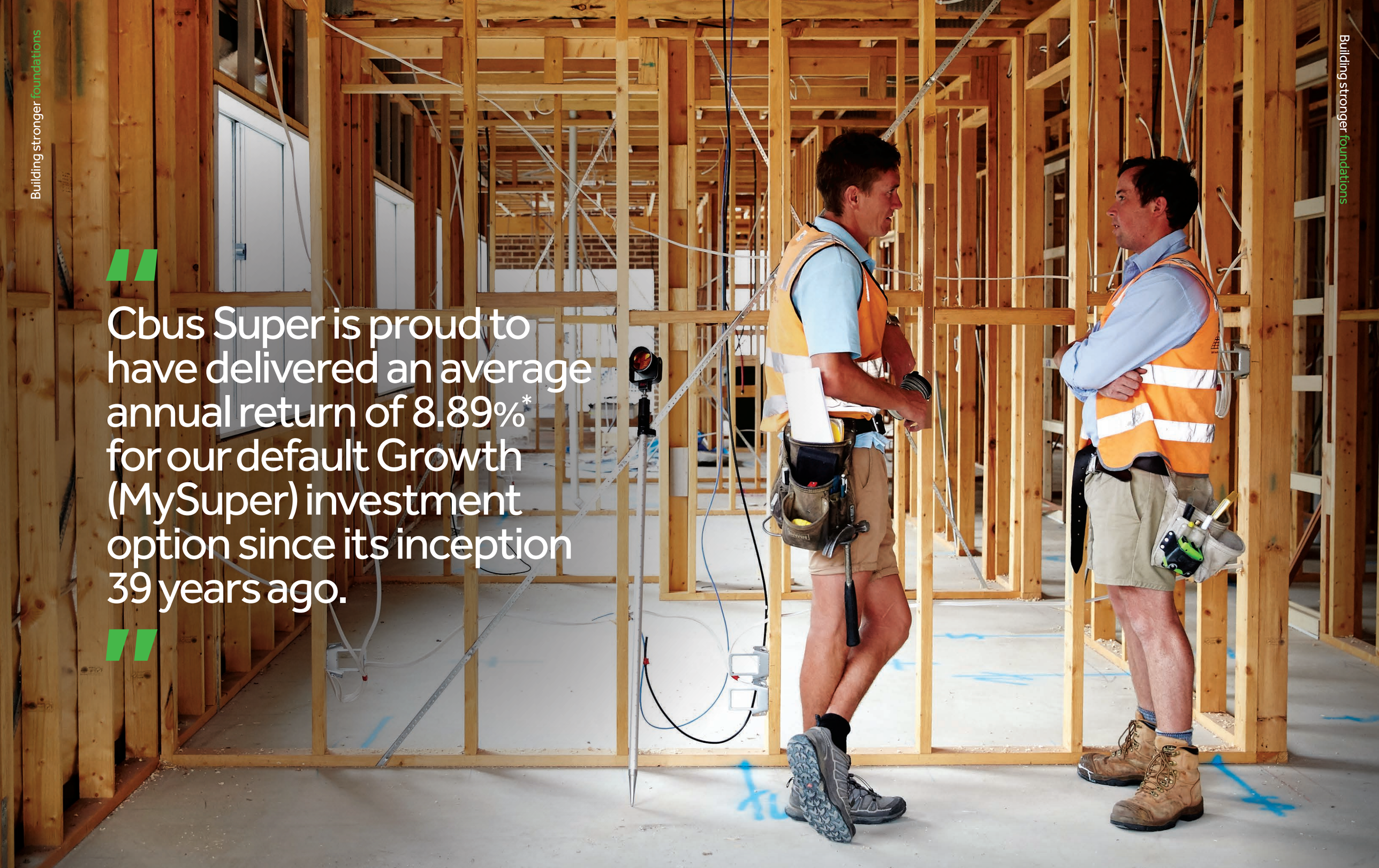


cbus super

Building stronger foundations

ANNUAL INTEGRATED REPORT 2023

Building stronger foundations



“Cbus Super is proud to have delivered an average annual return of 8.89%* for our default Growth (MySuper) investment option since its inception 39 years ago.”

* As at 30 June 2023. The return 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 member's account. Past performance is not a reliable indicator of future performance.

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This Cbus Annual Integrated Report is issued by United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as trustee for the Construction and Building Unions Superannuation Fund (also referred to as Cbus Super/Cbus) ABN 75 493 363 262 offering Cbus and Media Super products (Cbus, Cbus Super and/or Media Super).

This information is about Cbus and 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 Product Disclosure Statement (PDS) and the relevant Target Market Determination to decide whether Cbus is right for you. These documents are available on our website or by calling us. Please phone 1300 361 784 or visit cbussuper.com.au for a copy. We work hard to ensure that all information contained in this report was correct as at 3 November 2023.

The Trustee, Cbus or our advisers don't accept responsibility for any error or misprint, or for any person who acts on the information in this report. Past performance isn't a reliable indicator of future performance. Any case studies we've provided are for illustration only. All quotes included from members or employers express the views of those individuals. The use of 'us', 'we', 'our' or 'the Trustee' is a reference to United Super Pty Ltd. Use of 'Fund' refers to Cbus Super Fund, which offers Cbus and Media Super products. Cbus Property Pty Ltd (referred to as Cbus Property) is a wholly owned entity of United Super Pty Ltd as Trustee for the Construction and Building Unions Superannuation Fund and is responsible for the development and management of a portfolio of Cbus Super's property investments. Insurance is issued under a group policy with our insurer, TAL Life Limited ABN 70 050 109 450 AFSL 237848.

All figures stated are as at 30 June 2023 unless otherwise stated.

Crediting Rates

When we talk about returns in our reports we use crediting rates. All figures stated are as at 30 June 2023. Our investment option returns are based on the crediting rate, which is the return minus investment fees and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. The inception date for the Growth (MySuper) investment option is 1 July 1984. Past performance isn't a reliable indicator of future performance.

Our reporting suite

Our Annual Integrated Report is produced in accordance with the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework. It is a concise communication about how our strategy, governance, performance and prospects create value for our members and other stakeholders.

It focuses on the issues that matter for our stakeholders and looks at how we manage risk and make investment decisions. It reviews developments and achievements at Cbus over the last 12 months, while explaining how we view, and are strategically responding to, our operating environment to create value over the short, medium and long term.

Our Strategic Pillars*

Throughout the Report we use these icons to represent the Strategic Pillars of our strategy.

Strong long-term returns

Service and product

Operating efficiency and resilience

* In FY24 we reset our strategy. For further detail refer to Strategy Reset section beginning on page 30.

Our Six Capitals

Throughout the report we use the following icons to highlight where we use, transform or produce the six Integrated Reporting Capitals:

Financial Capital Funds available to Cbus.

Intellectual Capital Our systems and processes.

Human Capital Our people.

Social and Relationship Capital Our partnerships and networks.

Natural Capital The earth's resources.

Manufactured Capital Our buildings and infrastructure.

Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) were launched in 2015 and are focused on creating a world with peace and prosperity for people and the planet, both now and in the future. The 17 SDGs can be expanded to 169 underlying targets, all aimed at reducing poverty or addressing the barriers that prevent the creation of a sustainable world without poverty.

We believe that we make a contribution to the following Sustainable Development Goals:

Gender equality
Achieve gender equality and empower all women and girls.

Affordable & clean energy
Ensure access to affordable, reliable, sustainable and modern energy for all.

Decent work & economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Industry, innovation & infrastructure
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Sustainable cities and communities
Make cities and human settlements inclusive, safe, resilient and sustainable.

Responsible consumption and production
Reduce waste generation through prevention, reduction, recycling and reuse.

Climate action
Take urgent action to combat climate change and its impact.

Partnerships for the goals
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Further information on how we contribute to the SDGs can be found in our Responsible Investment Supplement.

Information on the SDGs can be found here: sdgs.un.org/goals



Online supplements

We have provided more detailed information about Cbus in our online supplements. This report and the supplements have been prepared with reference to the Global Reporting Initiative's Sustainability Reporting Standards (GRI Universal Standards 2021). Our Responsible Investment Supplement reports with reference to the Task Force on Climate-Related Financial Disclosure (TCFD 2021) recommendations.

Responsible Investment

Provides information about our approach to responsible investment, including our active involvement in **Environmental, Social and Governance (ESG)** issues, contributing to sustainable development and transitioning to a climate resilient economy. Prepared with reference to the **GRI Universal Standards 2021** and with reference to the TCFD 2021 recommendations.

cbussuper.com.au/responsible-investment-2023

Cbus Property Sustainability Report

Provides information on Cbus Property's approach to sustainability performance.

cbusproperty.com.au/sustainability-strategy

Annual Financial Statements

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Superannuation Industry (Supervision) ('SIS') Act 1993 and Regulations and the provisions of the Trust Deed.

cbussuper.com.au/annual-financial-statements-2023

Online Supplements

Our reports address the needs of our diverse stakeholders. The information we have provided reflects our commitment to operating with integrity and transparency. You can access the reports on our website.

cbussuper.com.au/aboutus/annualreport

Stakeholder Engagement and Materiality

Provides detail on our approach to engagement and how we determine what matters most to our stakeholders. The result of this engagement informs our value creation and assists in identifying the Fund's material issues. Prepared with reference to the **GRI Universal Standards 2021** and with reference to the TCFD 2021 recommendations.

cbussuper.com.au/engagement-materiality-2023

Governance

Provides additional information about the governance framework at Cbus and Cbus Property. Prepared with reference to the **GRI Universal Standards 2021.**

cbussuper.com.au/governance-framework-2023

GRI Standards Content Index

A table prepared with reference to the **GRI Universal Standards 2021.** We have reported where to locate the information linked to the standards within the Annual Integrated Report, Cbus Property Sustainability Report, our supplements and our website.

cbussuper.com.au /gri-standards-2023

KPMG

KPMG were engaged to provide limited assurance over the Cbus Annual Integrated Report pages 5 to 57 in accordance with the **International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework.** The assurance report is presented on pages 72 to 73.

KPMG

Building stronger foundations

Who we are

Cbus has been part of the Australian building and construction and related sectors for 39 years. We were formed in 1984 when construction and building workers, through their unions, won the right to superannuation. Many of our members don't talk about their "superannuation", they talk about their "Cbus" – because we belong to them.

AVERAGE MEMBER AGE

41

2021 – 39 | **2022** – 40

TOTAL MEMBERS WITH BALANCE

894,974 ↑ UP BY **5.86%**

2021 – 760,956 | **2022** – 845,414

NUMBER OF EMPLOYERS

235,085[1] ↑ UP BY **9.46%**

2021 – 171,305 | **2022** – 214,764

TOTAL FUNDS UNDER MANAGEMENT

$85.3b ↑ UP BY **20%**

2021 – $65.6b | **2022** – $70.9b

[1] The number of employers is calculated by totalling active employers, where an active employer is defined through an 18 month window.

Today we are one of Australia's largest industry super funds providing superannuation and retirement income stream accounts to 894,974 members and managing $85.3 billion of their money. We are the home of Media Super members, and this year we welcomed the energy sector members of EISS Super who joined us in May.

Our members are the foundation and future of our fund. They trust us to look after their retirement savings, investing them wisely and responsibly in diversified assets both here and abroad, with all profits going to them, not to shareholders.

We are a significant, long-term investor in the Australian economy. We invest back into our members' industries both directly and indirectly and via unique vehicles such as our wholly owned entity, Cbus Property.

We are a specialist fund, tailoring our products and services to meet the needs of the hard-working people who build, power, drive, mine and make things in Australia. We provide them with access to affordable personal insurance that provides them with financial protection even in dangerous occupations.

We provide face-to-face service and assistance to members on site, and in our offices located across the nation. We are committed to making our interaction with members and employers simple, timely and effective through better platforms and digital technology designed to meet their needs.

We provide advice and education to members to help them make informed decisions to create financial security for their retirement. We are driven by members' best financial interests to maximise their retirement outcomes.

The unions and associations representing our members and employers under the United Super Pty Ltd constitution are known as sponsoring organisations or sponsors. They are:

ACTU
Australian Council of Trade Unions

AMWU
Australian Manufacturing Workers' Union

AWU
Australian Workers Union

CEPU
Communication Electrical Plumbing Union

CFMEU
Construction, Forestry, Mining and Energy Union

MBA
Master Builders Australia

We also recognise the role played by our many and various industry partners, including:

AMWU
Print Division

ETU
Electrical Trade Union of Australia

MEAA
Media Entertainment and Arts Alliance

NECA
National Electrical and Communications Association

Print and Visual Communications Association

Screen Producers Australia

What makes us different

Our members are predominantly from the building and construction, energy and related sectors. A high proportion work in higher risk occupations which can lead to an earlier retirement due to injury or physical wear and tear. Their occupations also tend to be more itinerant in nature and are more at risk of unpaid super. These unique characteristics mean that it is critical we tailor our services, products and advocacy to meet their needs and maximise their retirement outcomes.

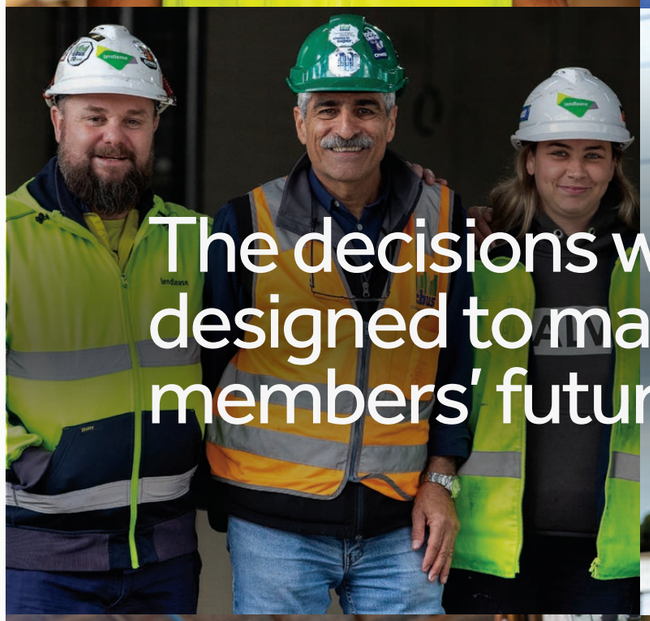
WE

- Are passionate about our members
- Know who we are and where we came from
- Maintain a specialist focus on our members' needs
- Understand and are active in our members' industries
- Have deep and trusted relationships with our sponsors and partners





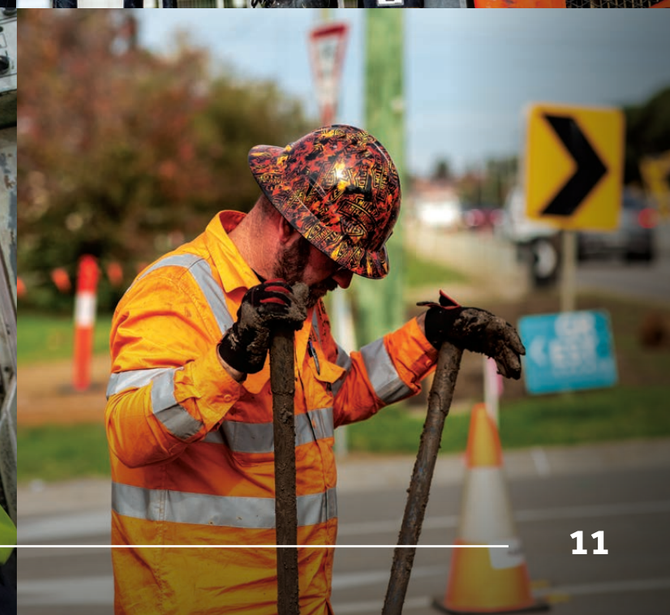






The decisions we make are designed to maximise our members' future outcomes.







> We are not only a pioneer in this space, but we are one of the top performing super funds over the long term in relation to member returns.

Message from the Chair



I am proud to be the Chair of a fund that is sending investment profits back to the hard working and often the lower paid workers of our nation.

As one of the first industry funds, Cbus has made history in providing better retirement outcomes for our members, outcomes they might not have otherwise enjoyed if superannuation didn't exist.

We are not only a pioneer in this space, but we are one of the top performing super funds over the long term in relation to member returns. And once again, it's gratifying to be able to report that we have maintained our status. As at June 30th 2023, we are in the top 3 performing funds over 20 years and that's a great position to be in as we lead into our 40th year[2].

There is no doubt that superannuation has made a huge difference to people's experiences in retirement, the difference between living on the breadline and a comfortable retirement.

The Board are aware of the work and life experience of our members. We know that many of them are forcibly retired due to ill-health or because they are not able to perform the physical work that's required of them in a tough industry. And we understand how important their retirement nest egg is to them.

Investment performance is always an area of focus for the Board and occupied considerable time last financial year. After a very tough year in 2022, we were pleased to achieve an 8.95% return for members, despite continued volatility in the markets which has characterised the last three years and is continuing.

The result is testament to the hard work of our investment teams and the foundation we have built through our last five-year investment strategy.

As a major fund, we also contribute to the wider discussion about the role super can play in strengthening the economy. Being a fund in the building industry, we have a keen interest in investing in housing for all Australia. We are also committed to investing in the energy transition and continue to explore these opportunities.

The Board is also focused on ensuring members receive the best support and services they need from their Fund. We play an important role in assisting members and their families through our insurance offer.

But we acknowledge that members have experienced unacceptably long delays in claims processing. We have committed ourselves to fixing this issue.

We are also keen to ensure that the Fund is structurally and organisationally strong to meet the challenges of the competitive environment we find ourselves in, by looking closely at our operations to see where we can make further service improvements.

It's been a year of change within the Fund. Justin Arter, who successfully led us through two mergers, stepped down from his role as CEO and the Board thank him for growing the fund under his tenure. In May we completed the merger with EISS Super and we welcome them to Cbus. We celebrate the appointment of Kristian Fok as CEO, Marianne Walker, Chief Member Officer as Deputy CEO and Brett Chatfield as our Chief Investment Officer.

Directors Frank O'Grady and Anne Donnellan left us last year and I want to thank them for their time on the Board and their significant contribution. And I welcome Abha Devasia and the return of Dave Noonan whose experience and knowledge add immeasurable value.

