** rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.
'**Discontinued Review'** status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.
The '**Ceased Coverage'** status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.
ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.
ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.
Excess return: Return in excess of the benchmark return.
Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).
Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.
Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.
Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.
Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.
Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.
Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.
Standard deviation: Volatility of monthly Absolute Returns.
Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.
Time to recovery: The number of months taken to recover the Worst Drawdown.
Total return: 'Top line' actual return, after fees.
Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).
Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Lonsec Research FSG

Financial Services Guide

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

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Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

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- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
  - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
  - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

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Lonsec Research FSG (continued)

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Complaints Manager
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:
Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail:
Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.