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Where pages have this symbol it indicates Cbus meets a disclosure requirement under the Global Reporting Initiative.

1.1, 2.1, 2.2, 2.4, 2.5, 2.7, 2.8, 2.9, 2.10

When you see this icon throughout this Annual Report, it indicates you can watch video content that goes into depth about the activities we’ve undertaken and plans for the future.

This content is only available via the online version of the Annual Report available at www.cbussuper.com.au/AnnualReport

Thank you
The images and content of this annual report are from the Cbus community. We would like to thank our members, employers, partners and staff for making either themselves or their worksites available. All buildings and infrastructure images are investments of Cbus.
Cbus is the leading industry superannuation fund for the Australian building, construction and allied industries and one of the largest super funds in Australia. We provide superannuation and income stream accounts to more than 700,000 members. We now manage in excess of $22.8 billion of our members’ money, which is invested in a diversified portfolio including Australian and international shares, bonds, infrastructure and property.

Strength in structure
Now in its 29th year, Cbus has become a significant investor in the economy. This foundation is built on the trust our members have in us to build their retirement savings. As we have grown we’ve created policies, processes and strategies to protect and grow our members’ monies. This, in turn, has allowed us to invest back into our industry with building and infrastructure investments, creating a unique structure that will enable Cbus to go from strength to strength.

Cbus is Stronger Super ready
The superannuation reform program has kept the Fund busy during the year to ensure that all required changes are in place. Cbus was the second fund to achieve MySuper authorisation and will launch its MySuper option on 1 October 2013, which will be the existing default option renamed to Growth (Cbus MySuper).

Read page 10 for further information on the reform program taking place in superannuation.

Greater and deeper investment capability
Over this year the Cbus investment team has expanded significantly, bringing in greater in-house expertise. This is an outcome of the 2012 investment review, which also led to changes in investment strategy and to an improved risk management and investment governance framework (see page 12 for investment overview).

Investing in Australia’s future
It was also a significant new investment phase for the Fund. New infrastructure and property investments were made across Australia, including new developments for Cbus Property in South Australia and Queensland, and investments in Port Botany and Port Kembla (see page 22 for further information).

Enhancing our reporting on ESG issues
As a signatory to the Principles of Responsible Investment, Cbus reports on how we integrate environment, social and governance issues into our investment processes (see page 40). This year we’ve enhanced our reporting on ESG issues by applying the Global Reporting Initiative’s (GRI) framework to the National Trustee Office (pages 6, 100).

Cbus continues to deliver strong, long-term performance
Cbus produced another strong result for members, with a 16.15% return for the Growth (Cbus Choice) Cbus default option for the year. This equates to an average 9.1% return each year for members who have been with Cbus since we started in 1984 (see page 14 for all investment performance figures).

Awards, ratings and achievements

| Super Ratings – 7 year Platinum performance |
| Chant West – 5 apples for both superannuation and pension products |
| Rainmaker – Triple A award |
| Winner – The Association of Superannuation Funds of Australia Communication Award 2012 for best delivery of ‘fine print’ (Annual Report) |
| Winner – Selecting Super Awards 2012 Innovation Award – Transparency |
| Winner – Australian Institute of Superannuation Trustees Communications Award 2012 for Annual Report |
| Silver Award – Australasian Reporting Awards 2012 for Distinguished Achievement in Reporting |
| Finalist – Australasian Reporting Awards 2012 for Best First Time Entry |
| Winner – Chant West Best Fund 2013 for Integrity |
| Winner – Roy Morgan Research Customer Satisfaction Awards 2012 for Business Superannuation Manager of the Year |
| Winner – Melbourne Financial Services Symposium’s Investment Stewardship Award, Superannuation Fund, 2013 |
| Winner – Cbus Property won the Australian Property Institute’s Environmental Development Award for 171 Collins Street, Melbourne |

Growth (Cbus Choice) annual return

| Growth (Cbus Choice) annual return |
| 8.70% | 16.15% |
| 2010/11 | 2011/12 | 2012/13 |

Funds Under Management

| Funds Under Management |
| $17.2B | $18.5B | $22.8B |
| 2010/11 | 2011/12 | 2012/13 |

Total members

| Total members |
| 663,330 | 691,582 | 701,432 |
| 2010/11 | 2011/12 | 2012/13 |
Over the past five years the Fund has continued to grow in size with funds under management of $22.8 billion and more than 700,000 members. These achievements have been made despite a difficult external environment that has included the global financial crisis and subsequent uncertainty.

The Board and staff realise that members place enormous trust in their integrity and ability to deliver the products and services that will ensure members are prepared for retirement and assisted through retirement by Cbus.

Another key reason Cbus members have a high level of trust in their Fund arises from its relationships with its industrial partners. The support of unions and employer organisations has been a key feature of Cbus since its inception. Board members are nominated by these groups, which ensures the Fund remains responsive to the concerns and aspirations of its members and employers.

**Investment**

During the year Cbus has continued to acquire interests in productive infrastructure including Port Botany, Port Kembla and Manchester Airport (further information on these investments can be found in “How we invest members’ money” on page 18). It is expected that in future years these assets will make a valuable contribution to the earnings of Cbus.

Cbus has nearly doubled in size over the past five years.
Aside from the benefits of building up retirement income for our members, these investments provide real benefits to the Australian economy. As an example, our investment in development property and infrastructure provides thousands of jobs. These projects, when mature, provide capacity for economic growth, such as better access through new or improved roads, ports and airports. Also, as part of the wider superannuation savings pool, we are providing a broader base for the supply of capital. This makes it easier for Australian companies to find funding.

During the year the Victorian Building Industry Union Group undertook a major review of superannuation providers for key sponsoring unions. Cbus participated in the tender process and was ultimately successful in being assessed as offering the best superannuation package for the group’s members.

Cbus does not take this preference for granted and will continue to work with sponsoring organisations and members to ensure Cbus continues to offer responsive and competitive products and services.

**Departures and appointments**

In June 2013 Cesar Melham resigned from the Board and from his role as Victorian Secretary of the Australian Workers’ Union. Cesar was appointed to fill a vacancy in the Victorian Legislative Council. Cesar has made a valuable contribution to the Cbus Board and was a member of the Audit and Risk Management and Member Services and Marketing committees. On behalf of Cbus I would like to thank Cesar for his contribution and wish him well in his parliamentary career.

Scott McDine has been appointed to fill the vacancy created by Cesar Melham’s resignation. Scott is the Assistant National Secretary of the Australian Workers’ Union and I am confident that he will make a valuable contribution to the Board in coming years.

I commend the 2012/13 Cbus Annual Report to you.

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**Father and son and Cbus members Jay and Andy McDougall.**
In last year’s Annual Report both the Chair and I remarked on the scale and impact of regulatory change, the level of public debate that focused on superannuation and the increased workload undertaken by the Fund. Twelve months on these observations remain valid.

Cbus has again focused on its core tasks of providing a service to members that:

- maximises members’ retirement benefits
- offers improved financial advice and services.