We won the Best Specialist Fund in the country for the 4th year in a row[3] which speaks to the success of our tailored products and services, the respect for our heritage and the influence of our sponsoring organisations.

We have an active and involved Board whose priority is good returns and optimum services and I look forward to a bright and exciting period for the Fund, where we can continue to deliver these for our members.

The Board acknowledges its responsibility for the content and integrity of this Annual Integrated Report. We considered an outline of the report at our August meeting and approved the report in full in October.



Wayne Swan
Fund Chair

[2] Taken from the SuperRatings FCRS SR50 Balanced (60-76) Index Survey (June 2023). The default Growth (MySuper) investment option obtained a top quartile performance ranking over 20 years for the period ending 30 June 2023. Past performance is not a reliable indicator of future performance.

[3] www.cbussuper.com.au/campaigns/awards

Message from the CEO



Having spent a decade with Cbus, most recently as the Chief Investment Officer, I am honoured and excited to have been appointed CEO by the Board taking the reins permanently in June this year.

My experience at the Fund, focussed on pursuing value for Cbus members, has made me very aware of our unique strengths and the value that our union and employer organisations bring to our Board.

The performance of the Fund since inception is a story of success, with average annual returns in our default accumulation option across the last 39 years of 8.89%. This year is no exception despite the continued market volatility with our Growth (My Super) investment option returning 8.95%.

We have gone through an extended period of growth with funds under management now $85 billion and the number of members increasing to around 895,000. This has been powered in recent years by mergers, increasing the benefits of scale for members.

This year, we completed the merger with EISS Super, welcoming a further 17,000 electrical workers, providing them with lower administration fees and a broader suite of investment options. This included the significant work of establishing a defined benefit option to ensure the merger was in all members' best financial interests.

With the Media Super merger in the previous year, it has consolidated our position to provide working people with a specialist offering.

While we will always consider future mergers, my priority is to make sure we embed the benefits of those mergers for members.

There have been failings in our service delivery to members that must be rectified and we are deeply sorry for the stress and anxiety caused by long delays in claim processing in our insurance area. Our focus is on remediating these failings and building a more sustainable service model for the future.

We are resetting our business strategy to refocus on our strengths as a Fund. To successfully execute this strategy, we have restructured our leadership team's responsibilities. This has resulted in the creation of some new executive roles and the abolition of others. I would like to acknowledge the contribution of Keith Wells-Jansz, Mirella Robinson and Antony Thow who have departed the organisation as a result of the changes.

We remain committed to our face-to-face servicing through our Coordinators and Front Counters, working with members on site, at their homes or in our offices.

We want to pass the benefits of our strong position to members and employers, by better use of digital platforms that assist us to interact with members promptly and at critical phases in their time with the Fund.

We continue to improve our education service so members are better positioned to make good decisions about their super, their insurance cover and their retirement aspirations.

We will empower our people through improvements to deliver operating efficiencies, aligning our focus on why we are here, providing them with the tools and time to focus resources on improved member outcomes.

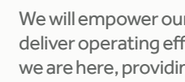
We will continue to take advantage of our specialist knowledge of our members' industries through our investments in the built environment, the energy transition and film and television.

We will ensure our investments incorporate material environment, social and governance risks and opportunities[4]. Our members expect that their Fund is a force for improving our environment, economy and society – mitigating the risks of climate change, creating meaningful employment, putting workers health and safety first.

Together with our partners, we are proud to have achieved government policy that will align the payment of super with pay cycles. We are also pleased that superannuation payments have been recognised in the National Employment Standards. These outcomes will hopefully address the scourge of unpaid super among our members.

We will continue to advocate for members to have meaningful insurance cover. We will also continue advocating for lower carbon intensity in our economy and built environment and we will support a coordinated transition so our members working in carbon intensive industries are not left behind.

We will continue our commitment to integrated reporting and support the adoption of global reporting standards. Members, stakeholders and investors want increased transparency to make meaningful comparisons between organisations. Integrated reporting challenges us to think about our stakeholders, our environment and our impact holistically.



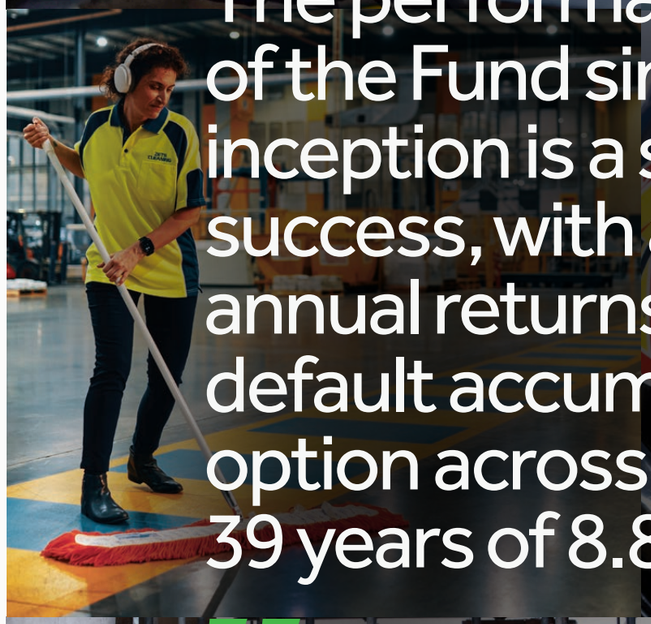
Kristian Fok
CEO

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





> The performance of the Fund since inception is a story of success, with average annual returns in our default accumulation option across the last 39 years of 8.89%.









Message from the CIO



Strong long-term returns

FY2023 presented challenging conditions for members and investment markets as inflation remained elevated around the world causing central banks to rapidly raise interest rates. At the same time, the war in Ukraine continues, and there was also a period of stress in the regional banks in the United States.

Performance

Despite these challenges, our default Growth (MySuper) option delivered a healthy return to members of 8.95% for the 2022/23 financial year, slightly above our long-term average since inception.

This performance was largely driven by strong share market returns both in Australia and overseas, with infrastructure, global credit and Australian fixed interest also all contributing positive returns. Global fixed interest and the property sectors had small negative returns over the year.

On a five year view our performance is marginally below the top quartile when compared to peers[16]. This reflects the difficult environment we have faced over the last 18 months with a more diversified exposure to growth assets (holding more property and less shares than many of our peers) over a period when property sector returns have been weak to negative while share returns have been relatively strong. We also experienced some mixed performance in the global shares asset class where we are continuing to focus greater resources. We believe our more diversified approach will deliver less volatile returns over the medium-to-long term and fully expect our five year returns, over time, to join our longer horizon results in the top quartile.

Superannuation is about long-term investing and we are proud to continue delivering strong returns to members over longer time periods with an average annual return of 8.89% for the Growth (MySuper) option since our inception 39 years ago.

We remain one of the top performing funds in terms of investment returns across 7, 10, 15 and 20 year periods[17]. This performance is a result of our highly diversified portfolios and our robust investment strategy.

Outlook

In the near term, the outlook for economic growth, inflation and interest rates remains uncertain both in Australia and overseas. A key driver of this uncertainty is the stickiness of inflation and what central banks need to do to bring it back to their target levels.

In response, we have continued to position the portfolio somewhat defensively, placing us in a position to act quickly should asset valuations fall and present investment opportunities.

The higher interest rate environment has some upside for investments in assets such as fixed interest, credit and cash, where we believe we will see more typical expected returns looking forward.

We maintain conviction in our property portfolio despite pressures such as valuation impacts owing to increased interest rates and weaker occupancy in the commercial office sector. Developments also experienced project delays, primarily due to supply chain pressures and increased costs.

Despite these challenges, Cbus Property delivered a positive return due to its high quality portfolio, solid rental income, and profits from some key developments. Further detail on Cbus Property's results and strategies are outlined on page 47 in the message from the Chief Executive Officer, Adrian Pozzo.

We are well positioned and continue to find opportunities in the property sector, such as Cbus Property's joint venture with Brookfield at Nine The Esplanade in Perth, and our investment with Nuveen, a US property manager that invests in alternative workplace buildings across medical, life science, technology and studio production sectors. Exposure to these alternative property types overseas provides valuable diversification benefits to our Australian-oriented property investments. The direct investment in the Jandakot Airport and industrial precinct in WA has been one of the better performing portfolio assets this year.

Investment strategy

Our team, our Board and our Investment Committee maintain strong conviction in our investment strategy that evolved in 2017. That conviction has seen us refresh the strategy for a further five years to continue to build the benefits of a hybrid model of combining internal and external investment management.

[16] Taken from the SuperRatings FCRS SR50 Balanced (60-76) Index Survey (June 2023). Past performance is not a reliable indicator of future performance.

[17] Taken from the SuperRatings FCRS SR50 Balanced (60-76) Index Survey. 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 is a rating agency that collects information from super funds to enable performance comparisons - visit www.superratings.com.au. Past performance is not a reliable indicator of future performance.

The strength of that conviction is underpinned by the strong performance of our internal teams. This financial year we saw some of the portfolio's strongest investment performers being our internal teams such as our Global Quality Equities team that returned 25.8% and 16.5% for the developed and emerging markets strategies, and our Australian quantamental equities portfolio that returned 20.6%. All these returns are on a net-of-fee basis.

This continues a track record of strong longer-term performance from the internal strategies with over five-year track records. This includes the Global Quality Equities team, which has performed in the top quarter of over 480 competing strategies[18] during the past five years and the Cbus Property team, which has also achieved top quartile returns versus peers[19]. Within the infrastructure team, individual investments[20] with a history of at least five years have similarly performed strongly with returns over both five years and since inception (~ten years) of almost 12% p.a.

The strategy of building internal investment capability has not only proven successful in driving strong returns, it has also contributed to our broader understanding of investment opportunities and risks as we gain insights from sectors, countries and regions from individual investments. This then feeds up into our broader strategy setting and fulfils our goal of implementing a total portfolio approach to decision making. Internalisation has also helped, alongside asset allocation changes and asset class refinements, as well as external manager fee negotiations, to significantly reduce investment fees and costs by 42.2% since 2017.

All this activity has meant fee and cost savings to members of $731 million[21].

The successful implementation of the strategy has also seen us meet the investment objectives of members' investment options and satisfy the key fund strategic measure of CPI (Consumer Price Index or inflation) +3.25% absolute return over 7 years with our Growth (MySuper) option exceeding CPI by 4.62% across that period.

The refreshed five-year strategy will see us continue to build these internal capabilities where it adds value



[18] eVestment Global Large Cap Equity Universe on a gross-of-fee basis. For those managers in the Universe that only report net-of-fees we have added back the average difference between the overall eVestment Universe's five year returns of a gross of fee versus net-of-fee basis. This included 294 managers in the eVestment Universe that reported on both a gross and net-of-fee basis over the five years to 30 June 2023.

[19] SuperRating SR25 Property Index universe. Note that there are a number of portfolios in this universe that are only invested in listed property, which can exhibit more volatile returns over the short term than the fully unlisted returns of portfolios like Cbus Property. Over the longer term, however, the volatility divergences tend to diminish – making longer term comparisons more representative. We have also adjusted Cbus Property returns for tax for a like-for-like comparison.

[20] Individual investments" refers to an investment in a single asset, in contrast to assets that Cbus holds through multi-asset pooled funds. The inception of this internal strategies return series is 1 July 2013.

[21] The cumulative savings are estimated for each financial year from FY18 to FY23 and summed. The approach employed is to multiply the annual average size of the Growth option by the reduction in investment fees for each year relative to FY17.





for members. We currently manage approximately 40% of the Fund's investments internally and through hybrid strategies and we expect this to grow to around 50% over the next five years.

This requires that we continue to attract and retain a highly skilled, diverse investment team and invest in their development while providing them with the data, technology and processes they need to optimise member outcomes.

Our strategic aspiration is to be a global, innovative, long-term investor, with a total portfolio perspective and expertise in investing in the real economy – particularly the built environment.

The approach we employ to integrating environmental, social and governance considerations in our investment decisions and investing responsibly, including in our members' industries, ultimately contributes to better retirement outcomes for members over the medium to long term.

Investing for our members

A unique strength of Cbus is the rich knowledge and understanding that our Board and industry partners bring to the Fund about their industries.

Where it makes sense to do so from an attractive risk-adjusted return perspective, their insights are invaluable in identifying risk and opportunities to invest back into the community and industries that are important to our members.

Cbus Property is a shining example of this, and you can read more about our wholly owned entity on the following pages. Not only has it delivered strong returns to members since its inception in 2006, it has also created work for more than 100,000 construction, building and allied industry workers.

We continue to support our Media Super members in the print, media, entertainment and arts industries through our ongoing loan facility with Fulcrum Media Finance. Fulcrum provides access to pre-sale advance loans for film and TV productions such as recent productions *Bad Behaviour, Colin from Accounts, Force of Nature* and *Aunty Donna's Coffee Café.*

Since 2019, we've lent over $1.5 billion to a variety of Australian businesses through our direct debt portfolio. This internal capability also provided loans to support residential construction projects throughout the pandemic keeping these projects viable, supporting activity and employment in the sector.

We assisted with the creation of the bond aggregator model for the National Housing Finance Investment Corporation (NHFIC) which has raised over $3 billion that is then used to finance the development or upgrading of social and affordable housing.

We are one of the largest individual supporters of the NHFIC issuances having acquired $150 million of their bonds.

Separately, we have provided a debt facility to a developer in Victoria to finance the construction of 150 social and affordable apartments. The funding enabled the developer to build the apartments, which on completion have been acquired by a Community Housing Provider.

Advocacy and engagement

Our preference is to engage early with potential investment partners, including governments, to assist in designing the appropriate investment structures that allow us to achieve the returns members are looking for.

A great example of this is our work with the Federal Government on addressing housing access and affordability.

There is much more that needs to be done on the housing front and Cbus is continuing to work with governments to assess how superannuation can assist with housing supply. We believe that, when structured properly, we can deliver strong risk adjusted returns consistent with our investment objectives and meet members' best financial interest while contributing to the provision of access to affordable housing.

We have invested in several wind and solar energy opportunities in Australia and overseas, and we are working with governments and our industry partners to identify further opportunities to invest in Australia's energy transition.

Our aim ultimately is to invest where it meets our risk and return criteria to support the energy transition, and in doing so, help ensure the transition is as orderly as possible so that our members' benefits are protected. We believe the energy transition should include an equitable transition for workers and communities and lead to job creation and nation building, benefiting both the economy, the environment and our members' retirement outcomes.

We are continuing to play a role in the Australian Sustainable Finance Institute which is bringing Australia's finance industry together to get money flowing to activities that help create a sustainable, resilient and inclusive economy and society.

All of our activities are driven by our unrelenting focus on maximising risk-adjusted returns for you, our members, over the long term, and ultimately are about making your hard work pay off in retirement.



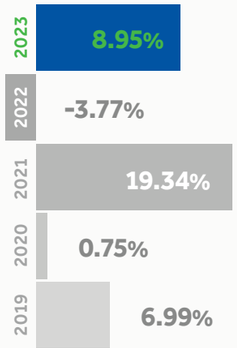
Brett Chatfield
Chief Investment Officer

*This is a weighted average result.

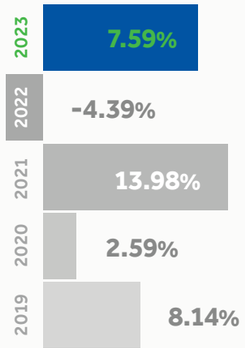
Our 2023 performance

Our performance has been strong across a range of key areas. Our investment return for the Growth (MySuper) option of 8.95% in FY23 was a solid result in a volatile year. We completed the $5 billion EISS merger, and were recognised as Specialist Fund of the Year for the 4th year by Chant West*. We acknowledge that we can enhance our service delivery to better meet member and employer service expectations.

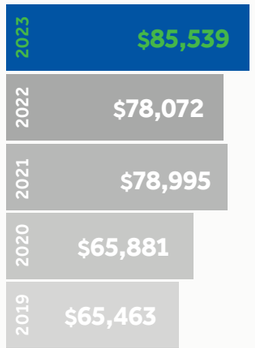
SUPERANNUATION RETURNS
Growth (MySuper) Default Option



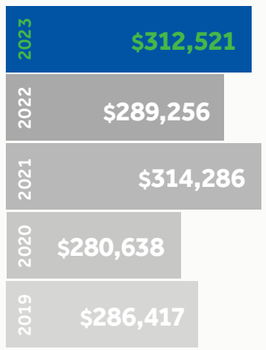
SUPER INCOME STREAM (FULLY RETIRED) RETURNS
Conservative Growth Default Option



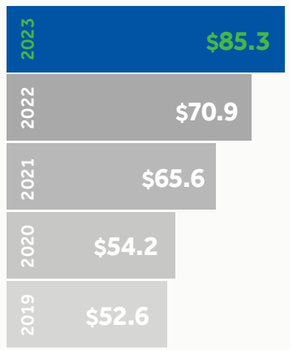
AVERAGE MEMBER SUPER ACCOUNT
Balance as at 30 June



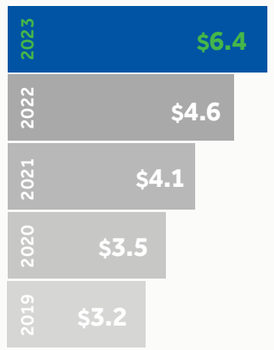
AVERAGE SUPER INCOME STREAM ACCOUNT
Balance as at 30 June



TOTAL FUNDS UNDER MANAGEMENT
$Billion



SUPER INCOME STREAM FUNDS UNDER MANAGEMENT
$Billion



* Please refer to page 74 for further information.

Crediting Rates
The investment option returns are based on the crediting rate, which is the return minus investment fees and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance isn't a reliable indicator of future performance.

Performance

GROWTH (MYSUPER) INVESTMENT OPTION

8.89%

since inception

1 year – 8.95% | **5 yrs p.a.** – 6.17%
7 yrs p.a. – 7.63% | **10 yrs p.a.** – 8.27%

CBUS PROPERTY RETURNS

14.07%

since inception

1 year – 0.50% | **3 yrs p.a.** – 8.29%
5 yrs p.a. – 8.83% | **10 yrs p.a.** – 14.30%

Cbus Property 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. Returns from these investments form part of the crediting rates allocated to accounts invested in these options. Past performance is not a reliable indicator of future performance.