The Government’s Stronger Super reform package came into effect on 1 July 2013 and it required significant preparatory work across all elements of the Fund. Cbus has embraced the reforms and has put into place a comprehensive program of work to ensure the Fund meets all the new requirements and is placed in a strong position for the future.

Investment return

After several years of volatile investment returns experienced by members, I am pleased to report that the Cbus investment return is again in double figures, returning 16.15% for the Growth (Cbus Choice) option, into which nine out of 10 members are invested.

The Cbus investment strategy for the Growth (Cbus Choice) option seeks to return CPI + 3.5% over the longer term and although this year’s result is pleasing members need to take a long-term view of investment performance.

Since 1984 the average annual rate of return for the Growth (Cbus Choice) option is 9.1%.

ESG investment and sustainability reporting

Cbus is a signatory of the United Nations backed Principles of Responsible Investment (PRI) and I sit on the board and council of the PRI. As a signatory, Cbus reports on how we integrate environment, social and governance (ESG) issues into our investment processes. We do this because we believe that responsible investment can lead to better outcomes for investors over the long term.

We principally conduct engagement on ESG investment issues through our membership of the Australian Council of Superannuation Investors. This year our reporting on ESG investment issues is on pages 40 to 44.

We have also used the Global Reporting Initiative’s (GRI) 3.1 framework to report on our sustainability performance reporting at Application Level C. We have not reported for Cbus Property, although we plan to include Cbus Property in future reports. We have only included the National Trustee Office, which is based at 2 Lonsdale Street in Melbourne.

During the year, we engaged external consultants to run workshops with Cbus executives and key management to identify our major stakeholders – our members, employers, sponsor organisations, regulators, major service providers and staff. We commenced work with these stakeholders to identify material sustainability issues for Cbus.

Over 2013/14 we will be further engaging with our major stakeholders as we work towards defining the material issues in preparation for reporting against the GRI’s G4 framework. Through this process we will be determining our sustainability goals going forward.
Our people
Over the past 12 months the Cbus executive team has been expanded to include an additional role in the investment team, to which Kristian Fok was appointed in December 2012. In other executive changes, Cbus appointed Michelle Boucher to the role of Executive Manager Marketing and Communications. Key organisational responsibilities can be found at www.cbussuper.com.au/about-us

In addition to executive appointments, Cbus has recruited for 30 positions to enhance internal capability and product development in line with our strategic goals. The most significant growth has been in the investment team, which has been expanded to effectively implement the investment strategy.

The Cbus staff have delivered an outstanding result due to their dedication, passion and engagement in their roles and to the members more broadly. It has been a pleasure to work alongside this great group of people around Australia and I look forward to the coming year as we integrate the new capabilities and expertise into our organisation.

Member engagement
Overall satisfaction among Cbus members has increased from 7.60 in 2012 to 7.85 in 2013. The highest satisfaction rating was among members aged 18-29, where satisfaction sits at 8.03. Cbus also returned to TV screens during the year, with a refreshed advertising campaign to show that Cbus is the fund for all people involved in the building and construction and allied industries. Initial research shows that across all segments – members, non-members and employers – Cbus recognition has significantly grown.

The challenges ahead
Looking forward, Cbus faces a number of challenges over the coming three to five years. Despite a very strongly performing year for the default option, the investment environment remains difficult, both globally and in Australia, and the challenge remains to meet our investment objectives.

Another challenge is retaining our members as they move towards and into retirement. We are committed to meeting the changing needs of our members, and we recognise this will require ongoing enhancement to our product range and the services we provide. Over the coming year we are introducing a member direct investment facility and a default income stream investment option.

We are facing an increasingly competitive superannuation environment, in which we believe that sufficient scale of operations will be required to remain sustainable. This will require Cbus to continue to grow the Fund.

Finally, we need to continue to navigate the changing regulatory environment, ensuring we represent our members in superannuation policy debate, and maintaining our best practice focus.

Please read on to see how the Fund is performing.

DAVID ATKIN
Chief Executive Officer

The purpose of super is to allow you to enjoy life after work. Michael and Justin, Cbus members, focusing on the important things in life.
Major areas of activity during 2012/13:

1. **Stronger Super reform program**

   Cbus made the decision to hit the super reform path running and became the second Fund to secure its MySuper authorisation from the prudential regulator. The launch date of our MySuper option is 1 October 2013.

   A comprehensive program of work has been implemented to ensure the Fund fully meets all the new requirements.

   Further information on the reform program is on page 10.

2. **Optimisation of the investment framework**

   During the year the Fund finalised its review of the investment function and began to implement several significant changes to the way investment strategy is conducted and increased the internal resources and expertise.

   Further information on investment performance and changes in our investment area is in the ‘Investments’ section starting on page 12.

3. **Ongoing service transformation program**

   The ‘beCbus’ program is an investment by the Fund in a capability and culture program at our administrator, Superpartners. The program is focused on the quality of service delivery to our members and employers and shifting from a transactional to a service-based culture. To date the program has delivered improvements in staff morale, job satisfaction and staff turnover as well as an increase in our member satisfaction levels.

   Over the coming year the program will be rolled out to the Cbus insurance and claims area of the administrator.

4. **Brand**

   Cbus was back on TV during the year with a new campaign focused on broadening the appeal of the Fund to a wider cross-section of the building and construction industry. The Fund will continue with a strong brand and communications program into the future.

5. **Advice as a service for all members**

   Cbus continued to build the Cbus advice team, which has become a critical service. Cbus has developed a fully integrated service that provides members with access to the full range of advice services with implementation capability. The extension of voice contract capability and new video technology within this service will add to its reach and impact over the coming year.

   Member engagement through the Cbus advice team increased substantially as a result of improved awareness and targeted outbound member assistance programs, such as contribution caps, excessive switching activity, trigger-based events, etc. The team had more than 45,000 advice-related conversations with Cbus members and this is forecast to increase significantly again over the coming year.

6. **Post retirement – serving members better in the drawdown phase**

   **Pricing review**

   The Cbus Super Income Stream was repriced during the year, repositioning it as one of the most competitive retirement products in the marketplace for our members.

   **Investment strategy**

   Cbus developed a default investment strategy, ‘Conservative Growth’, for the income stream to help provide an appropriate portfolio mix for those members transitioning into the product.

7. **Product innovation**

   In response to the desire from some members to have greater control over their super, new member direct investment options, which will include infrastructure and property, will be introduced in 2014.
Risk management framework

Cbus has continued to enhance its risk management framework over the past year in response to new prudential requirements. This has involved the further development and articulation of a risk appetite statement for each material risk captured in the framework, and development of risk tolerances and indicators to give the Fund clear guidelines as to acceptable levels of risk in the everyday running of the Fund.

Risk appetite

The Cbus Board has approved a risk appetite statement outlining its expectations regarding the level of risk that is appropriate for the Fund to accept in pursuit of its strategic objectives. The risk appetite statement is developed and reviewed in the context of the annual business planning process.

In aggregate, Cbus’s risk appetite is expressed as follows: ‘Cbus is willing to accept risk in its activities as long as risk is understood, can be appropriately managed within the parameters of the risk management framework and is consistent with the Fund’s overarching strategic objectives of focusing on our members’ best interests and maximising members’ retirement outcomes.’

The Trustee’s risk appetite is translated into operational measures and articulated in the following ways:

- Risk tolerance: an expression of the maximum level of risk that Cbus is willing to operate within.
- Risk indicators: thresholds that provide a lead indicator as to when levels of risk may be potentially approaching a defined tolerance.

The Trustee has articulated risk tolerance for the achievement of key strategic objectives as contained in the Fund’s Balanced Scorecard.

Cbus will continue to develop and enhance its risk management framework to ensure that risk is appropriately managed and that strategic objectives can be met.

Balanced Scorecard extract

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>Measure</th>
<th>Target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overarching objective – maximise members’ retirement outcomes</td>
<td>Maximise long-term investment returns</td>
<td>Growth (Cbus Choice) super option % of years Fund delivers after-tax return of CPI+3.5%pa (over rolling 10-year period) Number of years Fund delivers negative annual (after-tax) return</td>
<td>75% 3 in 20 years</td>
</tr>
<tr>
<td></td>
<td>Maintain our low-cost focus</td>
<td>Quartile position on SuperRatings benchmarking of fees on a $50K account balance</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Help members make good retirement decisions</td>
<td>Number of Cbus advice team conversations</td>
<td>25,750</td>
</tr>
<tr>
<td></td>
<td>Deliver products/services that meet member and employer needs</td>
<td>Member satisfactions ratings¹</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employer satisfaction ratings¹</td>
<td>7.75 (employer)</td>
</tr>
<tr>
<td></td>
<td>Maintain and build our brand</td>
<td>Brand reputation rating²</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8.1</td>
</tr>
</tbody>
</table>

Ratings are from independent research undertaken by the Fund.

¹ Scores are rated from 0 (very dissatisfied) to 10 (very satisfied) and then averaged. Scores of 8+ are considered very high. The member satisfaction score has recovered to normal levels after dipping last year. The employer satisfaction score has remained stable.

² Scores are rated from 0 (poor reputation) to 10 (excellent reputation) and then averaged. The brand reputation rating has increased, but the target may need to be adjusted as it represents a level that may never realistically be achieved.
Following the Government’s review into the governance, efficiency, structure and operation of Australia’s superannuation system, a large body of legislation has been passed by Parliament that will fundamentally change the manner in which all superannuation funds are governed and prudentially supervised.

The scale and pace of these reforms, known as Stronger Super, have presented a challenge for the entire industry. Cbus views these reforms as an opportunity to further enhance the way in which members’ retirement savings are managed and to set the platform for delivering its strategy of maximising long-term returns.

The key changes implemented under the Stronger Super reforms have included the following.

MySuper – A ‘new’ default product
The Government has introduced a set of requirements applying to default options (where members’ super is invested if they don’t make another choice when they join). These requirements are known as ‘MySuper’. MySuper aims to simplify default superannuation products with a focus on improving their transparency and comparability, optimising net investment returns and reducing overall costs.

During the year, Cbus compiled and submitted a comprehensive application to The Australian Prudential Regulation Authority (APRA) for authorisation to offer a MySuper option. The application process required Cbus to demonstrate to APRA how it would comply with the new requirements. Cbus was the second fund in Australia to be granted authorisation. This authorisation is important because from 1 January 2014 only funds with MySuper authorisation will be able to accept default contributions.

Cbus will launch its MySuper option on 1 October 2013. Because the current Cbus default option already has many of the characteristics of a MySuper product, it will be renamed from Growth (Cbus Choice) to Growth (Cbus MySuper).

Prudential standards for superannuation
APRA has been given power to make and enforce prudential standards for the superannuation sector in much the same way it has for the banking and insurance sectors. The prudential standards cover all areas of fund operations including investment, governance, risk management, outsourcing, conflicts management, business continuity management and insurance.

In response, Cbus has undertaken a comprehensive program of work to ensure that its operations, control frameworks, policies and procedures comply with the new requirements from 1 July 2013.

SuperStream
This part of the reform program is focused on improving the efficiency of the back office operations of superannuation funds. It introduces mandatory data standards requiring electronic payments of superannuation contributions and rollovers into and between funds.

Cbus and its administrator (Superpartners) are working together to ensure the necessary system changes are in place to receive and pay superannuation money in accordance with these new standards.

The past year has been a period of unprecedented change for the superannuation industry.
Increased reporting
In the upcoming year, new reporting requirements will take effect that require superannuation funds to report more information to both members and APRA. The disclosure of this information will allow for transparency and greater comparability of superannuation funds’ investments, performance, fees and governance arrangements. Cbus is supportive of these initiatives as they are consistent with our program of open and transparent communication to all stakeholders. The Fund already complies with many of the new requirements, for example, for director and executive remuneration disclosure. Cbus has commenced work to implement the necessary changes and will work with its service providers to ensure that all information is provided in a consistent, accurate and timely manner.

Productivity Commission inquiry and Government response
During the year the Productivity Commission concluded its inquiry into the selection and ongoing assessment of default superannuation funds in modern awards. The Government responded to the commission’s final report by making a range of amendments to the Fair Work Act 2009.

Under the reforms, the Fair Work Commission will review the default superannuation fund terms of modern awards every four years, starting from 2015. Only funds offering MySuper products will be eligible to be listed in awards. A Fair Work Commission expert panel will assess MySuper products on a range of criteria, including long-term investment return target, risk profile, fees, costs and net returns. Industrial parties will participate in a second phase in which the Fair Work Commission will select between 2-15 funds for inclusion.

Cbus welcomes increased competition and transparency in awards, but recognises that the process must be productive and ultimately in the best interest of members.

Cbus input into superannuation policy
Throughout the year Cbus and affiliated organisations, the Industry Superannuation Network and the Australian Institute of Trustees, have been involved in providing submissions and commentary to the Government and the regulators on a range of issues and proposed initiatives.

In any submission on superannuation public policy, Cbus seeks to advocate policy or practice that maximises fairness and advances the interest of its membership.

The implementation of the Government’s Stronger Super reforms, the Charter of Superannuation, various tax proposals, the Government response to the Productivity Commission’s inquiry into default superannuation and the practice of high frequency trading have all been subject of advice to the Government.

Cbus invests in infrastructure that helps improve the efficiency of the Australian economy, such as Southern Cross Station through IFM.
A big year for investment returns

The Growth (Cbus Choice) option returned 16.15% for the financial year, a sharp and welcome contrast to last year’s return of 1.6%.

Australian shares were the major contributor to the return, with the Australian stock market up 21.9% (S&P/ASX 300 Accumulation Index). However, the Cash Savings option return was lower at 3.25% for the financial year, largely in response to falling Australian interest rates.

We comment more on the investment environment on page 20.

Looking beyond one year

While it is a pleasing result over one year, our focus is fixed on delivering strong performance over the medium to longer term as members are investing their superannuation money with us for their working lives and into retirement.

This is why the investment objective for each Cbus investment option is based on delivering a return above inflation over a 10-year period.