Satisfaction

MEMBER SATISFACTION

7.3 (7.6 in 2022)

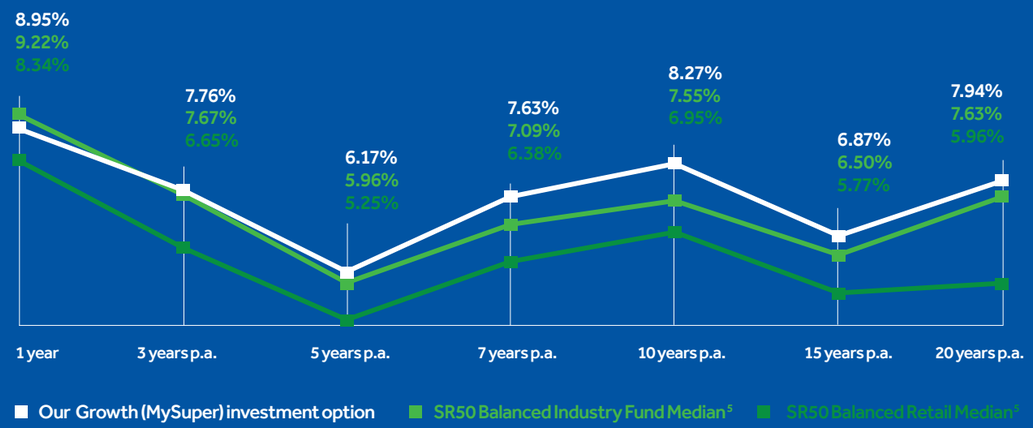
Based on the average of all service scores from members who interacted with the Fund during the period 1 July 2022 to 30 June 2023. Scores are rated out of 10.

EMPLOYER SATISFACTION

5.3 (7.0 in 2022)

Based on the average of all service scores from employers who interacted with the Fund during the period 1 July 2022 to 30 June 2023. Scores are rated out of 10.

Our Growth (MySuper) investment option vs SR50 Balanced Industry Fund Median and SR50 Balanced Retail Median



[5] SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index June 2023. SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit www.superratings.com.au

Progress scorecard

Our progress scorecard reflects the key measures that we had in place in FY23 to monitor our progress against our previous strategy. Our strategy reset will see a realignment of our key measures for FY24 to focus on meeting members' needs and expectations.

Previous Strategic Pillar	Previous Strategic Objective	Previous FY26 Target	FY23 Performance
Great Products and Services	Improved Levels of Retirement Readiness	>56% of our members on track to be above target balance of $307,000	Supported 47.2% of members to be on track to target balance (refer to page 25 for further information)
Strong Performance	Strong Long-Term Returns	Top Quartile 5-Year Investment Return vs Competitors	2nd Quartile 5 year investment returns of 6.17% (refer to page 16 for further information)
	Strong Long-Term Returns	7-Year Investment Return of CPI + 3.25%	Delivered 7-Year Investment Return exceeding CPI by 4.62% (refer to page 16 for further information)
	Competitive Fees and Costs	2nd Quartile Admin Fee on $50k Balance vs Competitors	Maintained 3rd Quartile Admin Fee on $50k balance of 0.39%
Transformational Growth	Top Tier Scale	Net Assets of $150b by FY26	Achieved growth in Net Assets of $14.4bn to $85.3bn (refer to pages 53 and 56 for further information)

Supporting measures

Previous Strategic Pillar	Previous Supporting Measures	FY23 Performance	Comments (Increase/ decrease in FY23)
Great Products and Services	Member Satisfaction	7.3/10 (refer to pages 26,27, 32 to 35 for further information)	DECREASE OF **0.3**
	Employer Satisfaction	5.3/10 (refer to page 36 for further information)	DECREASE OF **1.7**
	Member Engagement	40.7 (refer to page 25 and 32 for further information)	DECREASE OF **1.5**
Strong Performance	Operating Expense Ratio	0.33%	DECREASE OF **0.02%**
	Emissions intensity in portfolio	37% carbon intensity reduction compared to our 2019 baseline however when adjusted for changes in asset valuations this equates to a 20% reduction[6]	Please see page 20 and our Responsible Investment Supplement for more information
Transformational Growth	Total members with balance at 30.6.23	894,974 (refer to pages 24, 53 to 56 for further information)	INCREASE OF **5.86%**
	Super Income Stream members with balance	21,511 (refer to page 32 for further information)	INCREASE OF **25.9%**
Strategic Enablers			
Brand and Advocacy	Brand Reputation	71 (refer to page 52 for further information)	DECREASE OF **10 points**
People, Culture and Values	Employee Engagement Score	68 (refer to page 51 for further information)	DECREASE OF **1 point** 5 points below 2023 FSA Benchmark

[6] Given our focus on real-world impact, we believe the more conservative, adjusted figure better represents our contribution to emissions reduction in the real world. More detail on our rationale, as well as our methodology and its limitations, can be found in our Responsible Investment Supplement. One of our methodology's limitations is the completeness of the available data, only ~71% of our portfolio has the available data to inform this calculation (equities, infrastructure, property and a subset of listed credit).

CREATING VALUE FOR MEMBERS FOR 39 YEARS

How we create value

At Cbus, our members are our primary stakeholders, and we create value for them by delivering strong investment returns, tailored insurance, education, advice, and support services. We work with sponsoring organisations, unions, employers and regulators, who also have an aligned interest in ensuring our members are looked after.

INPUTS

Member contributions & investment earnings
- Funds under management growth $5.3bn (FY22)

Our people
- 695 employees

Intellectual capital
- Superannuation expertise

Industry relationships
- 88 key partnerships with unions, employers and industry associations

Technology and systems
- Delivering member outcomes

Natural resources
- 2019 baseline = 58.43[7] tCO_2e/$m invested (AUD)



OUTPUTS

Investment returns
8.95%
Growth (MySuper) investment option

Investment cost reduction
42.2%
Since 2017

Member engagement
40.7
+0.8 above target

Total member payments
$2.1b

Average member super account balance
↑ UP BY
9.5%

Super Income Stream member growth
↑ UP BY
25.9%

Insurance payments
$296.9m

OUTCOMES

Retirement Outcome Measure
47.2%
Active members on target[8]

Employee engagement score
68%
Compared to the Australian finance industry average of 72%

Member investment fee savings
$731m
Since 2017

Reduction in portfolio carbon intensity
37% carbon intensity reduction compared to our 2019 baseline however when adjusted for changes in asset valuations this equates to a 20% reduction[9]

1 Capitals we use — 2 How we use them — 3 How it helps members — 4 Making a positive impact

What we are immediately focused on:

- Optimise our services (Support, Education and Advice) and supporting capabilities
- Enhance our channel delivery with improved digital interactions
- Enhance our leading product offering
- Attract and retain a team of skilled people
- Re-energise our culture and enhance our employee experience
- Continue to drive our workforce capability to meet Cbus needs
- Expand internal portfolio management capability and capacity
- Leverage investment data and systems capability to optimise performance
- Continue our commitment to Responsible Investment
- Strengthen our use of data and metrics
- Optimise where we build internal capabilities and how we use partners to deliver greater value
- Streamline and continuously improve how we operate
- Optimise brand and marketing to attract and retain members
- Build on strengths in industrial/employer channels
- Expand and improve efficiency of digital acquisition channels

What we are striving to achieve:

- Deliver great member experience and outcomes
- Generate strong long-term returns
- Build a diverse team of skilled and empowered people
- Simplify and streamline our processes and operations
- Maintain sustainable growth

[7] The 2019 baseline has been restated as we have expanded our portfolio coverage. Currently, ~71% of our portfolio has the available data to inform this calculation (equities, infrastructure, property and a subset of listed credit).

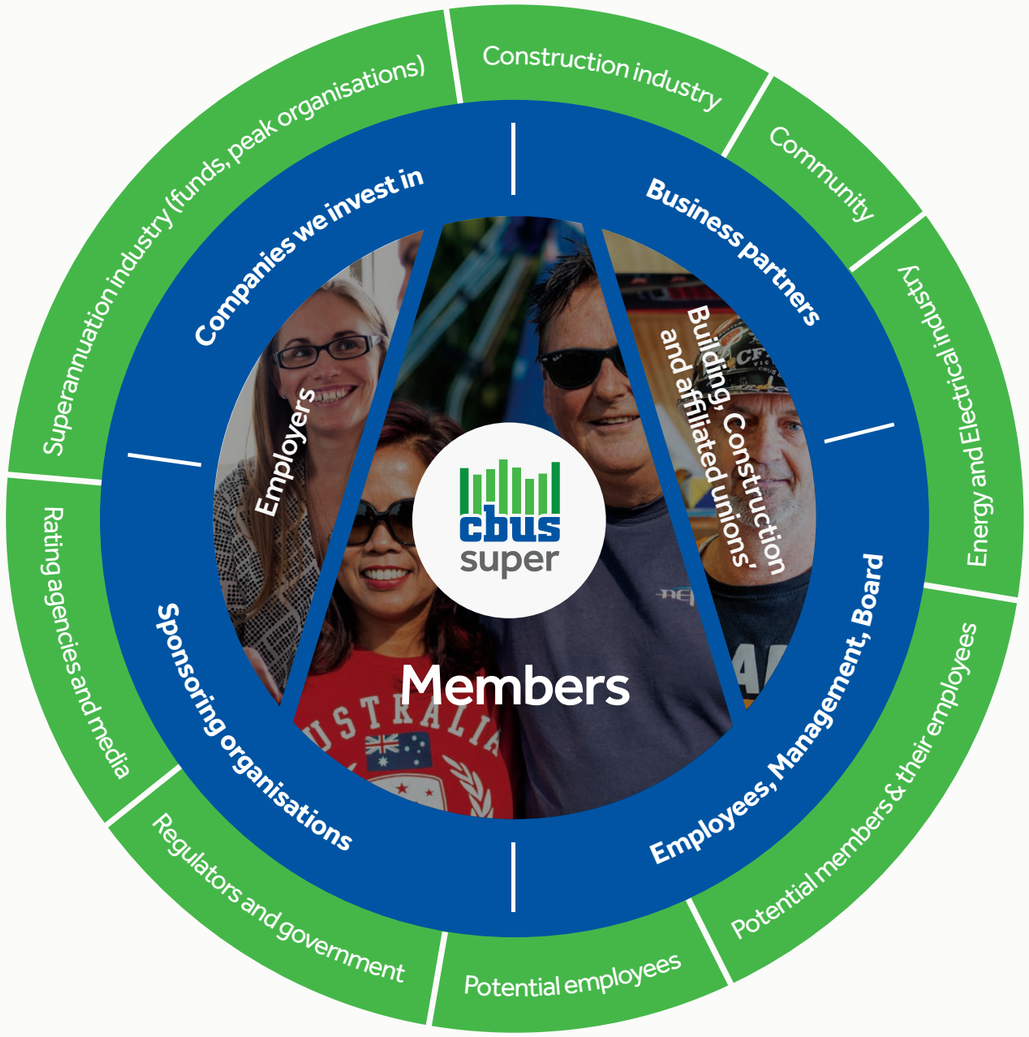
[8] % of active members with projected retirement balances on or above the target of $307,000 (as at June 2023).

[9] Given our focus on real-world impact, we believe the more conservative, adjusted figure better represents our contribution to emissions reduction in the real world. More detail on our rationale, as well as our methodology and its limitations, can be found in our Responsible Investment Supplement. One of our methodology's limitations is the completeness of the available data, only ~71% of our portfolio has the available data to inform this calculation (equities, infrastructure, property and a subset of listed credit).

Building stronger foundations

Our stakeholders

We are focusing on what has the greatest impact on the value we create for our members. Our key stakeholders are in the diagram below and the issues that matter most to them are detailed in the table. We identify these issues by engaging with stakeholders.



Material themes	Our stakeholders are pleased by...	Our stakeholders are concerned by...
Getting the right help at the right time to make sound decisions	> Employers using us as a default fund appreciate being able to refer employees directly to the Fund to have questions and issues resolved. > Access to advice is becoming increasingly important to our members. > Members value frequent communications and updates. > Employers value the Fund being proactive about issues upfront, including when markets are experiencing short term volatility and appreciate the communications they receive.	> There are periods of longer wait and processing times which is discouraging for our members. > Members want easier to understand information and access to timely service. > Employers need clear advice around obligations placed on employers, particularly relating to monthly payments and the arrears process.
Having enough income in retirement	> Members value the retirement seminars and the opportunity to learn about their investment options. > Members appreciate assistance when they are transitioning into retirement phase and need help to make good investment decisions	> Our fees and charges are perceived as higher by some members. > Members have ongoing concerns with market volatility following industry-wide negative returns experienced in FY22. Some members believe that this is unique to Cbus and are more open to exploring other super funds.
Strong, reliable and trusted fund contributing to an effective superannuation system	> Our Fund is seen as distinctive with strong support and connection to the construction industry and we are known as having a deep understanding of the industry. > Members appreciate the advocacy work that we undertake in areas of unpaid super, early release access and super payday changes. Members trust that we are advocating for their best interest. > Our marketing, servicing, and product makeup in conjunction with strong returns, help employers to feel confident that we are the right super fund for them. > Media Super employers feel a sense of belonging to their fund and employers in the industry often collaborate and advocate together, demonstrating a strong sense of community.	> Members want to know their personal information is secure. > Fees, costs and expenses are of interest to members – particularly how funds spend members' money following best financial interest duty.
Long-term, responsible and innovative investment strategy contributing to a sustainable global financial system	> Members place an importance on ethical and sustainable investments. > Members are satisfied with the transparency of responsible investments made. > Our investments into our members' industries align with their interests which increases loyalty.	> Members expect their super fund to not only protect their investments from climate risks but to drive better climate outcomes. > Greenwashing is a significant issue with investing responsibly and we need to ensure we continue to meet community expectations.
Meeting member and employer products and service need	> Employers love that they can call a member of our team and not a generic contact centre. > Our Front Counter and Workplace Coordinator services continue to have high member satisfaction rates and members appreciate these signature services that other industry funds do not offer. > Members and sponsoring organisations are grateful for automatic entitlement to insurance for members under 25 years old which has assisted in claims that they would otherwise be ineligible for. > Our education seminars have been well received by members and employer groups. > The 'live chat" feature has been well received and is becoming a preferred service channel.	> Our member portal has had increased functionality added to it, however members would like to see more. > Members can experience delays when being assisted with insurance claims. > The primary concern of employers is the ability to make payments with simple to use software and processes. > Our product range can be improved when employers are seeking a default for their non-manual workforce.

Further information can also be found in our Stakeholder Engagement and Materiality Supplement.

External environment

Monitoring and responding to the environment in which we operate

While the pace of regulatory change has slowed down, the superannuation system continues to be under scrutiny and external pressures to continue to deliver positive retirement outcomes for members. In particular there has been an enhanced focus on cyber/fraud risks, the impact of climate change and risks of greenwashing, and the need for superannuation funds to assist members as they move from accumulation phase into and during retirement phase.

Objective for superannuation

Given the growing scale of the superannuation system, which for most Australians is their largest asset, and the need for policy stability in the system, the government began consultation on fulfilling its commitment at the last election to legislate an objective for superannuation.

The government has set out the proposed definition of the objective: "to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way"[10]. The objective will seek to instil greater confidence in the system for generations to come.

Cbus supports the legislating of an objective of super as a way of ensuring its continued success over the next three decades and beyond.

In seeking to make the superannuation system more sustainable and fairer, from 1 July 2025, the government proposes to reduce the tax concessions available to individuals whose total superannuation balances exceed $3 million at the end of each financial year. The changes are only expected to impact members that have or expect to have a total superannuation balance of over $3 million after July 2025.

Review of Your Future, Your Super (YFYS)

The YFYS reforms resulted in stapling a member to one super fund, an annual performance test comparing fund performance to a reference benchmark and the introduction of a best financial interests duty. The reforms have had profound implications for the superannuation industry, members and employers. The government committed to review the operation of the YFYS laws following the second round of performance testing – that took place in August 2022.

Cbus advocated strongly throughout the review that the 'stapling' measure puts at risk young workers that are new to the building and construction industry, who due to being stapled to a fund that does not provide automatic, affordable insurance cover through the Dangerous Occupation Exception, may not have appropriate cover for the work they do. Cbus will continue to work with government to address the pressing insurance needs of workers across Australia in hazardous occupations.

The government has also listened to industry concerns regarding the application of the performance test and that it may distort active investment decisions. The changes ensure the benchmarks are better aligned to the way superannuation funds such as Cbus actually invest. Cbus will continue to advocate that the performance test should apply to every superannuation product.

Quality of Advice

The Quality of advice Review was commissioned by the previous Government and sought to 'ensure Australians have access to high quality, accessible and affordable financial advice'. The government released the Quality of Advice Review final report in February 2023, containing 22 recommendations, including many recommendations which would impact superannuation fund members[11].

The government provided its response as part of the Delivering Better Financial Outcomes package in June 2023 and committed to adopting the bulk of the review recommendations[12]. In particular, the proposed reform package seeks to remove red tape that adds to the cost of advice, expand access to retirement advice and explore new channels for advice. Cbus has continued to advocate that superannuation funds are well placed to provide appropriate retirement advice to members and that the scope in which we are able to help members access this valuable service should be expanded.

Unpaid superannuation

At Cbus, we see unpaid super as a threat to the very heart of our purpose – to create value for our members, and provide them with confidence, financial security and dignity in retirement. Cbus has long advocated for legislative change to address unpaid super and in the May 2023 Federal Budget the government committed to a number of measures to fix the problem. This included requiring superannuation to be paid at the same time as wages from 1 July 2026, rather than quarterly as currently required. This change will make it easier for members to keep track of their payments and also benefit from more frequent payments earning compound interest for longer.

[10] https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/consultation-begins-legislating-objective-super
[11] https://treasury.gov.au/publication/p2023-358632
[12] https://treasury.gov.au/publication/p2023-407255



The government has also committed to providing additional resources to the ATO to identify and act on cases of SG underpayments, alongside targets to ensure regulators improve compliance activity.