For the Growth (Cbus Choice) option, the objective is to deliver a return above inflation of 3.5% on average each year over 10 years, 75% of the time, seeking to limit the likelihood of a negative return to four years in every 20 years.

Over the past 10 years, the Growth (Cbus Choice) option has returned 7.61% on average a year, well above the median peer fund return of 6.94%* and 4.88% above average annual inflation of 2.73%. There have been three negative annual returns over the past 20 years. We show more detail about investment option performance on pages 14 - 17.

Designing an investment strategy to cope with uncertainty

Despite such a strong return this year, Cbus believes that the investment environment is likely to remain challenging for the next few years.

We have designed our investment strategy for the Growth (Cbus Choice) option to cope with a less certain investment outlook. We have a well-diversified portfolio of investments and we are combining this with taking a medium-term view towards buying assets when they are cheap and selling some when they get expensive. In undertaking this dynamic approach, we are unlikely to make investment decisions at precisely the right time, and occasionally it may mean we underperform other funds over the shorter term. However, we believe that this strategy will improve returns when viewed over multiple years. This means that despite the challenges of investment markets today, our investment strategy is positioned to continue to deliver strong long-term returns to Cbus members.
Evolving our investment function

Recognising the increasing size and complexity of the Fund and the changing regulatory environment, the Fund undertook a major review of its investment function over 2012. This led to several significant changes, including the refinement of the investment objectives and commitment to an active investment strategy. In order to support this more active strategy, we have increased the depth of resources available in the investment team.

We expanded the investment team from 11 staff to 19 and created two areas, each headed by an investment executive. Trish Donohue leads investment management, which is principally responsible for the Fund’s investment governance and risk management framework. Kristian Fok joined the Fund in late 2012 to lead investment strategy.

Major projects over the year for the investment team were:

- ensuring we are aligned with requirements for a MySuper product and with the Government’s Stronger Super prudential standards. This includes ensuring that the default option investment strategy and investments are aligned, as are our governance processes, including investment policies. More details on investment policies are on pages 46 - 47.
- investigating risk management tools. These are software and program providers that can assist Cbus to better understand the Fund’s exposure to a variety of investment related risks and help investment strategy team to develop strategies that take those risks into account.
- reviewing our master custody arrangements and, reflecting that it had been some time since we had last tested the master custody market, commencing a tender for master custody services, which will be completed in late 2013.
- continuing to strengthen our asset allocation framework to support our dynamic approach to asset management.
- direct investment in the NSW ports and investment in ISPT’s Retail Australian Property Trust (IRAPT).
- contributing to new product projects, including:
  - member direct investment options
  - establishing a default investment option for income stream members
  - Viability of introducing separate property and infrastructure investment choice options for members.

Maintaining our net benefit focus

While maintaining access to good-quality investment managers and investments is a key priority for the Fund, we are also focused on cost management. We continue to seek to reduce investment costs through greater efficiency and through negotiating lower overall fees with our service providers. This way more of the return goes to our members’ accounts. Negotiations over the past year have led to costs savings in the order of $2.5m to $3m per year.

Major projects in 2014

Over the year ahead the team will be focusing on:

- the investment strategy for members approaching and in retirement. We will be assessing a broad range of investment approaches and enhancements to our existing default option strategies.
- enhancing the asset allocation framework. This will include additional approaches to achieving more efficient implementation of asset allocation changes and implementing our preferred risk analysis system.

[Signatures]

TRISH DONOHUE
Executive Manager, Investment Management

KRISTIAN FOK
Executive Manager, Investment Strategy
## Investments

### Performance – superannuation options

#### Performance – superannuation options

<table>
<thead>
<tr>
<th>Investment option description</th>
<th>Cash Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk/return</strong></td>
<td>Very low risk, very low growth</td>
</tr>
<tr>
<td><strong>Risk profiles</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>For members who want a cash-like return (net of tax and fees)</td>
</tr>
</tbody>
</table>

**Objective**

To deliver an after-tax and investment fees return, over 10-year rolling periods, of at least: 1

- Inflation plus 1.0% p.a.

To limit the likelihood of negative annual returns to:

- Negligible in 20 years

**Actual performance**

- Average return over 10 years ending 30 June 2013: n/a
- Actual negative annual crediting rates since inception: 0 in 4 years
- Since inception returns: 3.4% p.a. Inception at 1/4/09 (4 years and 3 months)

**Annual returns over the past 10 years**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003/04</td>
<td>3.2</td>
</tr>
<tr>
<td>2004/05</td>
<td>4.2</td>
</tr>
<tr>
<td>2005/06</td>
<td>3.9</td>
</tr>
<tr>
<td>2006/07</td>
<td>2.7</td>
</tr>
</tbody>
</table>

**Notes:**

1. Expected to be achieved over 10-year rolling periods at least 75% of the time.
2. Crediting rate, % (p.a.) after investment taxes and fees and Trustee operating cost. The inflation rate was 2.73% on average each year over 10 years.
3. The Cash Savings option return for 2009 is not shown as it was not a full year. Cash Savings was introduced on 01/04/09.
4. Infrastructure was separated out of Alternative Assets and Alternative Assets was renamed Alternative Growth.
5. Credit was a new asset class, from 1 July 2012.

Investment warning – investment returns can go up and down. Past performance is not necessarily indicative of future performance.
This option limits the risk of market fluctuations. For members who are prepared to sacrifice high returns over the long term in exchange for lower risk in the short term.

Well-diversified investments with the potential for real growth against the risk of market fluctuations. For members who would like the value of their investments to stay well ahead of inflation and produce medium growth over the long term with medium risk.

The long-term high-growth option for those members able to take a longer-term view of their superannuation savings and who are willing to accept higher risk and more volatile returns.

<table>
<thead>
<tr>
<th>Inflation plus 2.0% p.a.</th>
<th>Inflation plus 3.5% p.a.</th>
<th>Inflation plus 4% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 in 20 years</td>
<td>3 in 20 years</td>
<td>4 in 20 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.54% (inflation plus 3.81% p.a.)</th>
<th>7.61% (inflation plus 4.88% p.a.)</th>
<th>7.39% (inflation plus 4.66% p.a.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 in 13 years</td>
<td>3 in 29 years</td>
<td>5 in 15 years</td>
</tr>
</tbody>
</table>

Actual allocation at 30/6/2012 | Actual allocation at 30/6/2013 | Strategic range at 30/6/2013
---------------------------------|---------------------------------|---------------------
13.5%                          | 13.5%                           | 2.5-22.5%           |
9.0%                           | 7.5%                            | 0-17.5%             |
7.0%                           | 7.0%                            | 2-12%               |
-                               | 5.0%                            | 0-10%               |
4.0%                           | 0.0%                            | 0-5%                |
-                               | 5.0%                            | 0-9%                |
27.0%                          | 22.0%                           | 14-74%              |
39.5%                          | 40.0%                           | 0-50%               |
31.5%                          | 30.5%                           | 13-43%              |
20.4%                          | 20.5%                           | 3.5-33.5%           |
15.1%                          | 14.0%                           | 2.5-22.5%           |
-                               | 11.8%                           | 0-20%               |
22.5%                          | 9.2%                            | 0-20%               |
-                               | 4.6%                            | 0-15%               |
6.7%                           | 1.8%                            | 1-25%               |
3.8%                           | 7.6%                            | 0-20%               |
-                               | -                               | -                   |
Performance – super income stream options

Investment option description

<table>
<thead>
<tr>
<th>Cash Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk/return</td>
</tr>
<tr>
<td>Risk profiles</td>
</tr>
</tbody>
</table>

Description

For members who want a cash-like return (net of tax and fees)

Objective

To deliver an after-tax and investment fees return, over 10-year rolling periods, of at least:

- Inflation plus 1.5% p.a.

To limit the likelihood of negative annual returns to:

- Negligible in 20 years

Actual Performance

Actual negative annual crediting rates since inception

- 0 in 4 years

Since inception returns

- Compound average since inception: 4.1% p.a. Inception at 1/7/09 (4 years)

Annual returns over the past five years

![Graph showing annual returns]  
- 2008/09: 3.8%  
- 2009/10: 4.9%  
- 2010/11: 4.6%  
- 2011/12: 3.2%  
- 2012/13: [value]

Notes:

1. Expected to be achieved over 10 year rolling periods at least 75% of the time.
2. Crediting rate, % (p.a.) after investment taxes and fees and Trustee operating cost. These options commenced on 1 July 2009.
3. Infrastructure was separated out of Alternative Assets and Alternative Assets was renamed Alternative Growth.
4. Credit was a new asset class, from 1 July 2012.

Investment warning – investment returns can go up and down. Past performance is not necessarily indicative of future performance.

Asset allocation

Actual asset allocation as at 30 June

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Shares</td>
<td>-</td>
</tr>
<tr>
<td>International shares</td>
<td>-</td>
</tr>
<tr>
<td>Property</td>
<td>-</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>-</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td>-</td>
</tr>
<tr>
<td>Credit</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>-</td>
</tr>
<tr>
<td>Cash</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actual allocation at 30/6/2012</th>
<th>Actual allocation at 30/6/2013</th>
<th>Strategic range at 30/6/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>n/a</td>
</tr>
</tbody>
</table>
## Conservative Growth (Cbus Choice) High Growth

<table>
<thead>
<tr>
<th>Low risk, low growth</th>
<th>Medium to high risk, medium to high growth</th>
<th>High risk, high growth</th>
</tr>
</thead>
</table>

This option limits the risk of market fluctuations. For members who are prepared to sacrifice high returns over the long term in exchange for lower risk in the short term.

Well-diversified investments with the potential for real growth against the risk of market fluctuations. For members who would like the value of their investments to stay well ahead of inflation and produce medium growth over the long term with medium risk.

The long-term high-growth option for those members able to take a longer-term view of their superannuation savings and who are willing to accept higher risk and more volatile returns.

### Objective

To deliver an after-tax and investment fees return, over 10-year rolling periods, of at least:

- Inflation plus 1.5% p.a.
- Inflation plus 2.5% p.a.
- Inflation plus 3.75% p.a.
- Inflation plus 4% p.a.

To limit the likelihood of negative annual returns to:

- Negligible in 20 years
- 1 in 20 years
- 3 in 20 years
- 4 in 20 years

### Actual Performance

Actual negative annual crediting rates since inception:

- 0 in 4 years
- 0 in 4 years
- 0 in 4 years
- 1 in 4 years

### Since inception returns

- Compound average since inception: 4.1% p.a.
- Inception at 1/7/09 (4 years): 7.9% p.a.
- Inception at 1/7/09 (4 years): 9.7% p.a.
- Inception at 1/7/09 (4 years): 10.5% p.a.

### Annual returns over the past five years

### Asset allocation

<table>
<thead>
<tr>
<th>Year</th>
<th>Australian Shares</th>
<th>International Shares</th>
<th>Property</th>
<th>Infrastructure</th>
<th>Alternative Growth</th>
<th>Credit</th>
<th>Fixed Interest</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>13.5%</td>
<td>9.0%</td>
<td>7.0%</td>
<td>-</td>
<td>4.0%</td>
<td>-</td>
<td>27.0%</td>
<td>100%</td>
</tr>
<tr>
<td>2013</td>
<td>13.5%</td>
<td>7.5%</td>
<td>7.0%</td>
<td>5.0%</td>
<td>0.0%</td>
<td>-</td>
<td>40.0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual allocation at 30/6/2012</td>
<td>31.5%</td>
<td>20.4%</td>
<td>15.1%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actual allocation at 30/6/2013</td>
<td>30.5%</td>
<td>20.5%</td>
<td>14.0%</td>
<td>11.8%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Strategic range at 30/6/2012</td>
<td>13-43%</td>
<td>3.5-33.5%</td>
<td>2.5-22.5%</td>
<td>0-20%</td>
<td>0-20%</td>
</tr>
<tr>
<td>Strategic range at 30/6/2013</td>
<td>50%</td>
<td>30%</td>
<td>10%</td>
<td>7%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### INVESTMENTS ANNUAL REPORT 2013 | 17
Members’ money is invested in Cbus’s investment options.

During the financial year, Cbus offered four investment options for superannuation and income stream members – Cash Savings, Conservative, Growth (Cbus Choice) and High Growth.

In selecting an investment option, one of the major risks for members to consider is the risk of not having enough money in retirement, which partly reflects investment risk. Investment risk is often defined as the risk an asset (or portfolio of assets) will fall in value. It is crucial to consider investment risk in context with investment return. Investments with higher levels of risk are generally expected, over the medium to longer term, to have higher levels of return.

Cbus’s options provide members with a range of investment risk and return outcomes, from targeting a lower level of risk (chance of a negative return) and return to a higher level of risk and return.

The superannuation default option is Growth (Cbus Choice). Members can choose one option or a mix of options.

### Investment objectsives

Cbus has an absolute return focus, meaning that our focus is on meeting the investment risk and return objectives for each investment option without being constrained by what our peers are doing.

The investment objective for each investment option incorporates:

- a return target – a targeted return above the rate of inflation over a 10-year period
- a risk component – this indicates the expected number of years with a negative return over a 20-year period.

We target a return above inflation to reduce the risk of members’ savings being eroded by inflation. The objectives are shown on the performance tables on pages 14 - 17.

### Investment philosophy

Cbus’s investment philosophy is our approach to achieving the investment objectives. It influences how we develop, implement and review the appropriate investment allocation for each investment option.

Several investment beliefs make up our philosophy. These include:

- the belief that taking risk over the medium to longer term will lead to returns that outperform inflation
- that asset allocation is a significant driver of performance
- that making dynamic modifications to our asset allocation over the medium term through investment cycles will further improve overall performance.

We also believe that active involvement in environment, social and governance issues will improve long-term returns.

Risk management is key to our performance. It is vital that key investment risks are appropriately managed through a robust risk management framework that is regularly monitored and reviewed. Diversification of investments is an important component of this framework. This includes investing in unlisted investments such as property and infrastructure.