In June 2023, parliament also passed the Protecting Worker Entitlements Bill. Cbus was the only super fund to make a submission to the parliamentary inquiry considering the Bill, advocating for the reform to include superannuation entitlements in the National Employment Standards (NES). This means from 1 January 2024 workers will have the legal right to recover unpaid super.

The Superannuation sector

The superannuation industry continues to grow. As at March 2023 it holds $3.5 trillion[13] in member assets. Mergers are continuing as regulation and competition continue to drive fund consolidation. Fifteen funds completed or announced mergers through FY23 and many funds continue to look at mergers to accelerate growth of members and funds under management (FUM). Cbus' list of potential targets has reduced considerably as funds merge or deprioritise merger discussions. Further mergers in the near term are unlikely but we remain open to the prospect if suitable opportunities arise.

Competition continues to increase across the broader superannuation industry. Larger funds are looking for opportunities to capture market share to sustain their growth. Increasing marketing spend, reducing pricing, and expanding into new distribution channels are all methods designed to help funds remain competitive. Some of our key competitors hold material share within our core sectors.

We have seen many of our peers begin to evolve their investment and administration operating models in recent years. This evolution is a critical step in integrating merged funds and delivering scale benefits, optimising management of FUM and modernising member servicing. This evolution is likely to continue as heightened competition in the industry forces funds to compete on costs, net returns, and quality of member servicing.

[13] https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-march-2023



Strategy reset

We have a proud history as a specialist fund, and this remains the core of our strategy. Our specialist strategy focuses on our strengths, including our: deep understanding and connection to the building, construction and energy sectors, tailored products and services, partnerships, strong and distinctive brand, track record of strong long term returns and underpinning capabilities.

Our fund strategy

In FY24 we have reset our strategy. The reset continues to reflect our vision to be the leading specialist fund for the sectors we focus on, however it refines what we will focus on and how we will execute our specialist strategy.

Our strategy is centred around five strategic pillars, all of which are linked back to how we deliver for our members.

Mission & Vision	Deliver the best possible retirement outcomes for our members. Be the number one specialist super fund in our target sectors.
Specialist Focus	Workers and retirees in the building & construction and energy sector, with an additional focus on related sectors.
Leading Proposition	Strong returns. Best Insurance. Service that is Easy, Tailored and Reliable. Distinctive Workplace Model. Brand and Advocacy.

Member centric fund

Strategic Pillars	Service and Product	People	Strong Long-Term Returns	Operating Efficiency and Resilience	Sustainable Growth
Strategic Objective	Deliver great member experience and outcomes	Build a diverse team of skilled and empowered people	Generate strong long-term returns	Simplify and streamline our end-to-end operations	Maintain sustainable growth
FY28 Measures of Success	Net Promotor Score (NPS) in top quartile	Employee engagement score above Financial Services Australia benchmark	Absolute 7 year investment return on Default Growth (MySuper) option of CPI + 3.25%	Admin fee pricing in the second quartile	3 year net cash flow ratio in top quartile
Strategic Enablers	Enabling digital, data and technology capabilities				
	Enabling risk, governance and prudent financial management				

Members

At Cbus we have always taken pride in being able to provide an exemplary service to members. Our Coordinators, our in-person front counter service, education seminars and our advice offering are some of the ways we provide members the opportunity to interact with the Fund on a personal level to get their questions answered and their problems addressed.

We engage with our members when they join, in the course of their membership as we help them grow their super, in their transition to retirement, in the post work phase of their life and in their claiming of benefits.

At all these points of their journey with us, we work hard to meet our members' needs and expectations, and make changes in order to improve our services.

Overall member feedback on our engagement channels achieved a weighted average satisfaction score of 7.3 out of 10. We have had some challenges. Slow response times when members call and not getting help when they need it has had an impact on member satisfaction. Members have experienced delays in the processing of claims and have expressed frustration at complicated and inefficient processes.

A work program was put in place to address a backlog in claims and considerations have been given to our service strategy and model to ensure that we provide a service experience that meets members' expectations. Additionally, Cbus is aiming to improve processing times and inefficient high effort paper-based forms and processes where possible by leveraging digital solutions and uplifting digital self-service across multiple interactions.

Notwithstanding these issues, we are still delivering our distinctive face-to-face service with a focus on improving member and employer experiences.

We have opened an office in Townsville, Queensland and are one of the first super funds to have an office in a regional town. This is in response to the increase in our membership in that region with plans to open another office in Gladstone. As part of improving our service to members in north and far north Queensland, we also appointed an additional coordinator in that area.



With respect to our core member interactions, we are focusing on improving the joining and onboarding experiences by enhancing our digital capability and simplifying access to digital self-serve options.

For the transition-to-retirement journey, Cbus supports members in understanding retirement options and benefits, working on simplifying retirement planning, raising awareness of services, and streamlining access to education and advice.

Cbus is also developing ways to optimise the digital ' contact us' experience to reduce email volume, increase digital self-serve and make it easy for members to communicate securely, including better options to engage with chat services across digital channels.

Retirement strategy

Cbus' Retirement Strategy was formulated in July 2022 and sets out a plan to improve member retirement outcomes, while also fulfilling the requirements of the Retirement Income Covenant (RIC). Our members have a diverse range of retirement needs and we have categorised members into cohorts of similar financial circumstances which will allow for varied approaches to meet their retirement needs.

The inaugural annual review of the Cbus Retirement Strategy was completed in March 2023 and found that Cbus improved retirement outcomes delivered to members while continuing to fulfil its regulatory obligations.

Highlights from FY 2023 included:

- More than 2,800 new Super Income Stream (SIS) accounts were created, comprising more than $1 billion in funds under management (FUM). This positive result exceeded our FY23 retention target
- SIS retention campaigns have continued to demonstrate an increase in member engagement and SIS conversion compared to control groups
- The volume of personal advice interactions relating to retirement topics increased substantially compared to FY22
- Several additional Retirement Strategy metrics were approved for ongoing internal reporting to enable the Fund to analyse how well Cbus supports our retiring members to maximise their retirement income, manage risks to the sustainability of their retirement income and maintain flexible access to capital throughout retirement.



Cbus continues to monitor opportunities to enhance our retirement offering and has defined a roadmap of proposed retirement activities for FY24-26 that will ensure we progress towards strategy objectives and continue to improve member outcomes in retirement.

Face to face servicing

Workplace services

Our Workplace Coordinators, who are a differentiator in the super landscape, conducted 3,728 workplace visits and events during the FY23 and received a member satisfaction score of 9.6.

Coordinators give toolbox sessions and presentations at conferences to talk about Cbus products and services to onsite workers' and delegates' meetings.

The worksites range from 50 employees to 2,000 employees. After the toolbox meetings and presentations members can have individual conversations with Coordinators.

Last year there were 14,080 one-on-one interactions to assist members with all aspects of superannuation, including visiting members in hospital or in their homes to assist with TPD and death claims.

Materials for members with English as a second language and interpreter services are also utilised when required.

Coordinators, Senior Employer Engagement Managers and education teams work with marketing and communications teams on acquisition of new members and employers to the Fund in integrated campaigns. These campaigns are ongoing.

Front counter services

The Front Counter services provided assistance last year with benefit payments, financial hardship applications and the establishment of Super Income Stream accounts for members.

Cbus Front Counter staff have engaged in lengthy interactions assisting members with paperwork, and providing important information and general advice so that members are making informed decisions. Delays in claims processing experienced by some members and beneficiaries drove a significant increase in traffic to our counters. Our staff were able to assist members to navigate the process and to resolve issues in an efficient manner.

There was also an increase in visits to the Front Counter in NSW as a result of the EISS merger. In addition, Media Super members are also frequenting the Front Counter in larger numbers as the word spreads on the availability of this service. Members gave this service a rating of 9.4 - a slight increase on the previous year.

These factors saw a huge jump in number of members using this service from 4,178 the previous year to 10,828.

With the increase in traffic to this service, support for other campaigns and tasks was limited.

Education

The pandemic limited our in-person education sessions for members at their place of work, however the year saw a recommencement of these well attended events. We had an increase in the number of sessions which were delivered both in-person and online, holding a combined total of 326 sessions with 7,900 attendees overall. Of the sessions held, 82 were Retirement Planning Webinars to support members approaching retirement.

Workplace sessions are focused on issues particular to the member demographic and needs, including superannuation for women, investments, insurance, boosting your super, retirement planning and budget updates. We find members value our education and often bring their spouses and other family members. The content and quality of our presenters in delivering these sessions contributed to the overall satisfaction result of 9 out of 10.

Advice

We provide financial advice services to members through our in-house 'advice over the phone' service and a referral program with the Financial Advice Association Australia (FAAA). Our over-the-phone advice service by qualified and experienced professionals provides general information and guidance to members on superannuation and retirement planning matters.

During the year, the Advice team changed their operating model to create a more seamless member advice experience, enable more impactful conversations and deliver advice to members more efficiently. Specialist roles were created, processes were re-designed and personal advice appointments made available to members.

The team also expanded its geographical reach in order to access a greater pool of talent for our members, with Advice staff now employed in Melbourne, Sydney, Brisbane and Perth.

These changes have enabled us to help many more members make important decisions around their superannuation and retirement options. We organised 872 referrals to financial planners through the Cbus and FAAA Member Referral Program. Members who completed surveys scored 8.4 out of 10 for their experiences interacting with the Advice team.

We held 20,674 conversations with members including 1,742 Media Super members who are using the service in increasing numbers. While this is a decrease from the previous year it is due to a better direction of members through Interactive Voice Recording when they call Cbus. This means the Advice team are not responding to a large number of calls not relevant to them. In addition, the high volume of calls experienced through Covid has returned to normal levels.

Insurance

In April 2020, the Putting Members Interest First (PMIF) legislation came into effect, removing automatic default death and disability insurance for members under 25 and those with low balances. Given the nature of the work that our members undertake, Cbus sought and won a Dangerous Occupation Exemption (DOE) for our members in the Industry Manual insurance category which ensured they kept automatic insurance coverage. This meant that 212,265 Cbus members either retained or were provided with automatic insurance cover.

Between 1 April 2020 and 30 June 2023, 467 claims have been lodged, assessed, approved and paid to these members or their families, totalling $58.62 million in benefits. Had Cbus not advocated for the DOE on behalf of members that figure would have been $0. By any measure, the DOE has proven successful and necessary.

1. Insurance claims

There has been a small increase in the number of claims and a small decrease in benefits paid to members in FY23. This is due to a reduction in lump sum claims and an increase in income protection claims (see details in the table below).

	FY23		FY22	
Type	Claims	$ paid (million)	Claims	$ paid (million)
Death	730	90.6	667	91.3
Terminal Illness Benefit (TIB)	224	30.6	197	23.6
Total and Permanent Disablement (TPD)	1694	171.3	1876	180.8
Income Protection (IP)	201	4.4	114	1.7
Total	**2849**	**296.9**	**2854***	**297.4**

* The total number has been restated due to calculation error

2. Acceptance rates of insurance claims paid

Our acceptance rate for all insurance claims (i.e. Death, Terminal Illness, Total & Permanent Disablement and Income Protection) paid for the three years to 30 June 2023 was 97.6%, positioning Cbus as a market leader in claims acceptance. The rate for Total and Permanent Disablement claims paid for the three years to 30 June 2023 was 96.6% which is above the industry average of 87%[14].

[14] APRA statistics – Life insurance claims and Dispute Statistics December 2022 (issued 18 April 2023)

Other member services

Contact centre services

The Contact Centre answered just short of 392,000 calls across member and employer channels for the financial year, servicing Media Super members and including the EISS members who came across with the merger. This year witnessed multiple external factors impacting cost of living pressures on members such as rising inflation and interest rates. This had a significant impact with members looking to their super as a way to ease financial hardship and to make a claim on compassionate grounds. Member satisfaction with the service is currently 6.5 out of 10 and the Fund is committed to improving this service. The focus to date has been to re-establish and upskill our frontline teams to address immediate gaps within service, for example the delayed and overdue insurance claims. This has created the necessary foundation to attract, retain and consistently build core competencies within the servicing staff to manage and support member needs; identify the next best action to deliver uplift in member experience and outcomes.

Member Services' Livechat continues to be a viable alternative for members to contact Cbus since its inception in March 2020. Member satisfaction for this is 9.4 out of 10, with member feedback highlighting the excellent service they receive. Members enjoy the ease of this channel with no waiting and find our people are knowledgeable, friendly and helpful.

Arrears

We recovered $126.4 million in unpaid super for our members during the year, compared to $106.1 million the previous year. This 19% increase in Superannuation Guarantee collections reflected the continuation of greater economic activity following the relaxation of COVID restrictions in key states from the previous year. Other factors contributing to this increase include a positive change in employer behaviour achieved through greater employer utilisation of Employer Online and Cbus' communication and education approaches. Member Online and the mobile app make it easy for members to track their super as they can see the amounts and dates of contributions received. We maintain a strong commitment to raising awareness and education around unpaid super and engage with the government and industry on this issue.

Cbus Super Payment Checker App

The Cbus Super Payment Checker App continues to help members check their payments. Authorised personnel utilise the app to help members search for unpaid superannuation. There were 26,248 searches conducted in the 12 months to June 2023, an increase of 72% on FY22.

Complaints

Complaints increased by 36% compared to last year. This was due to delays and service issues which regrettably impacted some of our members and beneficiaries during the year. We are focused on remediating these service deficiencies and building a more sustainable service model.

The main themes in complaints were delays in having claims finalised, general administration delays, and service experience with regards to accessing benefit payments.

The average time we took to resolve a complaint during the 2023 financial year was 22 days, consistent with last year, however, a higher proportion of complaints were resolved outside of 5 days due to the increase in complaint volumes.

Two percent of complaints dealt with the Fund proceeded through to the Australian Financial Complaints Authority (AFCA), which is also consistent with last year. Of the 7 matters determined at AFCA this year, 6 decisions were maintained, and one was substituted.

Complaints Received	FY23	FY22	Variance from previous year
Administration	4,339	3,339	30%
Insurance	402	264	52%
Disability Claims	382	100	282%
Death Benefit Distributions	82	115	-29%
Total*	**5,205**	**3,818**	**36%**

Complaint Resolved	FY23	FY22	Variance from previous year
Complaints resolved ≤ 5 days	1,261	1,251	1%
Complaints resolved > 6 days	3,797	2,342	62%
Total*	**5,058**	**3,593**	**41%**

* Complaints received show the number of complaints recorded during the financial year. Complaints resolved will not match complaints received as some complaints remain open as at the end of the finance year.

Employers

Employer Engagement team

The Employer Engagement team seeks to build solid relationships with employers, by providing a direct contact point for administrative assistance and collaboration with employers to undertake activities seeking to maximise their employees' superannuation outcomes.

Relationships with our employer associations remain strong. There has been an increased focus on facilitating Cbus specialist staff to engage key employers through our stakeholder events and to reinforce Cbus' position as the 'industry fund' for building and construction and allied industries, by highlighting the activity undertaken as developer, investor and owner within the property and infrastructure industries.

We have worked with our employer stakeholders to develop targeted communication to their employees. Cbus Senior Employer Engagement Managers provide their employers with superannuation information to be distributed to their employees via their communication channels.

During this period, Cbus has built links with key Media Super employers across industries including print and performing arts, and tailored campaigns to the needs and wants of employers and members in those industries. In addition, relationships have been built with new employer associations who came to Cbus through the Media Super merger.

Due to changes in workplace activity with many previously exclusively office bound staff now working under hybrid models, our team has diversified in communicating with our stakeholders through various channels. This has resulted in some volatility in channel volumes which led to less than satisfactory response times, particularly on the email channel. We are shifting priority to upskill our front-line teams to ensure timely and consistent email responses and to address service gaps.

The team worked with EISS employers to ensure a smooth transition during the merger with a particular focus on those employers with Defined Benefit plans where existing EISS service plans were mapped and integrated into Cbus activity.

The Cbus Employer team works with employers to assist with their onboarding and compliance obligations following regulation change over the past three years.

We have worked hard to increase awareness of stapling and the Dangerous Occupation Exemption to employers, as they become increasingly engaged on the issue of suitable insurance through super for their employees. We also coordinate financial education activity with our employer stakeholders on request.

We had 9,700 member and employer interactions throughout FY23 including the coordination and execution of tenders for new clients.

Cbus also provides employers with the following services:

- Administration Support team to assist employers in meeting their super obligations
- Ongoing support with the Cbus clearing house[15] and other digital tools
- Regular superannuation updates and support through timely communication on legislative and regulatory changes
- A broad range of options to support members, including fact sheets and information, tools and calculators, seminars and phone or face-to-face advice.

5.3*

EMPLOYER SATISFACTION WITH CBUS EMPLOYER SERVICES TEAMS

* This is a weighted average result, all satisfaction scores are out of 10.

OVERALL EMPLOYER SERVICES SATISFACTION

7.8 (8.6 in 2022)

DOWN BY **9%**

EMPLOYER SATISFACTION WITH CBUS LIVE CHAT TEAM

9.6 (9.2 in 2022)

UP BY **4%**

EMPLOYER SATISFACTION WITH CBUS CONTACT CENTRE

4.2 (6.4 in 2022)

DOWN BY **41%**

There was a decrease in satisfaction scores from Employers. This was due to challenges with the Employer portal and arrears, and technical issues around Unique Superannuation Identifier numbers which occurred following the Media Super merger.

[15] QuickSuper, Cbus' Clearing House service is provided by Westpac Banking Corporation ACN 007 457 141 AFSL 233714 for Cbus employers. Media Super (and former EISS) employers have access to the SuperChoice Clearing House Service which is provided by SuperChoice Services Pty Limited ABN 78 109 509 739. This information is about Cbus and Media Super. It doesn't take into account your specific needs, so you should look at your own business needs, objectives and requirements before making any financial decisions. You should read the Employer Handbook, relevant Product Disclosure Statement (PDS) and other documentation to decide whether Cbus is right for you. Call 1300 361 784 or email cbusenq@cbusuper.com.au or visit www.cbussuper.com.au for a copy.