Cbus’s investment beliefs and guiding principles are detailed in the investment governance framework policy located on the Cbus website.
**Investment strategy**

Investment strategy is about how we allocate money to a range of asset types.

Cbus invests across a broad range of asset types – such as cash, fixed interest, property, infrastructure and shares. Each of these has a different level of return and risk of loss. Shares, property and some alternative investments have the potential for high returns but have more risk of a loss in the short term. Cash and fixed-interest investments generally have lower, but more stable, returns.

These asset classes are the building blocks of Cbus’s investment options. The amount allocated to each asset class largely determines the overall risk and return outcome for each option. The risk and return objectives also take into account the positive impact of diversification. By investing across a range of asset types, the overall risk of loss is reduced. This works because not all asset types perform in the same way at the same time – when one investment is performing poorly another may be performing well.

The Conservative, Growth and High Growth options are broadly diversified across asset types, while the Cash Savings option is invested 100% in the Cash asset class.

Cbus’s asset allocation framework incorporates two different aspects to strategy:

1. The Long Term Strategic Asset Allocation (LTSAA). This can be thought of as the asset allocation that we believe is appropriate over the very long term (more than 20 years), without taking into account what we think will happen in investment markets over the medium term (within the next five years).

2. The Target Portfolio is the portfolio that the option targets. It has an asset allocation that reflects our view of how investment markets may perform over the medium term. The Target Portfolio is expected to change periodically for the Growth option (potentially more frequently than annually) and annually for the High Growth and Conservative options.

Both the LTSAA and the Target Portfolio asset allocations are set within a strategic range.

During the year, Cbus modestly lowered its Target Portfolio weighting to Australian shares and fixed interest. This reflected our view that, over the medium term, we believe that share prices were becoming overvalued and there was a greater risk of them falling in line with long-term averages. In contrast, our fixed income allocation has fallen as the risk is now greater that over the medium term interest rates will rise rather than fall, which will potentially have a negative effect on investment returns.

Over the coming years, we expect that the Target Portfolio may change more significantly, as we look to take advantage of investment opportunities and to provide greater protection against adverse investment environments.

### Changes to Target Portfolio allocations by investment option

#### Growth (Cbus Choice)

<table>
<thead>
<tr>
<th>Asset allocation</th>
<th>Range From 1/7/12</th>
<th>LTSAA 1/7/12</th>
<th>Target Portfolio 1/7/12 to 28/2/13</th>
<th>LTSAA 1/7/12 to 30/6/13</th>
<th>Target Portfolio From 1/7/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Shares</td>
<td>13–43</td>
<td>28.0</td>
<td>31.0</td>
<td>29.5</td>
<td>28.5</td>
</tr>
<tr>
<td>International Shares</td>
<td>3.5–33.5</td>
<td>18.5</td>
<td>18.5</td>
<td>19.5</td>
<td>19.5</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td>0–20</td>
<td>10.0</td>
<td>10.5</td>
<td>11.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0–20</td>
<td>10.0</td>
<td>11.0</td>
<td>11.5</td>
<td>11.5</td>
</tr>
<tr>
<td>Property</td>
<td>2.5–22.5</td>
<td>12.5</td>
<td>13.0</td>
<td>13.0</td>
<td>13.5</td>
</tr>
<tr>
<td>Credit</td>
<td>0–15</td>
<td>5.0</td>
<td>7.5</td>
<td>6.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>1–25</td>
<td>13.0</td>
<td>3.5</td>
<td>3.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Cash</td>
<td>0–20</td>
<td>3.0</td>
<td>5.0</td>
<td>6.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

#### Conservative

<table>
<thead>
<tr>
<th>Asset allocation</th>
<th>Range From 1/7/12</th>
<th>LTSAA 1/7/12</th>
<th>Target Portfolio 1/7/12 to 20/6/13</th>
<th>LTSAA 1/7/12 to 01/06/13</th>
<th>Target Portfolio From 1/7/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Shares</td>
<td>2.5–22.5</td>
<td>12.5</td>
<td>13.5</td>
<td>12.5</td>
<td>25-55 43.0</td>
</tr>
<tr>
<td>International Shares</td>
<td>0–17.5</td>
<td>7.5</td>
<td>7.5</td>
<td>8.5</td>
<td>27.0</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td>0–5</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>10.0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0–10</td>
<td>5.0</td>
<td>5.0</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Property</td>
<td>2–12</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>-</td>
</tr>
<tr>
<td>Credit</td>
<td>0–9</td>
<td>4.0</td>
<td>5.0</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>14–74</td>
<td>44.0</td>
<td>22.0</td>
<td>22.0</td>
<td>-</td>
</tr>
<tr>
<td>Cash</td>
<td>0–50</td>
<td>20.0</td>
<td>40.0</td>
<td>37.0</td>
<td>-</td>
</tr>
</tbody>
</table>

#### High Growth

<table>
<thead>
<tr>
<th>Asset allocation</th>
<th>Range From 1/7/12</th>
<th>LTSAA 1/7/12</th>
<th>Target Portfolio 1/7/12 to 20/6/13</th>
<th>LTSAA 1/7/12 to 01/06/13</th>
<th>Target Portfolio From 1/7/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Shares</td>
<td>2.5–22.5</td>
<td>12.5</td>
<td>13.5</td>
<td>12.5</td>
<td>25-55 43.0</td>
</tr>
<tr>
<td>International Shares</td>
<td>0–17.5</td>
<td>7.5</td>
<td>7.5</td>
<td>8.5</td>
<td>27.0</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td>0–5</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>10.0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0–10</td>
<td>5.0</td>
<td>5.0</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Property</td>
<td>2–12</td>
<td>7.0</td>
<td>7.0</td>
<td>8.0</td>
<td>-</td>
</tr>
<tr>
<td>Credit</td>
<td>0–9</td>
<td>4.0</td>
<td>5.0</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>14–74</td>
<td>44.0</td>
<td>22.0</td>
<td>22.0</td>
<td>-</td>
</tr>
<tr>
<td>Cash</td>
<td>0–50</td>
<td>20.0</td>
<td>40.0</td>
<td>37.0</td>
<td>-</td>
</tr>
</tbody>
</table>
Investment performance

Cbus focuses its investment strategy on a medium to long-term time horizon for each investment option. This performance commentary reports on the past financial year. Please keep in mind that superannuation is a long-term investment and that, in the short term, investment returns can move substantially in a positive or a negative direction. Also, past performance is not indicative of future performance.

Cbus’s default investment option, Growth (Cbus Choice), returned 16.15% for the financial year ending 30 June 2013. Over the past 29 years, the Growth option has returned to members an average 9.1% a year. (Performance excludes the fixed administration fee of $78 per member per year, but includes investment fees and taxes and the Trustee operating cost).

The annual return reflects strong performance from the Australian and international shares asset classes, with these markets returning above 20%.

The return masked periods of high market volatility arising from concerns over the stability of European financial markets – highlighted by the bailout of Cyprus and social unrest in Europe arising from high unemployment – speculation over when the United States will reduce its quantitative easing stimulus, and Chinese policy to slow the pace of economic growth in China to a sustainable level.

The economic environment remains difficult, with slower-than-expected economic growth occurring in many countries. Investment markets have been distorted by government and central bank policies around the world aimed at stimulating economic growth. One of the outcomes has been a very low interest rate environment. In Australia, the official interest rate fell to 2.75%, the lowest since 1959.

To obtain returns, investors have started to move out of cash and bonds towards shares (particularly towards companies that typically pay high dividends). This has driven up the price of many company shares in Australia even while the economy has been relatively soft.

The chart below shows the performance of investment markets over the past year. These returns relate to the performance of the respective market rather than Cbus’s returns in those asset classes.

---

### Asset class market returns

<table>
<thead>
<tr>
<th>(AU)</th>
<th>(INT)</th>
<th>Emerging Market Shares (unhedged)</th>
<th>(INT)</th>
<th>(AU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Bonds</td>
<td>Shares (hedged)</td>
<td>Shares</td>
<td>Shares</td>
</tr>
<tr>
<td>2011/12</td>
<td>4.7%</td>
<td>12.6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2012/13</td>
<td>3.3%</td>
<td>2.8%</td>
<td>4.6%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

- **Australian Cash** – UBSA Bank Bill Index
- **Australian Bonds** – UBSA Composite Bond Index
- **Global Bonds (hedged)** – Citi World Government Bond Index (Hedged, AUD)
- **Australian Property** – Mercer/IPD Australian Property Pooled Fund
- **Emerging Market Shares (unhedged)** – MSCI Emerging Markets ex Aust net divs in AUD
- **International Shares (unhedged)** – MSCI AC World ex Aust net divs in AUD
- **International Shares (hedged)** – MSCI AC World ex Aust net AUD (hedged)
- **Australian Shares** – S&P ASX 300 Accumulation Index
Applying investment earnings

Cbus applies earnings to member accounts at 30 June each year. Although earnings are applied to member accounts yearly, they are calculated from the day contributions are received.

The crediting rates for the investment options are reviewed on a weekly basis. If members switch investment options, roll money out of the Fund or receive a benefit payment during the year, a year-to-date crediting rate is used. This represents the accumulation of monthly crediting rates along with an interim rate for the period between monthly crediting rates. The rates for the investment options may vary during the year and may be negative for some months.

For more information on the investment strategy, asset classes and on how crediting rates are applied, visit www.cbussuper.com.au/investments

Case study: ISPT Retail Australia Property Trust (IRAPT)

Cbus became an investor in IRAPT in late April 2013. A 75%/25% joint venture with Coles Group Property Development Limited, it provides investors with a source of core retail property exposure. The portfolio is geographically diversified and is invested in 20 retail shopping centres, with each centre anchored by a Coles Supermarket. Cbus committed to a 19.5% interest in IRAPT along with nine other Australian superannuation fund and institutional investors.
Case study: major co-investment in the NSW ports

Cbus has a proud history of supporting Australian infrastructure. One of the advantages of being a Fund with more than $23 billion in assets is the ability to access infrastructure investment directly as a co-investor. This gives Cbus greater flexibility in managing its investments.

On 31 May 2013 Cbus became a 5.45% co-owner of Port Botany and Port Kembla in New South Wales, investing alongside one of our infrastructure managers, Industry Funds Management (IFM), and other investors.

IFM led the transaction, drawing on its team’s extensive knowledge of ports. The attraction of the NSW ports lies in their long-term nature, which complements the investment horizon of our members, and the value of a regular income stream through a lease that runs for 99 years.

Port Botany, in Sydney, is Australia’s second busiest container seaport, while Port Kembla, located in Wollongong, is the country’s largest vehicle import facility and a key export facility for coal and other bulk products.

Port Kembla directly and indirectly sustains more than 3500 jobs and contributes $418 million to the regional economy each year.

Cbus is an investor in IFM’s Australian Infrastructure Trust, another major investor in the ports, which means Cbus also has an indirect holding.

Combined, our total investment in these ports is our largest investment in the infrastructure asset class and is the fourth largest investment for the Fund.
The atrium of the recently completed Cbus Property development at 171 Collins Street, Melbourne. This building won the Environmental Development Award for Cbus Property from the Australian Property Institute.
## Investments

### Top holdings

#### Cbus top 10 holdings (total fund), 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 10 investments – total fund</th>
<th>Asset type</th>
<th>At 30 June (%) 2013</th>
<th>At 30 June (%) 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BHP Billiton Limited</td>
<td>Australian shares</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>2</td>
<td>Commonwealth Bank of Australia</td>
<td>Australian shares</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>3</td>
<td>Westpac Banking Corporation</td>
<td>Australian shares</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>4</td>
<td>NSW ports</td>
<td>Infrastructure</td>
<td>1.6</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Australia and New Zealand Banking Group</td>
<td>Australian shares</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>6</td>
<td>National Australia Bank</td>
<td>Australian shares</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>7</td>
<td>Pacific Hydro</td>
<td>Infrastructure</td>
<td>1.3</td>
<td>1.6</td>
</tr>
<tr>
<td>8</td>
<td>Telstra Corporation</td>
<td>Australian shares</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>9</td>
<td>CBW 181 William Street, 550 Bourke Street, Melbourne, VIC</td>
<td>Property</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>10</td>
<td>Melbourne and Launceston airports</td>
<td>Infrastructure</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Total top 10 holdings as % of total fund**: 15.0% (2013) vs. 13.8% (2012)

Totals may differ slightly due to the impact of rounding.

### Cbus top 10 property holdings, 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 10 property holdings</th>
<th>Manager</th>
<th>At 30 June (%) 2013</th>
<th>At 30 June (%) 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CBW 181 William Street, 550 Bourke Street, Melbourne, VIC</td>
<td>Cbus Property</td>
<td>8.9</td>
<td>9.5</td>
</tr>
<tr>
<td>2</td>
<td>700 Bourke Street, Docklands, VIC</td>
<td>Cbus Property</td>
<td>6.1</td>
<td>6.8</td>
</tr>
<tr>
<td>3</td>
<td>140 William Street, Perth, WA</td>
<td>Cbus Property</td>
<td>5.5</td>
<td>5.6</td>
</tr>
<tr>
<td>4</td>
<td>1 Bligh Street, Sydney, NSW</td>
<td>Cbus Property</td>
<td>4.9</td>
<td>8.2</td>
</tr>
<tr>
<td>5</td>
<td>720 Bourke Street, Melbourne, VIC</td>
<td>Cbus Property</td>
<td>4.2</td>
<td>1.9</td>
</tr>
<tr>
<td>6</td>
<td>Estate One, 81-125 Princes Highway, Dandenong, VIC</td>
<td>Cbus Property</td>
<td>3.8</td>
<td>4.3</td>
</tr>
<tr>
<td>7</td>
<td>171 Collins Street, Melbourne, VIC</td>
<td>Cbus Property</td>
<td>3.8</td>
<td>2.3</td>
</tr>
<tr>
<td>8</td>
<td>Garden City, Booragoon, WA</td>
<td>AMP</td>
<td>3.6</td>
<td>2.7</td>
</tr>
<tr>
<td>9</td>
<td>'Dominion’, 299 Forbes Street, Darlinghurst, NSW</td>
<td>Cbus Property</td>
<td>3.4</td>
<td>1.7</td>
</tr>
<tr>
<td>10</td>
<td>Ernst and Young Building, 8 Exhibition Street, Melbourne, VIC</td>
<td>Cbus Property</td>
<td>2.3</td>
<td>5.5</td>
</tr>
</tbody>
</table>

**Total top 10 as % of property holdings**: 46.5% (2013) vs. 48.5% (2012)

Totals may differ slightly due to the impact of rounding.