17 Spring St, Melbourne, Victoria
A Cbus Property residential development
Photo credit: Tom Roe

Digital, data and technology

We recognise that our members and employers are increasingly looking for technology solutions that provide ease of use and timely solutions for their superannuation needs. Our digital, data and technology (DDT) work continues to focus on how we improve our tech-based service platforms, while providing the operational support to our people and system security to protect member data.

DDT has executed essential components of our technology and data strategies. This has included an emphasis on streamlining our technology assets to ensure they are fit for purpose, progressing our self-serve data capability and simplifying our data landscape.

As potential cyber threats continue to evolve, including some high-profile events within Australia impacting many consumers, the Security team continues to maintain and improve Cbus' defences in response to the ever-changing landscape. In this reporting period, we achieved our recertification against the International Security Standard, ISO/IEC 27001 (Information Security). The recertification process helps, along with testing our controls through this and other audits, to meeting our regulatory obligations for cyber security and protecting our members' information and interests.

DDT work this year included:

- With the support of our merger partners, Link Group and Mercer, successfully managed the transfer of 17,000 EISS members to Cbus
- Continued to streamline technology assets that are modern and fit for purpose, and removed multiple tools with the same capability. For example, we standardised to one tool for meetings and collaboration, and decommissioned the alternate tool saving over $130,000. We also renegotiated contracts for over 20 vendors resulting in over $1.2 million in reduced contracted technology expense
- Delivered a program of works to support members. This included implementation of digital capabilities to enable member experiences such as incorporating SuperMatch to the online portal, internalisation of our financial record and reporting capability, and upgrades to our cloud capabilities and risk reporting tool
- Continued to develop reporting and analytic products to draw strategic insights from our data, and DDT also delivered increased automation and simplification of our data landscape to reduce costs, including the rationalisation of two components within the data landscape. Realised benefits to date are more than $700,000
- The Security team remains dedicated to enhancing and upholding defence systems. Over the last year the team has prevented over 17,000 unsafe emails containing malicious content reaching Cbus staff and for some months over half the inbound email is blocked based on spam, malware (including ransomware), or impersonation attempts
- Recognising the increased threat from sophisticated attacks by cyber-criminals, Cbus has established a dedicated program of work to enhance the existing security controls that are in place to protect members and their personal data
- Completed an audit over information security that was requested by the regulator (APRA) as part of an industry-wide program to improve cyber resilience. The findings of the audit have been incorporated into the security program of work mentioned above as further enhancements to our overall security control environment
- The labour market for technology roles remains tight for us (and our peers), particularly in security and data roles. This year DDT retained and developed staff through training of key skills in these areas, and injected new leadership into our data team.

How we invest

We invest members' funds across a wide range of asset classes including shares, property, infrastructure, private equity, alternative growth, credit, fixed interest and cash. The tables on pages 58 – 64 show the strategic asset allocation for each of our investment options as at 30 June 2023. By having allocations to different types of assets we can build diversified portfolios to extract value and better manage investment risk.

We choose investment managers that meet our selection criteria and fit our strategy. Including Cbus Property and hybrid strategies with strategic partners, Cbus internally manages over 40% of the Fund. The remainder is managed by external investment managers. We continuously monitor all portfolios and the performance of all investment managers. At 30 June, we had 80 external fund managers.

For a full list of investment managers, visit cbussuper.com.au/super/my-investment-options/cbus-investment-managers

During the year, there were no breaches of our investment guidelines that resulted in a regulatory breach by our managers.

Each investment option has set objectives. We review these objectives annually to ensure they meet members' needs from both a risk and an expected return perspective. The objectives take into consideration our membership profile, the expected medium to long-term investment environment and mix of asset classes we invest in.

There were no changes to investment option objectives during the 2022/23 financial year.

As a result of the 2022/23 financial year review, we have made the following changes to the strategic asset allocation for our Conservative options effective 30 June 2023:

To find out more about our investment option asset allocation visit: cbussuper.com.au/super/my-investment-options/asset-allocation-framework

Investment management fees have reduced again this year for our default Growth (MySuper) option reflecting our disciplined approach to cost management. In addition, transactions costs incurred were also lower in FY23 after an increase in the previous year driven by new direct investments.

Management of derivatives

Cbus allows some of its investment managers to use derivatives to obtain market exposure, reduce risk and/or enhance efficiency. Where managers use derivatives, controls or policies must be in place to ensure the Fund is not exposed to undue risk. Cbus will also directly use derivatives for implementation of the investment strategy, most typically to gain or reduce exposure to an asset class in an efficient manner. Derivative exposure is subject to risk limits and must not gear the Fund. The derivatives charge ratio (the percentage of the Fund being used as security for derivative investments) was less than 0.5% during the financial year.

Conservative investment options: Strategic Asset Allocation changes

	ACCUMULATION	TRANSITION TO RETIREMENT	SUPER INCOME STREAM
Australian shares	8.0% to 7.0%	8.0% to 7.0%	9.0% to 8.0%
Global shares	9.5% to 8.5%	9.5% to 8.5%	8.5% to 7.5%
Alternative growth	2.0% to 1.5%	2.0% to 1.5%	2.0% to 1.5%
Australian fixed interest	14.25% to 11.75%	14.25% to 11.75%	14.25% to 11.75%
Global fixed interest	14.25% to 11.75%	14.25% to 11.75%	14.25% to 11.75%
Global credit	9.0% to 14.0%	9.0% to 14.0%	9.0% to 14.0%
Enhanced income	10.0% to 12.5%	10.0% to 12.5%	10.0% to 12.5%



Responsible investing

Our investment decisions aim to consider material Environmental, Social and Governance (ESG) risks and opportunities, so we can achieve our primary goal of generating sustainable long-term returns for our members[22].



Albany Grasmere Wind Farm, Western Australia
(A Cbus infrastructure asset held through Bright Energy Investments)

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

Our key beliefs when investing responsibly

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

How we invest responsibly

- **Through integration.** 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 are 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 are evidence driven.** We use a wide range of information and data to continuously evolve our evidence-based approach. We are involved in ongoing research to understand emerging issues and provide evidence to measure and support our approach.
- **We are transparent.** We measure our activities and report on our progress, so our members can be confident that we do what we say we do.

Our key areas of focus

We also have key areas of focus which include climate change, human, community and labour rights (including modern slavery, workplace safety and First Nations) as well as our work in the built environment. These areas are aligned with our members' best financial interests.

Climate change and the energy transition

Our commitment to managing climate change continues to evolve ensuring we minimise climate risks while also maximising climate opportunities and supporting the transition to a low-carbon economy.

Our aim ultimately is to support the energy transition, and in doing so, help ensure the transition is as orderly as possible so that our members' benefits are protected.

Human, community and labour rights

Modern Slavery

We report against the Modern Slavery Act, which aims to increase business awareness of the risks of modern slavery in the production and supply chains of Australian goods and services and works in minimising the risk of modern slavery in our operations and supply chains. This includes engaging alongside like-minded investors and companies about modern slavery risk management.

Workplace safety

Safety disclosures and practices provide insights into a company's operational performance and culture[23]. We consider the impacts that unsafe workplace practices can have on companies.

First Nations

Poor management by companies of cultural heritage and relationships with First Nations Peoples can increase the risk of legal costs, project delays, regulatory risk and reputational harm, impacting our members' investment. Cultural heritage risk management and engagement with First Nations People are matters that apply to any company that operate on cultural lands hosted by First Nations People.

Investing in the real economy

Cbus has invested in several wind and solar energy opportunities, powering hundreds of thousands of households with clean energy. We invest in renewables and low emissions technology in Australia and abroad.

Cbus Property has been recognised as managing, on behalf of the fund,

[23] Serious safety incidents have a significant personal cost to employees and their families and financial costs to employers. They can impact productivity and performance and expose the company to compensation, litigation, and reputational damage.

one of the most environmentally sustainable commercial office portfolios in the country, as rated by the NABERS Sustainable Portfolios Index[24].

In addition to aligning with our members' interests, embedding strong ESG practices in the built environment, including the development of sustainable building and construction practices, can generate significant long-term, sustainable value and positively impact our members' quality of life in retirement.

We also provide investment funding to support social and affordable housing including the construction of new dwellings. This funding not only supports new home developments for vulnerable Australians but also supports the economy through job creation.


Veja Mate, Germany

Our progress towards our 2030 climate goal of contributing to a 45% reduction in real world emissions

Last year, we changed the way we measured and report portfolio emissions, adjusting for changes in asset enterprise values to ensure our carbon intensity reductions are not overstated.

This year, at face value we had a 37% reduction against our 2019 baseline, but adjusting for asset valuations, we calculate our real-world emissions reduction since 2019 to be 20%.

Given our focus on real-world impact, we believe the more conservative, adjusted figure better represents our contribution to emissions reduction in the real world. More detail on our rationale, as well as our methodology and its limitations, can be found in our Responsible Investment Supplement.

One of our methodology's limitations is the completeness of the available data, only ~71% of our portfolio has the available data to inform this calculation (equities, infrastructure, property and a subset of listed credit).

Our highlights this year

During the last 12 months, we have enhanced the robustness of our ESG approach in the areas of climate change, stewardship, and integration as well as our continued industry leadership in the built environment.

Climate change progress

With the release of the third iteration of our Climate Change Roadmap in 2022, we have:

- Deepened our understanding of the risks and opportunities across our portfolio under different climate futures through our scenario analysis work
- Commissioned research on carbon pricing and best practice carbon pricing methodologies
- Refreshed the governance framework supporting our 1% allocation to climate related investments.
- Expanded our carbon footprint coverage to include listed investments within our credit portfolio
- Progressed development of our inaugural climate change principles.

Advocacy

Our stewardship program extends to advocacy, where we engage directly with governments, peak bodies or alongside others to contribute meaningfully to initiatives and consultations aimed at supporting systemic change to preserve and protect value, in our members' best financial interests.

Our advocacy efforts over the past 12 months include the following:

- **Safeguard Mechanism –** we signed a joint statement from the Finance Sector peak bodies supporting reforms to the Safeguard Mechanism and contributed to the Australian Council of Superannuation Investors (ACSI) response to the Government's consultation. *The Safeguard Mechanism Amendment Bill was passed in March 2023*
- **Net Zero Authority –** we were a signatory to the Australian Council of Trade Unions letter calling for the establishment of an Energy Transition Authority. *The 2023-24 Federal Budget announced the establishment of the Net Zero Authority*
- **Australian Industry Energy Transition Initiative –** the third report from this initiative was published in FY23 it outlined pathways for the decarbonisation of key industrial supply chains. *The Australian Government has recently announced they will develop sectoral decarbonisation plans*
- **The Australian Sustainable Finance Taxonomy –** we provided financial support to the Australian Sustainable Finance Institute (ASFI) Taxonomy Project Phase 1, as well as having representation on the Taxonomy Steering Committee. *The Australian Government announced in April that they will co-fund Phase 2 of this project*

[24] NABERS Sustainable Portfolios - https://www.nabers.gov.au/


435 Bourke Street, Melbourne
(A Cbus Property commercial office development - Artist Impression)

- **Social and Affordable Housing -** we participated in formally arranged working groups focused on supporting community housing providers (CHP) to deliver more social and affordable housing and the Treasurer's Investor Round Table, which led to Cbus supporting the National Housing Accord.

Cbus Property

As already noted earlier, we have seen outstanding progress with Cbus Property's commercial office portfolio reaching Net Zero Carbon eight years ahead of schedule. As well as being recognised as managing, on behalf of the fund, one of the most environmentally sustainable commercial office portfolios in the country, as rated by the NABERS Sustainable Portfolios Index[25], Cbus Property was also awarded Regional Sector Leader title for Standing Investments (Diversified – Office/Retail).

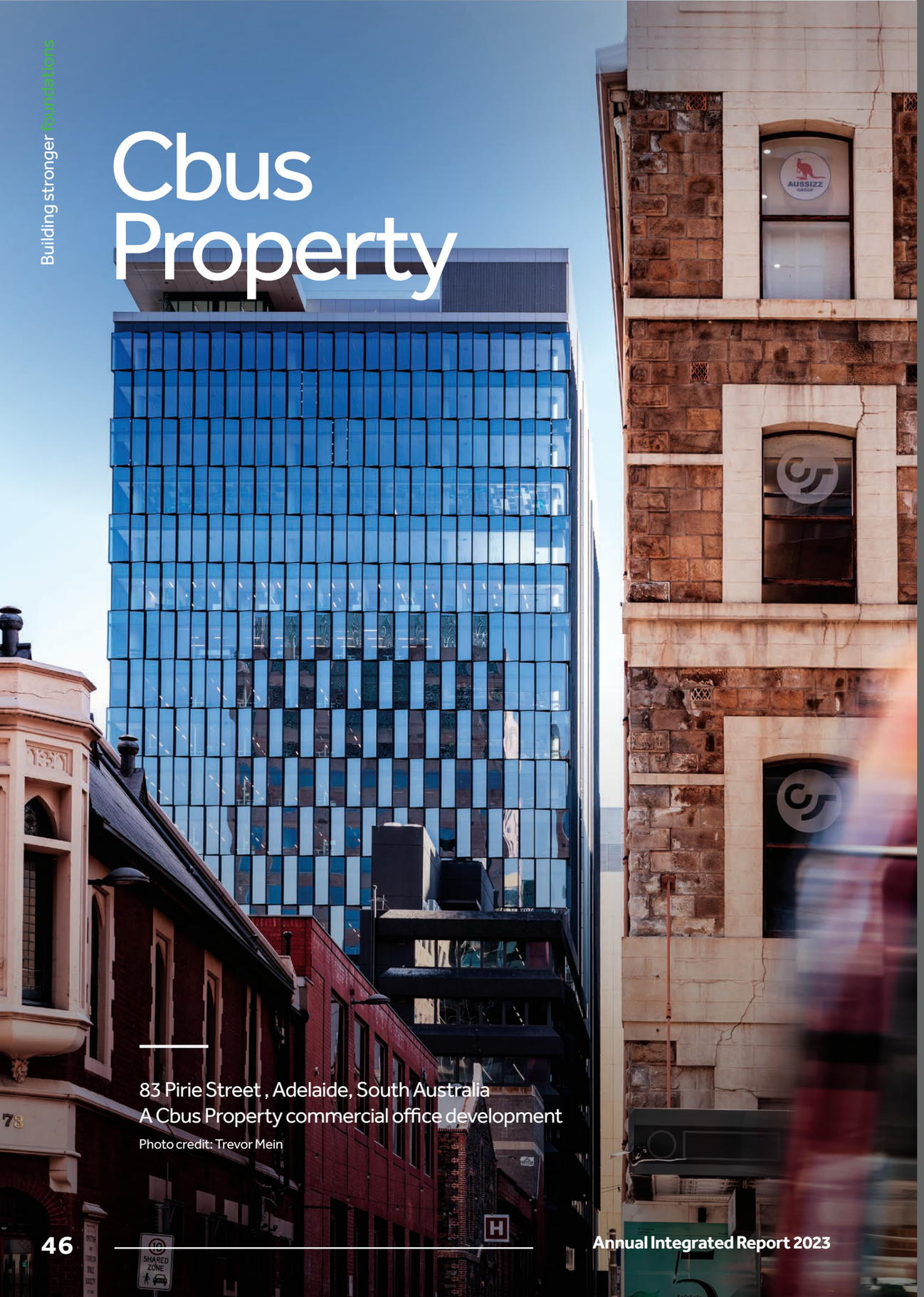
Further reading

Our Responsible Investment Supplement provides comprehensive information on our progress and the key activities we have undertaken throughout the year.

[25] NABERS Sustainable Portfolios - https://www.nabers.gov.au/

[26] Dual Global Sector Leader for Standing Investments (Diversified – Office/Retail) and Developments (Diversified – Office/Residential) in the Global Real Estate Sustainability Benchmark (GRESB).

Cbus Property



83 Pirie Street , Adelaide, South Australia
A Cbus Property commercial office development

Photo credit: Trevor Mein

Building and delivering returns

In a year marked by increasing challenges for the building and construction industries, Cbus Property continues to build on its strong position, having grown its portfolio of $0.5 billion in 2006 to $6.4 billion in 2023, with a further $5.0 billion of work underway.

Since inception in 2006, Cbus Property's average return is 14.1 per cent. This past financial year, we delivered a positive return of 0.5 per cent, in contrast to industry benchmarks, which showed an average negative return of 1.3 per cent.

The key to this success was our focus on a strategy of innovation and diversification. The results of this strategy have been apparent for a while, beginning with our move into retail in 2021, when we purchased a 46 per cent share in the Australian Core Retail Trust (ACRT), owner of Pacific Fair Shopping Centre in Queensland and part of the Macquarie Centre in New South Wales.

Major projects

Highlights this year included securing a major tenant for our latest world-class commercial development, 435 Bourke Street, in Melbourne's CBD. Commonwealth Bank has committed to leasing approximately 15,000 square metres across eight levels and signs are positive for further tenants to commit to the development soon.

In Perth, a joint venture with Brookfield was announced for Nine The Esplanade at Elizabeth Quay, representing an invaluable opportunity to re-enter the Perth office market following the success of 140 William Street more than 10 years ago. Architecturally designed by REX and Hassell, the circa 32,500-square-metre Premium Grade office building is approximately 40 per cent leased to anchor tenants, EY, Hub Australia and Multiplex.

Adelaide's most sustainable office tower, 83 Pirie Street, reached practical completion in August 2022, marking a new era for commercial office accommodation in South Australia. Representing the next generation of office design and spanning 30,000 square metres across 22 levels, 83 Pirie Street is one of the largest commercial office developments in the state and home to the Government of South Australia's Department for Infrastructure and Transport, which consolidated its several city locations into one. More than 1,800 jobs were created on site, following the commencement of construction in November 2020.

Architecturally designed by Woods Bagot, 83 Pirie Street combines market-leading sustainability, wellness and technology initiatives to capture several firsts for Adelaide – the first all-electric, carbon neutral-ready building; the first Platinum WELL v2 pilot pre-certified building; and the first commercial and retail mixed-use building that will not use natural gas.

Residential

There was further focus on residential development this year, with the Newmarket Randwick multi-stage masterplan in Sydney's eastern suburbs launching its fifth release, The Chiltern Collection, in August 2022. Comprising a boutique collection of 11 three- and four-bedroom multi-storey terrace homes, The Chiltern Collection is due for completion in late 2024.



Also in Sydney, The Langston Epping was officially launched to the community in November 2022 with the second occurrence of The Langston Weekender festival. With groundworks commencing on the mixed-use precinct in January 2019, the project's completion marks the conclusion of a journey that began when Cbus Property acquired the site in 2014, which was then being leased as an office building.

Cbus Property also reached practical completion of our $300 million 17 Spring St residential development at the east end of Spring Street in Melbourne's CBD in February 2023. More than 2,000 jobs were created on site throughout construction.

In Brisbane, our latest residential development, 185 Wharf St, has received development approval from the Brisbane City Council. Architecturally designed by Rothelowman, the city-fringe tower will comprise 125 two, three and four bedroom large-format residences across 30 levels, complemented by wellness-focused resort-style amenity set in subtropical gardens.

443 Queen St is anticipated for completion by the end of the year, with Andrew McConnell's Supernormal restaurant to open in the street-level retail space in mid-2024.

Innovation & diversification

Cbus Property successfully closed its first offshore debt funding transaction, refinancing the existing domestic loan for its interest in 311 Spencer Street, Melbourne, through the Japanese debt market.

The transaction marks Cbus Property's third green loan in accordance with our Sustainable Finance Framework and assists in diversifying our debt portfolio. Occupying the north-west corner of the CBD's Hoddle Grid and known as the Victoria Police Centre, 311 Spencer Street is 100 per cent powered by renewable energy. Its 5 Star NABERS Energy rating and 6 Star Green Star Design & As Built v1.1 and Performance v1.2 ratings, ensure alignment with Cbus Property's Sustainable Finance Framework under the Green Buildings eligibility criteria.

Sustainable finance is another important layer to our comprehensive sustainability strategy and will help facilitate our goal to become a world leader in the sustainable development and management of commercial and residential property.



Cbus Property Board in order from left to right: Georgina Lynch (Chair), Michelle Beveridge (Employer Director), Steve Bracks AC (Member Director), Hedley Davis (Employer Director), Dave Noonan (Member Director), Susan MacDonald (Independent Director) and Simon Shakesheff (Independent Director).

Performance

14.1%

Financial performance of Cbus Property since inception in 2006

Jobs created

100K

Jobs created across Australia since Cbus Property's inception in 2006[27]

Our certifications refer 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.

Cbus Property = Sustainable By Design

Inspired by the following industry-leading certifications, Cbus Property is aspiring to deliver Australia's most sustainable office portfolio:

- Average Green Building Council of Australia 6 Star Green Star Performance rating across our 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 our office portfolio
- 83 Pirie Street, Adelaide, delivered as one of Australia's first all-electric office towers
- 435 Bourke Street, Melbourne, designed to feature one of the world's first solar skin facades
- 720 Bourke Street, Docklands, achieved (IWBI) Platinum WELL v2 pilot certification

In addition, our office portfolio achieved net zero carbon status in 2022, eight years ahead of our 2030 target, as certified by the Climate Active Carbon Neutral building standard; and we again received global recognition in the annual Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment. Cbus Property was also awarded dual Global Sector Leader titles for Standing Investments (Diversified – Office/Retail) and Developments (Diversified – Office/Residential).

These achievements highlight Cbus Property's approach to integrating sustainability across all sectors of our business, from managing real assets to the way new projects are designed and constructed.

Adapting to a challenging market

Despite the past year filled with commentary around the challenges the property market is facing, Cbus Property believes it has a strong, diversified property portfolio and continues to search for new opportunities. A key challenge remains some hesitancy by workers, particularly in Victoria, in returning to CBD offices, however occupancy levels continue to increase. The key to further success in this space is to reinforce the positive aspects of working in the office, such as in-person collaboration and making the most of exceptional on-site amenity.

Other challenges include a lack of appropriately priced property to purchase and develop, combined with construction cost escalation. Furthermore, the ongoing demand for workers in infrastructure projects throughout the country, has resulted in a reduction in skilled workers being available for building projects.

Helping to address these challenges, our diversified property portfolio comprises key anchor tenants, with long-term government leases making up 55 per cent of leases across the commercial office portfolio, providing strong cash flows for members of Cbus Super.

Cbus Property is well placed to benefit from positive activity in the property market in the next 12 months and will remain vigilant in looking for opportunities that will continue to deliver strong returns for Cbus members. We look forward to updating you again next year.

Adrian Pozzo
Cbus Property
Chief Executive Officer

[27] Estimated jobs since 2006 to June 2023 based on inductions for completed and committed developments.

83 Pirie Street , Adelaide, South Australia
A Cbus Property commercial office development

Photo credit: Trevor Mein

Our people

Our people are critical to how we continue to create value for members. Ensuring we have a diverse team of skilled people aligned with the Fund's strategic objectives, our heritage and values and member-centric focus demands the attention of our Board, our Executive and our people leaders.



Justine Hartman (Chief People Officer), Nancy Day (Chief Operating Officer), Wade Martin (Chief Risk Officer), Kristian Fok (CEO), Alexandra West (Chief Strategy Officer), Marianne Walker (Deputy CEO and Chief Member Officer), Brett Chatfield (Chief Investments Officer), Natalie Hannemann (Chief Transformation Officer)

The growth in the Fund and our focus on delivering our specialist services and continued long-term returns has required that we grow our team of people. In recognition of the importance of ensuring this larger group of people are aligned, engaged and empowered we have elevated their importance to a central pillar of our reset strategy.

Our focus will be to continue to attract and retain a skilled team of people, look to uplift capabilities and work process efficiencies that further empower our people, and promote alignment and engagement through more effective communication, collaboration and whole-of-enterprise leadership accountabilities.

Leadership

This year marked significant transitions within our leadership. Our CEO Justin Arter retired in May and we thankfully acknowledge his service to members in growing the Fund. Chief Investment Officer, Kristian Fok was appointed by the Board as CEO in June, with Chief Member Officer, Marianne Walker, appointed as Deputy CEO and Brett Chatfield appointed as Chief Investment Officer.

With the departure of Kristin Miller, Group Executive People & Culture, and to realise the objectives of our strategy reset, our leadership group has been reshaped. This has seen the appointments of Nancy Day as Chief Operations Officer, Natalie Hannemann as Chief Transformation Officer, Alexandra West as Chief Strategy Officer, and Justine Hartman as Chief People Officer - all elevated from our internal talent pool.

As part of the restructure, the Finance, Information and Technology, and Brand Growth and Product teams and functions have been reallocated with the roles of Chief Financial Officer, Chief Information and Technology Officer and Group Executive Brand Growth and Product abolished.

Our leadership strategy emphasises deeper engagement, a passionate connection to our heritage and members, and an environment where every team member is primed for growth, innovation, and meaningful contribution.

Remuneration

In our ongoing commitment to transparency and fair practices, we'd like to provide insights into our remuneration approach. Our compensation strategy for both our general workforce and executives is rooted in comprehensive frameworks that ensure alignment with the Fund's broader objectives.

A notable component of this strategy is our performance and career development program for employees, known as the 5+1 framework. While this does not impact all roles, it can influence remuneration outcomes for specific Investment team members. ESG considerations, central to modern corporate governance, are integrated within these frameworks where relevant. However, it's essential to note that not all roles within our organisation are directly tied to ESG metrics.

In essence, our approach to remuneration is multifaceted, ensuring that we reward performance while maintaining our commitment to responsible and sustainable practices where they apply.

For information regarding our Executive Management team please visit cbussuper.com.au/about-us/how-were-run/executive-team which also includes remuneration of key management personnel.

Attraction and retention

This year we continued our focus on ensuring that we attract the best people to the Fund. We seek to attract and retain professionals from diverse backgrounds, beliefs and business and life experiences who align with our Cbus culture and values.

During the year we recruited 131 new employees bringing our total number of employees to 695. This year our voluntary turnover rate was 9.3% which is well below the superannuation industry benchmark voluntary turnover rate of 14%.

Diversity and inclusion

Cbus is proud that our people reflect the diversity of our society. We remain committed to attracting and retaining top-tier talent that mirrors the diversity of our community as we understand that this delivers superior outcomes for our members.

Our goal is to cultivate a culture at Cbus where diversity is celebrated, inclusivity is the norm, and every individual feels valued, respected, and empowered to be authentically themselves. Through these endeavours, we envision a workplace where support and inclusion are everyday practices.

Gender composititon of Cbus employees and governing body, by position level

Gender Equity	Female	Male	Total	Female	Targets
Board	5	9	14	36%	40%
Executive	3	5	8	38%	50%
Head of	20	31	51	39%	50%
Manager	63	80	143	44%	45%
Non-Manager	247	246	493	50%	50%
Total employees*	**333**	**362**	**695**	**48%**	**50%**
Investments	61	94	155	39%	40%

*Board data from cbussuper.com.au/about-us/how-were-run/board

Gender diversity

While we've seen some fluctuations in the representation of women at the Board and Heads of levels, we proudly announce that at the date of publication our Executive team now has a robust female representation of 62.5%, exceeding our ambitious target of 50%. This is an increase from 38% at 30 June and reflects recent changes to the executive team. Additionally, it's heartening to note our steady progress toward achieving our goal of 40% female representation in the Investment team, reflecting our commitment to fostering diversity and inclusion at all levels.

Enablement

Career and development and engagement

This year 88 percent of our people completed the employee engagement survey, which is the highest participation since the survey's inception.

Our overall engagement score was 68%. This is 1 point below our 2022 score and 5 points below the Financial Services Australia external benchmark.

The survey made clear that our people want:

- Stronger collaboration across the Fund
- A clear understanding of our strategy and that we are aligned across the Fund on what is most important
- An improvement of our internal processes (and their supporting systems) to make it easier for our people to get things done and deliver the best outcomes for our members.

The elevation of our people to a central pillar in our strategy and the leadership restructure seeks to address these issues that our people have identified as inhibiting engagement.

There were positive responses consistent with previous engagement surveys. People continue to feel a strong sense of pride to work at Cbus, are committed to our values and would recommend Cbus as a great place to work. People have recognised our strong commitment to inclusion and diversity and that continues to be the highest scoring category in our survey.

Our people have indicated that they continue to feel well supported by their manager in their day-to-day work, but also note a broader sense of care for them and their wellbeing.

Opportunities for people to continue to progress their career and ongoing development continues to be recognised as the most important factor for our people in driving engagement, and we will continue to focus on this in the future.

During the year, 150 of our people attended our career and development immersion sessions where they learned about practical steps to manage their career along with resources and tips to support them. We also have over 100 people participating in our mentoring program and are seeing some great connections being made across the Fund.

Change enablement

We've taken steps to build our maturity on leading, getting people ready for and delivering change as an organisation and as employees, to ensure Cbus can continue to perform strongly during times of change.

Our dedicated Change Enablement team has successfully worked on significant projects like our recent merger and cyber security programs, ensuring there was dedicated focus on getting people ready to work differently. The team continues to drive increased change maturity by focusing on 3 elements:

- Practice of change: effective and efficient change management frameworks
- Capacity for change: understand and create capacity for change, inform strategic decision making
- Change capability: build our people's ability to lead themselves and others through change.

Sustainable growth

Engagement with our members remains a critical focus for Cbus Super. Being in regular contact with them throughout their working life and into retirement ensures that we provide information and advice to them when they most need it. Then we can make sure that we deliver on our key objective which is to help to set them up for the retirement they want.

Industry partnerships

These commercial arrangements serve to drive our member acquisition outcomes through promotion and facilitating strong working relationships with stakeholders in the fund's target sectors.

Additionally, these commercial agreements provide access to strong communication channels to our shared membership bases to promote important financial issues such as insurance for workers in dangerous occupations and the value of financial advice in planning for retirement.

Examples include:

- Agreements with union, employer peak bodies and industry training origination partners included 20 stand-alone event partnerships and 47 ongoing partnerships
- Partnerships that supported member growth through 274 key events across the building and construction and in manual occupations in industries, and more broadly through over 1,000 ongoing brand, advertising, campaigns and other promotional opportunities
- Agreements with Media Super member and employer partners delivered three standalone event partnerships and 21 ongoing partnerships, supporting around 51 key events across the print, media, entertainment, arts and broader creative industries and distributed over 260 ongoing brand, advertising, campaigns and other promotional opportunities.

Brand recognition and specialisation

Cbus has a long history of connecting with members and workers in the building and construction industries. We do this through regular advertising and social media campaigns that remind them that Cbus is the right super fund for them, as it focuses on the unique needs of their industries.

Regular research has supported these efforts, showing that Cbus is well known as the super fund for the building and construction industry. In recent years we have extended our reach to include workers in sectors where we believe we can provide better retirement outcomes because of our specialist focus.

In 2022, campaign recognition was 76% for the year as we went to market with the unifying message of "Making Hard Work Pay Off". Other results for the new campaign include an uplift by 23% in prospects in the new industries expressing that they would choose Cbus if they were in the market for a new super fund. In 2023 we are continuing to build momentum for the new positioning.

We also undertake an annual survey to assess Cbus' reputation and this year's result of 71% is a reduction from 81% last year. When returns are lower, which was the case during the survey period, it is quite usual for this measure to fall. With the healthy return announced for 2023, we are expecting that measure to increase.

Following the merger with Media Super, we have developed tailor-made campaigns for Media Super members to remind workers in the Print, Media, Entertainment and Arts sectors of the benefits of having their super with this specialist fund.

Engagement with members

Like all funds, 30 June statements are key in fulfilling our reporting obligations. What makes us different is how we build on this mandatory obligation. Cbus Super and Media Super members benefit from a highly segmented, personalised and content-rich experience that's primarily delivered online. It features personalised retirement income estimates and tailored video content for most. We create current and future value for members by framing their account to provide retirement income (rather than lump sums) and offering a tailored blend of personal and general advice aimed to maximise retirement savings. Together, these build financial confidence and experience over the long term. Industry ratings agency Chant West view Cbus as industry leaders in this space and reconfirmed this in their 2023 review.

More targeted engagement campaigns embrace a similar focus on building awareness and driving informed decision making to create the best possible outcome for members. Over 25 campaigns are run each year for Cbus Super and Media Super members, and all leverage a single-minded proposition to engage the right member (segmentation), with the right message (valuation proposition), at the right time (sequencing), in the right way (creative execution and channels) to optimise engagement and driving higher response to calls to action. Education and direct response campaigns are run across all lifecycles – from join and onboarding through to retirement planning.

Welcoming EISS members

In May, Cbus Super and EISS Super completed their merger, with Cbus welcoming EISS's 17,000 members and establishing itself as the leading fund for energy and electrical workers in Australia. The merger followed extensive due diligence and planning to deliver benefits for both Cbus and former EISS Super members. This included developing defined benefit products for former EISS Super members. EISS Super members and employers were regularly communicated with throughout the transition via a comprehensive program of work which included regular updates, online seminars and workplace support before being formally welcomed to Cbus in May 2023.

The $5 billion of funds these new members bring with them contributes strongly to Cbus' ability to deliver benefits of scale for all members. For example, members of EISS Super now enjoy a lower percentage-based administration fee and most pay lower overall fees post-merger.

This is the second merger Cbus has completed in the past 13 months, following a merger with Media Super in April 2022. The two mergers have seen a combined inflow into Cbus of over $10 billion in funds under management and growth in membership of 90,000.



The Langston Epping, New South Wales
A Cbus Property residential development

Our governance

Making decisions in our members' best interests.



From left to right: Frank O'Grady (Member Director), Anne Milner (Employer Director), Jason O'Mara (Member Director), Dave Noonan (Member Director), Earle Setches (Member Director), Rita Mallia (Chair of Member, Employer and Growth Committee and Member Director), Stephen Dunne (Chair of Investment Committee and Employer Director), Michelle Beveridge (Chair of Audit and Finance Committee and Employer Director), Ray Sputore (Employer Director), Wayne Swan (Chair of Board and Independent Director), John Edwards (Chair of Risk Committee and Independent Director), Abha Devasia (Member Director), Hedley Davis (Employer Director), Denita Wawn (Deputy Chair and Employer Director) and Michael (Misha) Zelinsky (Chair of People, Culture and Remuneration Committee and Member Director).

Cbus' is a strong advocate of good corporate governance, which is essential to protect members' interests, achieve business objectives and meet legal and regulatory obligations. The Governance framework, structures and processes operate to protect members' interests by rigorously assessing key decisions made by the Fund, in its role as trusted manager of its members' savings in retirement.

The Board of the Trustee is ultimately responsible for the sound and prudent management of the Trustee's business operations. The Directors of United Super Pty Ltd are appointed from member and employer associations, with two independent Directors.

The role of the Board is to oversee the management of the Fund, including its overall governance, financial and risk management capability, investments, and strategic direction.

This encompasses:

- making reasonable and informed decisions in a timely manner in the best interests of beneficiaries
- approving and regularly reviewing the strategic and financial objectives and direction of the Fund, to maximise the retirement benefits of its members
- approving, reviewing and monitoring the rolling 3-year Business Plan and annual operating budget
- reviewing and approving the significant frameworks and policies of the Fund
- ensuring that appropriate systems are in place to ensure compliance with all statutory and regulatory requirements and
- appointing and reviewing the performance of the CEO and Executive, setting an appropriate remuneration package and ensuring adequate succession planning.

In the last financial year, the Board farewelled two long standing Directors, Anne Donnellan and Frank O'Grady. The Board also welcomed Abha Devasia and Dave Noonan to the Board.

Key items the Board oversaw and approved in the last financial year included:

- the appointment of the Fund's new Chief Executive Officer, Kristian Fok
- the appointment of the Fund's Chief Member Officer Marianne Walker as Deputy Chief Executive Officer
- the merger with EISS Super
- the Fund's Member Service Strategy, Technology Strategy and Organic Growth Strategy
- the 2022 Climate Change Roadmap: Action and Measurement
- the five-year Investment Strategy.

The Board is assisted in its role by five permanent standing committees: the Investment Committee; People, Culture and Remuneration Committee; Member, Employer and Growth Committee; Audit and Finance Committee and Risk Committee.

The Nominations Committee is not a standing committee, but meets as required to assist the Board with Director, Committee and CEO appointments.

The Board and each of the Board Committees has a charter that sets out its roles and areas of responsibilities.

You can view these charters at cbussuper.com.au/board

For more detail on the activities completed by the Board and the Committees, demonstrating the active governance of the Fund, please view our Governance supplement at cbussuper.com.au/cs/governance-framework-2023

Cbus Property Governance

Cbus Property has its own Board comprising three independent directors and four nominated Cbus Directors. The Cbus Property constitution requires that Board decisions must have the support of the majority of independent directors.

The Cbus Property Board is responsible for the governance, risk management, financial and strategic performance of Cbus Property. In discharging these responsibilities, the Board may delegate appropriate matters to Board Committees and management within defined and documented parameters.

The fees payable to Cbus Property directors are disclosed on the Cbus website.

You can find out more here: cbussuper.com.au/cs/governance-framework-2023

Trustee Insurance

The Trustee holds indemnity insurance that provides cover to protect the Fund, its Directors and Officers from the costs and liabilities that may arise from legal action.

Identifying and managing risk

How we manage risk?

Cbus recognises the importance of strong adaptive risk and compliance frameworks as a critical part of achieving our strategic goals. Cbus is willing to accept risk in the pursuit of value, as long as risk is understood, can be appropriately managed within the parameters of the Risk Management Framework and is consistent with generating the best possible retirement outcomes for our members.

Cbus faces a range of diverse risks and has different attitudes toward risks, depending on the type and the potential impact of those risks. The Cbus Board has determined a risk appetite setting for each material risk, where a material risk is one that could significantly impact the Fund in a detrimental way if not managed appropriately. This helps to guide decision making consistently across the organisation and empowers our people to identify and manage risks with confidence.

The Executive Risk Committee (ERC) is the management forum responsible for overseeing the implementation of the Risk Management Framework. The ERC encourages open and transparent discussion of Cbus material risks, more detailed understanding of risks and issues across the business and collective Executive accountability for material risk strategies, treatments and outcomes. The ERC meets on at least a quarterly basis and is chaired by the CEO.

The Board Risk Committee assists the Board in its management and oversight of risk management and compliance activities and overall compliance with the Risk Management Framework.

Please see our Governance Supplement for further details at cbussuper.com.au/governance-framework-2023

During the year Cbus successfully upgraded the Governance, Risk and Compliance system that is used to maintain the Risk Management Framework. This has resulted in enhanced reporting, transparency and usability across the organisation.

Risks closely monitored during the year

- **Environmental, Social and Governance –** external expectations and regulatory scrutiny in relation to ESG risks continues to evolve. During the year there has been a focus on reviewing processes and controls to ensure responsible investment disclosures are evidence based.
- **Information Security (including cyber)** - the external cyber threat landscape continues to be heightened due to the increase in sophistication of attacks compounded by ongoing geopolitical uncertainty and conflict. Consequently, regulators are increasing expectations, oversight and penalties in this space. Uplift of information security controls to keep members' account details safe, continues to be a priority for Cbus.
- **Data and analytics –** a dedicated Data Uplift Program delivered an integrated data model strengthening control around the quality of data used for enterprise decision making. The Data Analytics Uplift Program is a multi-year program to deliver a single, centralised trusted source of data that is easily accessible and enables insights and analytics to inform decision making, whilst reducing complexity and cost.
- **Mergers and growth -** the successful execution of the EISS merger in accordance with our risk framework and appetite delivered additional scale benefits to members of both funds. This has also delivered new defined benefit capability to Cbus.
- **Resilience –** the preparedness of the organisation to respond to unforeseen events. Training of the crisis management team, a desktop crisis exercise and a full crisis simulation management exercise were conducted during the year. Supporting crisis management and business continuity documentation was updated to incorporate learnings.

Risks heightened during the year

- **Insurance offerings** – this risk was reviewed and revised upward outside of risk appetite due to some members and beneficiaries experiencing delays in the assessment and payment of insurance claims during the year. Programs of work have been established to address the issues and impacted claimants.
- **Third party –** Cbus engages third parties to support aspects of the delivery of its operations. Although Cbus has implemented controls and procedures and maintains a third-party risk management program designed to perform diligence and monitor third parties, there is always a residual risk with third parties outside of Cbus' control.



Superannuation options

	Pre-mixed investment options - Accumulation					
	Growth (MySuper)	High Growth	Growth Plus	Indexed Diversified	Conservative Growth	Conservative
Risk/return						
Risk level/ (band)	Medium to High (5)	High (6)	High (6)	High (6)	Medium (4)	Low to Medium (3)
Investment return objective	Deliver a return of inflation plus: 3.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.75% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.50% a year over rolling 10-year periods	Deliver a return of inflation plus: 2.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 2.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 1.00% a year over rolling 10-year periods
Likelihood of negative annual returns	3 to 4 in every 20 years	5 to 6 in every 20 years	4 to 5 in every 20 years	5 to 6 in every 20 years	2 to 3 in every 20 years	1 to 2 in every 20 years
Actual negative annual return since inception*	4 in 39 years	6 in 25 years	0 in 1 year	0 in 1 year	1 in 6 years	2 in 23 years
Annual returns at 30 June 2023	8.95% / 6.17% / 8.27% (1 year / 5 years / 10 years)	12.57% / 7.55% / 9.80% (1 year / 5 years / 10 years)	10.68% / N/A / N/A (1 year / 5 years / 10 years)	11.32% / N/A / N/A (1 year / 5 years / 10 years)	6.61% / 4.58% / N/A (1 year / 5 years / 10 years)	4.17% / 3.10% / 4.55% (1 year / 5 years / 10 years)
Annual returns - since inception	8.89%	7.62%	3.12%	1.61%	5.12%	5.47%
Strategic Asset Allocation at 30 June 2023						
Australian Shares	22.0%	31.5%	27.0%	30.0%	15.5%	7.0%
Global Shares	25.5%	36.5%	31.5%	40.0%	18.0%	8.5%
Emerging Market Shares	2.50%	3.5%	3.0%	0.0%	2.0%	0.0%
Private Equity	3.0%	4.5%	3.5%	0.0%	0.0%	0.0%
Alternative Growth	3.0%	6.0%	5.0%	0.0%	2.5%	1.5%
Infrastructure	13.0%	8.0%	10.5%	0.0%	10.0%	7.0%
Property[1]	12.0%	8.0%	10.0%	0.0%	9.0%	6.5%
Global Credit	7.0%	0.0%	3.5%	0.0%	8.0%	14.0%
Australian Fixed Interest	4.0%	0.0%	2.0%	11.0%	8.5%	11.75%
Global Fixed Interest	4.0%	0.0%	2.0%	11.0%	8.5%	11.75%
Enhanced Income	0.0%	0.0%	0.0%	0.0%	7.5%	12.5%
Cash	4.0%	2.0%	2.0%	8.0%	10.5%	19.5%
Total	100%	100%	100%	100%	100%	100%

* Only full financial years have been included [1] Made up of 85% unlisted property and 15% Global Real Estate Investment Trusts (GREITs).
Past performance isn't a reliable indicator of future performance.

Building stronger foundations

Superannuation options

	DIY investment options - Accumulation				
	Overseas Shares	Australian Shares	Property	Diversified Fixed Interest	Cash
Risk/return					
Risk level/ (band)	Very High (7)	Very High (7)	High (6)	Low to Medium (3)	Very Low (1)
Investment return objective	Deliver a return above the MSCI All Country World ex Australia Index (unhedged) after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return above the S&P/ASX 300 Accumulation Index after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return of inflation plus: 2.50% after fees and tax, over rolling 10-year periods	Deliver a return of inflation plus: 0.50% after fees and tax, over rolling 10-year periods	Deliver a return aligned with the RBA cash rate after fees and adjusted for implied super tax
Likelihood of negative annual returns	6 to 7 in every 20 years	6 to 7 in every 20 years	4 to 5 in every 20 years	1 to 2 in every 20 years	Negligible in 20 years
Actual negative annual return since inception*	0 in 1 year	0 in 1 year	1 in 1 year	0 in 1 year	0 in 14 years
Annual returns at 30 June 2023	18.71% / N/A / N/A (1 year / 5 years / 10 years)	14.86% / N/A / N/A (1 year / 5 years / 10 years)	-3.36% / N/A / N/A (1 year / 5 years / 10 years)	1.75% / N/A / N/A (1 year / 5 years / 10 years)	2.77% / 1.11% / 1.48% (1 year / 5 years / 10 years)
Annual returns - since inception	2.79%	4.23%	-3.44%	-2.64%	2.06%
Strategic Asset Allocation at 30 June 2023					
Australian Shares	0.0%	100%	0.0%	0.0%	0.0%
Global Shares	100%	0.0%	0.0%	0.0%	0.0%
Emerging Market Shares	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%	0.0%
Property[1]	0.0%	0.0%	95.0%	0.0%	0.0%
Global Credit	0.0%	0.0%	0.0%	50.0%	0.0%
Australian Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
Global Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
Enhanced Income	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	5.0%	0.0%	100%
Total	100%	100%	100%	100%	100%

Cbus Self-Managed

Accumulation	Cbus Self-Managed Property	Cbus Self-Managed Infrastructure
Risk profile	Medium to high risk (5)	High risk (6)
To deliver an after-tax and investment fees return, over 10-year rolling periods	To deliver an after-tax return of at least inflation plus 2.75% pa over 10-year rolling periods.	To deliver an after-tax return of at least inflation plus 3.25% pa over 10-year rolling periods.
Likelihood of negative annual returns	3 to 4 in every 20 years	3 to 4 in every 20 years
Actual Performance p.a. since inception (29 Jul 15)	**8.21%**	**11.06%**

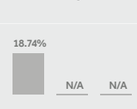
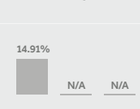
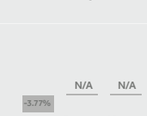
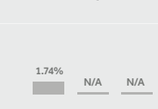
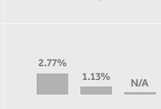
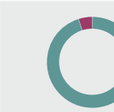
* Only full financial years have been included [1] Made up of 85% unlisted property and 15% Global Real Estate Investment Trusts (GREITs).
Past performance isn't a reliable indicator of future performance.

Transition to retirement options

	Pre-mixed investment options - Transition to Retirement (TTR)					
	Conservative Growth (Default)	High Growth	Growth Plus	Growth	Indexed Diversified	Conservative
Risk/return						
Risk level/ (band)	Medium (4)	High (6)	High (6)	Medium to High (5)	High (6)	Low to Medium (3)
Investment return objective	Deliver a return of inflation plus: 2.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.75% over rolling 10-year periods	Deliver a return of inflation plus: 3.50% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 2.25% a year over rolling 10-year periods	Deliver a return of inflation plus: 1.00% a year over rolling 10-year periods
Likelihood of negative annual returns	2 to 3 in every 20 years	5 to 6 in every 20 years	4 to 5 in every 20 years	3 to 4 in every 20 years	5 to 6 in every 20 years	1 to 2 in every 20 years
Actual negative annual return since inception*	1 in 6 years	1 in 6 years	0 in 1 year	1 in 6 years	0 in 1 year	1 in 6 years
Annual returns at 30 June 2023						
Annual returns - since inception	5.23%	8.60%	2.43%	7.04%	1.64%	3.55%
Strategic Asset Allocation at 30 June 2023						
Australian Equities	15.5%	31.5%	27.0%	22%	30.0%	7.0%
Global Equities	18.0%	36.5%	31.5%	25.5%	40.0%	8.5%
Emerging Market Equities	2.0%	3.5%	3.0%	2.5%	0.0%	0.0%
Private Equity	0.0%	4.5%	3.5%	3.0%	0.0%	0.0%
Alternative Growth	2.5%	6.0%	5.0%	3.0%	0.0%	1.5%
Infrastructure	10.0%	8.0%	10.5%	13%	0.0%	7.0%
Property[1]	9.0%	8.0%	10.0%	12%	0.0%	6.5%
Global Credit	8.0%	0.0%	3.5%	7.0%	0.0%	14.0%
Australian Fixed Interest	8.5%	0.0%	2.0%	4.0%	11.0%	11.75%
Global Fixed Interest	8.5%	0.0%	2.0%	4.0%	11.0%	11.75%
Enhanced Income	7.5%	0.0%	0.0%	0.0%	0.0%	12.5%
Cash	10.5%	2.0%	2.0%	4.0%	8.0%	19.5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

* Only full financial years have been included [1] Made up of 85% unlisted property and 15% Global Real Estate Investment Trusts (GREITs).
Past performance isn't a reliable indicator of future performance.

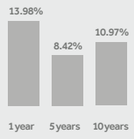
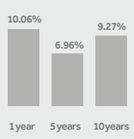
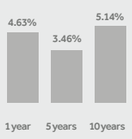
Transition to retirement options

	DIY investment options - Transition to Retirement (TTR)				
	Overseas Shares	Australian Shares	Property	Diversified Fixed Interest	Cash
Risk/return					
Risk level/ (band)	Very High (7)	Very High (7)	High (6)	Low to Medium (3)	Very Low (1)
Investment return objective	Deliver a return above the MSCI All Country World ex Australia Index (unhedged) after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return above the S&P/ASX 300 Accumulation Index after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return of inflation plus: 2.50% after fees and tax, over rolling 10-year periods	Deliver a return of inflation plus: 0.50% after fees and tax, over rolling 10-year periods	Deliver a return aligned with the RBA cash rate after fees and adjusted for implied super tax
Likelihood of negative annual returns	6 to 7 in every 20 years	6 to 7 in every 20 years	4 to 5 in every 20 years	1 to 2 in every 20 years	Negligible in 20 years
Actual negative annual return since inception*	0 in 1 year	0 in 1 year	1 in 1 year	0 in 1 year	0 in 6 years
Annual returns at 30 June 2023					
Annual returns - since inception	2.67%	4.34%	-3.82%	-2.64%	1.21%
Strategic Asset Allocation at 30 June 2023					
Australian Shares	0.0%	100%	0.0%	0.0%	0.0%
Global Shares	100%	0.0%	0.0%	0.0%	0.0%
Emerging Market Shares	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%	0.0%
Property[2]	0.0%	0.0%	95.0%	0.0%	0.0%
Global Credit	0.0%	0.0%	0.0%	50.0%	0.0%
Australian Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
Global Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
Enhanced Income	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	5.0%	0.0%	100%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

* Only full financial years have been included [1] Made up of 85% unlisted property and 15% Global Real Estate Investment Trusts (GREITs).
Past performance isn't a reliable indicator of future performance.

Building stronger foundations

Super income stream options

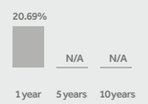
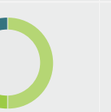
	Pre-mixed investment options - Super Income Stream					
	Conservative Growth (Default)	High Growth	Growth Plus	Growth	Indexed Diversified	Conservative
Risk/return						
Risk level/ (band)	Medium (4)	High (6)	High (6)	Medium to High (5)	High (6)	Low to Medium (3)
Investment return objective	Deliver a return of inflation plus: 2.75% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.75% over rolling 10-year periods	Deliver a return of inflation plus: 3.65% a year over rolling 10-year periods	Deliver a return of inflation plus: 3.50% a year over rolling 10-year periods	Deliver a return of inflation plus: 2.50% a year over rolling 10-year periods	Deliver a return of inflation plus: 1.50% a year over rolling 10-year periods
Likelihood of negative annual returns	2 to 3 in every 20 years	5 to 6 in every 20 years	4 to 5 in every 20 years	3 to 4 in every 20 years	5 to 6 in every 20 years	1 to 2 in every 20 years
Actual negative annual return since inception*	1 in 9 years	2 in 14 years	0 in 1 year	1 in 14 years	0 in 1 year	1 in 14 years
Annual returns at 30 June 2023						
Annual returns - since inception	6.93%	10.84%	3.28%	9.39%	2.10%	5.91%
Strategic Asset Allocation at 30 June 2023						

Australian Shares	17.5%	35.0%	30.0%	24.5%	30.0%	8.0%
Global Shares	16.5%	33.5%	29.0%	23.5%	40.0%	7.5%
Emerging Market Shares	1.5%	3.0%	2.5%	2.0%	0.0%	0.0%
Private Equity	0.0%	4.5%	3.5%	3.0%	0.0%	0.0%
Alternative Growth	2.5%	6.0%	5.0%	3.0%	0.0%	1.5%
Infrastructure	10.0%	8.0%	10.5%	13.0%	0.0%	7.0%
Property[1]	9.0%	8.0%	10.0%	12.0%	0.0%	6.5%
Global Credit	8.0%	0.0%	3.5%	7.0%	0.0%	14.0%
Australian Fixed Interest	8.5%	0.0%	2.0%	4.0%	11.0%	11.75%
Global Fixed Interest	8.5%	0.0%	2.0%	4.0%	11.0%	11.75%
EnhancedIncome	7.5%	0.0%	0.0%	0.0%	0.0%	12.5%
Cash	10.5%	2.0%	2.0%	4.0%	8.0%	19.5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

* Only full financial years have been included [1] Made up of 85% unlisted property and 15% Global Real Estate Investment Trusts (GREITs).
Past performance isn't a reliable indicator of future performance.

Building stronger foundations

Super income stream options

	DIY investment options - Super Income Stream				
	Overseas Shares	Australian Shares	Property	Diversified Fixed Interest	Cash
Risk/return					
Risk level/ (band)	Very High (7)	Very High (7)	High (6)	Low to Medium (3)	Very Low (1)
Investment return objective	Deliver a return above the MSCI All Country World ex Australia Index (unhedged) after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return above the S&P/ASX 300 Accumulation Index after fees and adjusted for implied super tax, over rolling 10-year periods	Deliver a return of inflation plus: 2.75% after fees and tax, over rolling 10-year periods	Deliver a return of inflation plus: 0.50% after fees and tax, over rolling 10-year periods	Deliver a return aligned with the RBA cash rate after fees and adjusted for implied super tax
Likelihood of negative annual returns	6 to 7 in every 20 years	6 to 7 in every 20 years	4 to 5 in every 20 years	1 to 2 in every 20 years	Negligible in 20 years
Actual negative annual return since inception*	0 in 1 year	0 in 1 year	1 in 1 year	0 in 1 year	0 in 14 years
Annual returns at 30 June 2023					
Annual returns - since inception	2.87%	4.83%	-4.88%	-3.10%	2.47%
Strategic Asset Allocation at 30 June 2023					

Australian Shares	0.0%	100%	0.0%	0.0%	0.0%
Global Shares	100%	0.0%	0.0%	0.0%	0.0%
Emerging Market Shares	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Growth	0.0%	0.0%	0.0%	0.0%	0.0%
Infrastructure	0.0%	0.0%	0.0%	0.0%	0.0%
Property[1]	0.0%	0.0%	95.0%	0.0%	0.0%
Global Credit	0.0%	0.0%	0.0%	50.0%	0.0%
Australian Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
Global Fixed Interest	0.0%	0.0%	0.0%	25.0%	0.0%
EnhancedIncome	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	5.0%	0.0%	100%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Cbus Self-Managed

Super Income Stream	Cbus Self-Managed Property	Cbus Self-Managed Infrastructure
Risk profile	Medium to high risk (5)	High risk (6)
To deliver an after-tax and investment fees return, over 10-year rolling periods	To deliver an after-tax return of at least inflation plus 3.00% p.a. over 10-year rolling periods.	To deliver an after-tax return of at least inflation plus 3.50 p.a. over 10-year rolling periods.
Likelihood of negative annual returns	3 to 4 in every 20 years	3 to 4 in every 20 years
Actual Performance p.a. since inception (29 Jul 15)	**8.21%**	**11.06%**

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Past performance isn't a reliable indicator of future performance.

Defined Benefit investment option

This option invests a proportion of funds in growth assets such as Australian and global shares. This means returns may go up or down in the short to medium term but are expected to be well above inflation over the long term.

Risk/return	
Risk level/(band)*	Medium to High (5)
Investment return objective	Deliver an after-tax return of inflation plus: 2.8% a year over rolling 10-year periods
Growth/defensive split	55%/45%
Likelihood of negative returns	3 to 4 in every 20 years
Minimum investment timeframe	10+ years
Return since inception – 12 May 2023 to 30 June 2023	-0.40%
Strategic asset allocation and range	

	Allocation %	Range %
Australian Shares	16.5%	0.0-30.0
Global Shares	22.0%	0.0-38.0
Infrastructure	13.0%	0.0-28.0
Property[2]	12.0%	0.0-28.0
Global Credit	8.0%	0.0-18.0
Australian Fixed Interest	11.0%	0.0-49.5
Global Fixed Interest	11.0%	0.0-49.5
Cash	6.0%	1.0-49.5

* This is an industry standard to group options that are expected to have a similar number of negative returns over 20 years-from 1 (very low risk) to 7(very high risk). It measures some but not all investment risks.

[2] Made upof 85% unlisted property and 15% global real estate investment trusts (GREITs).

Investment managers

External investment managers	80	% of fund internally managed	40.3

Please note: this excludes Cbus internal managers including Cbus Property and those categorised under Other.

List of external investment managers	
Acorn Capital Investment Fund Limited	Impax Asset Management
Airlie Funds Management	Infrastructure Capital Group
Allan Gray Australia	Invesco
AMP Capital Investors	ISPT
Antin Infrastructure Partners	KKR Global Infrastructure Investors
AQR Capital Management	L1 Capital
Archer Capital	Lazard
Ausbil Dexia	LGT Capital Partners
Baillie Gifford Overseas	Macquarie Group
Bain Capital	Maxcap
Barings	Mesirow Financial
Blackrock	Mondrian Investment Partners
Brookfield Asset Management	Morrisons
Canyon Capital Advisors	Neuberger Berman
Capital Dynamics	Oaktree Capital Management
Capstone Investment Advisors	Paradice Investment Management
Cerberus Capital Management	Perpetual Investment Management
Challenger	Pomona Australia
Charter Hall	Potentia Capital
CIM Environmental	QIC
Citigroup Global Markets Australia	Rare Infrastructure
Colonial First State Asset Management	Realindex Investments
Comgest	Resolution
Continuity Capital (previously Wilshire Private Markets Group)	Resolution Life
Copenhagen Infrastructure Partners	ROC Private Equity
Dexus	Sculptor Capital Management
EG Funds Management	Siguler Guff & Company
Ellerston Capital	Stafford Capital Partners
EQT	Stepstone
Fife Capital	Stonepeak Tiger Investment
First Sentier Investors	The Growth Fund
Global Thematic Partners	Top Tier Infrastructure
GPT Group	TPG Opportunities Partners II
GQG Partners	UBS
Greencape Capital AUS Equities	VenCap International
Harris Associates	Wellington Management Company
Hayfin Direct Lending	Westbourne Capital
Heitman	Wilshire Private Markets Group
Hyperion Asset Management	Yarra Capital Management
IFM Investors	



Annual financial statements

The Cbus annual financial statements ("Statements") are prepared in accordance with Australian Accounting Standards and include a Trustee's Declaration and an Independent Auditor's Report. Each year the Statements are reviewed and endorsed by the Trustee's Board of Directors.

Financial Oversight

Board Committees

The following Board Committees provide additional oversight on Cbus' Financial, Risk and Regulatory frameworks.

Audit and Finance Committee (AFC)

The role of the AFC is to provide assistance to the Board by providing an objective non-executive review of the effectiveness of the Trustee's:

- financial governance and reporting responsibilities
- corporate governance
- audit and tax matters
- other commercial matters
- enterprise performance and member outcomes delivery and that these support the achievement of the Trustee's strategic objectives, consistent with its risk appetite and the Risk Management Framework.

Risk Committee (RC)

The role of the RC is to provide assistance to the Board by providing an objective non-executive review and oversight of the effectiveness of the Trustee's Risk Management Framework and advise the Board on the Trustee's current and future Risk Appetite, Risk Culture and Risk Management Strategy.

Senior Management

The ultimate responsibility for the sound and prudent management of the Fund's business operations rests with the Trustee's Board of Directors. Senior Management have implemented governance frameworks, and conducts its affairs with a high degree of integrity and control, to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Senior Management monitor the internal financial control environment to ensure it is operating effectively having regard to the risks it is designed to control.

Financial Summary

Below is a condensed financial summary that includes the main items from Cbus' Statements for the last two years. If you would like more detailed financial information, including the audited Statements and Auditor's Report, you can find them online at cbussuper.com.au/annual-financial-statements-2023. Copies of these can also be requested by calling us on 1300 361 784.

Annual financial statements

Statement of Financial Position as at 30 June 2023

	2023 $'000	2022 $'000
Cash and cash equivalents	121,269	45,705
Financial assets	85,275,921	70,920,610
Other assets	82,111	203,697
Less: liabilities	(1,827,165)	(1,261,180)
Net assets available for members' benefits	**83,652,136**	**69,908,832**
Less: members' benefits	(83,260,910)	(69,567,171)
Net assets	**391,226**	**341,661**
Equity		
Operational risk reserve	209,130	174,772
Other reserves	182,096	166,889
Total equity	**391,226**	**341,661**

Income Statement for the year ended 30 June 2023

	2023 $'000	2022 $'000
Revenue		
Interest	387,347	227,465
Dividends and distributions	1,523,247	1,876,293
Changes in fair value of financial instruments	5,115,042	(5,511,657)
Other investment income	43,359	28,709
Total revenue	**7,068,995**	**(3,379,190)**
Expenses		
Investment expenses	(239,655)	(268,010)
Administration and other operating expenses	(259,113)	(242,807)
Insurance premium expenses	(46,652)	(75,872)
Total expenses	**(545,420)**	**(586,689)**
Result from superannuation activities before income tax (expense)/benefit	**6,523,575**	**(3,965,879)**
Income tax (expense)/benefit	(431,607)	824,602
Result from superannuation activities after income tax (expense)/benefit	**6,091,968**	**(3,141,277)**
Net (benefits)/losses allocated to members' accounts	(6,097,186)	3,094,782
Net change in defined benefit members' liabilities	(26,553)	–
Operating result after income tax	**(31,771)**	**(46,495)**

Statement of Changes in Members' Benefits for the year ended 30 June 2023

	2023 $'000	2022 $'000
Opening balance of members' benefits	**69,567,171**	**63,201,143**
Add:		
Contributions received	5,622,235	4,773,995
Net transfers (to)/from other superannuation funds	1,428,355	1,395,257
Successor fund transfers	5,076,099	6,761,214
Net investment income/(loss)	6,308,642	(2,901,758)
Death and disability insurance entitlements received	294,474	294,572
Net change in defined benefit members' liabilities	26,553	-
Less:		
Benefits paid to members' accounts	(3,642,104)	(2,784,200)
Administration fees	(211,456)	(193,024)
Insurance premiums charged to members	(435,252)	(358,867)
Income tax on contributions	(773,807)	(621,161)
Closing balance of members' benefits	**83,260,910**	**69,567,171**

Statement of Changes in Equity/Reserves

Cbus maintains reserves to cover day-to-day operations and regulatory requirements. The Fund's reserves for the last three years are outlined in the table below:

	General reserve $'000	Administration reserve $'000	Insurance reserve $'000	Operational risk reserve $'000	Defined benefits over funded	Total equity
Opening balance as at 1 July 2021	**26,071**	**30,958**	**135,486**	**158,882**	**-**	**351,397**
Closing balance as at 30 June 2022	**-**	**63,340**	**103,549**	**174,772**	**-**	**341,661**
Net transfers (to)/ from reserves	(13)	(3)	9	7	-	-
Operating result after income tax	(58,454)	26,718	5,239	21,279	(26,553)	(31,771)
Successor fund transfers	10,428	13,587	2,445	13,072	41,804	81,336
Closing balance as at 30 June 2023	**(48,039)**	**103,642**	**111,242**	**209,130**	**15,251**	**391,226**

Annual financial statements

General Reserve

The General Reserve manages the receipt of investment income and payment of investment related expenses and taxes. This reserve is also used for the allocation of investment earnings to members via the process of declaring daily crediting rates.

The Trustee's Board of Directors has determined that the General Reserve is to be maintained within a range of 0.00%–0.25% of the Fund's net assets available for members' benefits. The factors considered in setting this range are governed by the Trustee's reserving policies.

Administration Reserve

The Administration Reserve manages the receipt of member administration fees and the payment of Fund administration and operating expenses. The reserve is also used to cover unexpected and unbudgeted expenses of the Fund, including the delivery of significant projects that are not business-as-usual based, along with the Fund's responses to any emerging risks and opportunities for delivering member benefits.

The Trustee's Board of Directors has determined that the Administration Reserve is to be maintained within a range of +/- 10% of a target level set at $74.5m. The factors considered in setting this range are governed by the Trustee's reserving policies.

Operational Risk Reserve (ORR)

The Fund is required to maintain an ORR to meet potential losses arising from its business operations. The Trustee considered it appropriate to maintain the target level of this reserve at 0.25% of the Fund's net assets available for members' benefits for the 2023 financial year. The adequacy of this reserve is reviewed annually, or in response to material changes in its business operations.

Insurance Reserve

The Insurance Reserve is funded from premiums deducted from members' accounts, the tax benefits from the payment of premiums to the insurer and investment earnings on the reserve.

The Insurance Reserve is used only for insurance-related purposes to:

- collect deductions and pay the insurer the premiums
- pay for the operating and administration costs for insurance and claims
- provide premium price relief to insured members
- set aside money to meet the financial obligations of our insurance providers
- fund strategies to reduce insurance claims over the long term
- develop and improve insurance offerings
- self-insurance defined benefit additional entitlements
- implement legislative changes.

The Fund has an arrangement with the insurer under which:

- it may receive a payment from the insurer in years where the level of claims compared to premiums is low
- it may be required to pay the insurer in years where the level of claims compared to premiums is high. These payments will not exceed 10% of the premiums paid for the relevant year
- any payments we receive from the insurer must be used for insurance-related services.

The table below shows the payments made from or received by Cbus in relation to the above arrangement over the past three years.

We aim to maintain the Insurance Reserve at a level of up to 20% of the annual premiums paid to the insurer. We also allow for contingent liabilities to the insurer (payments that may arise in future). There is a minimum amount we need to maintain to ensure we can meet our obligations.

Financial year	Amount received by Cbus /paid by Cbus
2022/2023	($20,118,596) paid by Cbus
2021/2022	($32,290,663) paid by Cbus
2020/2021	($43,580,110) paid by Cbus

At 30 June 2023, the contingent liability on a tax-adjusted basis to insurers was $85,588,355, and the Insurance Reserve had an additional $25,388,770.

Each year we review the level of Insurance Reserve (including any premium price relief for members). The current level of premium price relief for members has been in place since July 2022. This followed a higher level of relief during the period from September 2017 to June 2022.

Building stronger foundations



17 and 35 Spring St, Melbourne , Victoria
Cbus Property residential developments

Independent Limited Assurance Report to the Directors of United Super Pty Ltd as trustee for Construction and Building Unions Super Fund (Cbus)

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the information subject to assurance comprising pages 5 to 57 of the Cbus Integrated Report 2023 for the year ended 30 June 2023, which has been prepared by Cbus in accordance with the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework.

Information Subject to Assurance

Information subject to assurance comprises pages 5 to 57 of the Cbus Integrated Report 2023 for the year ended 30 June 2023 (Cbus Integrated Report).

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the International Financial Reporting Standards (IFRS) Foundation's Integrated Reporting Framework (Integrated Reporting Framework) as disclosed in the Cbus Integrated Report (*"the criteria"*).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.* In accordance with the Standard, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Cbus Integrated Report, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the Cbus strategy or how Cbus creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to the Cbus strategy and how Cbus creates value are outlined below.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Interviews with executives, senior management and staff to understand the internal controls, governance structure and reporting process relevant to the Cbus Integrated Report.
- Reviewing the description of the Cbus strategy and how Cbus creates value in the Cbus Integrated Report and enquiring of management as to whether the description accurately reflects their understanding.
- Assessment of the suitability and application of the <IR> Framework in respect of the Cbus Integrated Report. This included an analysis of the Cbus Integrated Report compared to the Guiding Principles and Content Elements of the <IR> Framework.
- Reviewing Cbus' processes underlying the identification of material issues and considering Cbus's own materiality assessment with reference to multiple sources of information including print and social media, external framework requirements and peer and industry reporting trends.
- Assessment of the alignment between the Cbus strategy and the disclosures on how Cbus creates value and what matters most to Cbus stakeholders.
- Reviewing Board minutes to check consistency with the Cbus Integrated Report.
- Agreeing the Cbus Integrated Report to relevant underlying documentation on a sample basis.
- Analytical procedures over the key metrics in the Cbus Integrated Report.
- Review of the Cbus Integrated Report in its entirety to check it is consistent with our overall knowledge obtained during the assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Cbus.

The Limitations of our Review

The Cbus Integrated Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Cbus Integrated Report.

Inherent limitations

Quantification of non-financial information is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in the methods used for determining or estimating it.

The nature of non-financial information, the absence of a significant body of established practice on which to draw, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The non-financial data has been measured applying the criteria, which have been developed solely for the purpose of providing this non-financial information. As such, non-financial data may not be suitable for another purpose.

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the criteria may occur and not be detected. A limited assurance engagement as at and for the year ended 30 June 2023 does not provide assurance on whether compliance with the criteria will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of Cbus for the purpose of providing an assurance conclusion on the Cbus Integrated Report and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Cbus, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs and the needs of other intended users;
- preparing and presenting the Cbus Integrated Report in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Cbus Integrated Report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Cbus Integrated Report 2023 for the year ended 30 June 2023, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Standard on Quality Management 1 to maintain a comprehensive system of quality management.

KPMG
Melbourne

Julia Bilyanska
Partner, KPMG
Melbourne
8th November 2023

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Building stronger foundations

Awards and ratings

Canstar

- 5-Star rating for Outstanding Value Account Based Pension 2023

Chant West^

- 5 apples rating for both Super and Pension 2023
- Specialist Fund of the Year Winner 2020-2023
- Best Fund Member Services 2023

Money Magazine

- Best Growth Pension Product 2023

Lonsec*

- Highly recommended rating for accumulation and Super Income Stream investment options: High Growth, Growth, Conservative Growth and Conservative, and Accumulation Growth Plus
- Recommended rating for Cash (Accumulation and Super Income Stream)

SuperRatings*

- Platinum rating and Generations recognised for all Cbus and Media Super products, including Cbus SIS
- Career Fund of the Year 2023 winner

Rainmaker

- 2023 AAA Quality Rating
- 2023 ESG Leader Rating

Applicable for the following products:

- Cbus – Industry Super
- Cbus – Personal Super
- Cbus – Sole Traders Super
- Cbus – Super Income Stream

Cbus Property

A net zero carbon office portfolio, certified by the Climate Active Carbon Neutral Building Standard

An average Green Building Council of Australia (GBCA) 6 Star Green Star Performance rating across office portfolio

Recognised once again as a leader in the NABERS Sustainable Portfolios Index 2023 and nationally ranked first for NABERS Waste and fourth for NABERS Energy and Indoor Environment across office portfolio

* nabers.gov.au/portfolio

International WELL Building Institute (IWBI) Health Safety ratings achieved across office portfolio

Named Regional Sector Leader for Investments (Oceania, Diversified - Office/Retail)

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

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

720 Bourke Street, Docklands, achieved IWBI WELL Platinum v2 pilot certification

Cbus Members

For more information:
Phone our Service Centre on 1300 361 784 from 8.00am to 8.00pm Monday to Friday (AEST/AEDT)

Write to:
Cbus Super
Locked Bag 5056,
Parramatta, NSW 2124

Visit:
cbussuper.com.au

Download the Cbus app:
cbussuper.com.au/app

Follow us:

facebook.com/cbussuperfund
linkedin.com/company/cbus-super-fund
twitter.com/cbussuperfund
youtube.com/user/CbusSuper

Media Super Members

For more information:
Phone our Service Centre on 1800 640 886 from 8.00am to 8.00pm Monday to Friday (AEST/AEDT)

Write to:
Media Super
Locked Bag 5056,
Parramatta, NSW 2124

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Chant West*
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SuperRatings*
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Thank you

Cbus wishes to thank our many members, employers, families and staff who kindly allowed their photos to be included in this annual report.

We welcome your thoughts

As always, we value your feedback and invite you to send any comments or queries about this report to: annualreport@cbussuper.com.au

You can also review this report online:
cbussuper.com.au/annualreport

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