### Property investment by location

- **2010/11**: Victoria: 23%, NSW: 11%, WA: 5%, QLD: 13%, ACT: 5%, SA: 5%, Overseas: 61%
- **2011/12**: Victoria: 18%, NSW: 11%, WA: 5%, QLD: 11%, ACT: 5%, SA: 5%, Overseas: 59%
- **2012/13**: Victoria: 13%, NSW: 13%, WA: 2%, QLD: 11%, ACT: 5%, SA: 2%, Overseas: 66%

At 30 June 2013 Cbus did not hold more than 5% of any listed Australian or international company’s total holdings.

### Property investment by type of property

- **Commercial office**: Victoria: 40%, NSW: 36%, WA: 14%, QLD: 5%, ACT: 2%, SA: 2%
- **Retail**: Victoria: 22%, NSW: 20%, WA: 17%, QLD: 15%, ACT: 1%, SA: 0%
- **Development**: Victoria: 5%, NSW: 6%, WA: 1%, QLD: 17%, ACT: 0%, SA: 0%
- **Industrial**: Victoria: 8%, NSW: 5%, WA: 2%, QLD: 18%, ACT: 0%, SA: 2%
- **Other***: Victoria: 1%, NSW: 1%, WA: 1%, QLD: 2%, ACT: 0%, SA: 1%

*Other includes cash and international property.

### Property investment by location

- **2010/11**: Victoria: 51%, NSW: 31%, WA: 9%, QLD: 8%, ACT: 2%, SA: 1%
- **2011/12**: Victoria: 48%, NSW: 31%, WA: 13%, QLD: 8%, ACT: 2%, SA: 2%
- **2012/13**: Victoria: 41%, NSW: 29%, WA: 11%, QLD: 11%, ACT: 2%, SA: 3%
Cbus top 10 infrastructure holdings, 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 10 infrastructure holdings</th>
<th>Type of infrastructure</th>
<th>Country</th>
<th>Manager</th>
<th>At 30 June (% 2013)</th>
<th>At 30 June (% 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NSW ports</td>
<td>Ports and rail</td>
<td>Australia</td>
<td>Industry Funds Management</td>
<td>14.6</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Pacific Hydro</td>
<td>Alternative energy</td>
<td>Australia</td>
<td>Industry Funds Management</td>
<td>11.5</td>
<td>13.8</td>
</tr>
<tr>
<td>3</td>
<td>Melbourne and Launceston airports</td>
<td>Airport</td>
<td>Australia</td>
<td>Hastings Funds Management, Industry Funds Management</td>
<td>10.0</td>
<td>9.7</td>
</tr>
<tr>
<td>4</td>
<td>Perth Airport</td>
<td>Airport</td>
<td>Australia</td>
<td>Hastings Funds Management, Industry Funds Management</td>
<td>9.0</td>
<td>8.8</td>
</tr>
<tr>
<td>5</td>
<td>Manchester Airports Group</td>
<td>Airport</td>
<td>UK</td>
<td>Industry Funds Management</td>
<td>7.0</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Port of Brisbane</td>
<td>Ports and rail</td>
<td>Australia</td>
<td>Industry Funds Management</td>
<td>4.8</td>
<td>5.3</td>
</tr>
<tr>
<td>7</td>
<td>Brisbane Airport</td>
<td>Airport</td>
<td>Australia</td>
<td>Industry Funds Management</td>
<td>4.4</td>
<td>5.6</td>
</tr>
<tr>
<td>8</td>
<td>Anglian Water</td>
<td>Water</td>
<td>UK</td>
<td>Industry Funds Management</td>
<td>3.4</td>
<td>5.1</td>
</tr>
<tr>
<td>9</td>
<td>Essential Power</td>
<td>Electricity</td>
<td>US</td>
<td>Industry Funds Management</td>
<td>3.4</td>
<td>4.7</td>
</tr>
<tr>
<td>10</td>
<td>South East Water</td>
<td>Water</td>
<td>UK</td>
<td>Hastings Funds Management</td>
<td>2.7</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Total top 10 as % of total infrastructure holdings: 70.9% (2013) vs 56.3% (2012)

Types of infrastructure at 30 June 2013

<table>
<thead>
<tr>
<th>Infrastructure Type</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airports</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Energy</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>Ports</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Water</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Roads</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Telecoms</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

In the above chart, the bars indicate the percentages of different infrastructure types at 2011/12 and 2012/13. The chart excludes cash holdings.

Infrastructure by region at 30 June 2013

<table>
<thead>
<tr>
<th>Region</th>
<th>2011/12</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>US</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>UK</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Europe (ex UK)</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The above chart shows the distribution of infrastructure holdings by region at 2011/12 and 2012/13.

Cbus top 20 Australian shares holdings, 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 20 Australian shares holdings</th>
<th>At 30 June 2013</th>
<th>At 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% of Australian Shares asset class</td>
<td>% of the Growth (Cbus Choice) option</td>
</tr>
<tr>
<td>1</td>
<td>BHP Billiton Limited</td>
<td>6.7</td>
<td>2.0</td>
</tr>
<tr>
<td>2</td>
<td>Commonwealth Bank of Australia</td>
<td>6.1</td>
<td>1.8</td>
</tr>
<tr>
<td>3</td>
<td>Westpac Banking Corporation</td>
<td>5.9</td>
<td>1.8</td>
</tr>
<tr>
<td>4</td>
<td>Australia and New Zealand Banking Group</td>
<td>5.3</td>
<td>1.6</td>
</tr>
<tr>
<td>5</td>
<td>National Australia Bank</td>
<td>4.4</td>
<td>1.4</td>
</tr>
<tr>
<td>6</td>
<td>Telstra Corporation Ltd</td>
<td>4.3</td>
<td>1.3</td>
</tr>
<tr>
<td>7</td>
<td>Wesfarmers Limited</td>
<td>2.3</td>
<td>0.7</td>
</tr>
<tr>
<td>8</td>
<td>Woolworths Limited</td>
<td>2.0</td>
<td>0.6</td>
</tr>
<tr>
<td>9</td>
<td>Brambles Limited</td>
<td>1.9</td>
<td>0.6</td>
</tr>
<tr>
<td>10</td>
<td>Rio Tinto Ltd</td>
<td>1.7</td>
<td>0.5</td>
</tr>
<tr>
<td>11</td>
<td>News Corporation</td>
<td>1.6</td>
<td>0.5</td>
</tr>
<tr>
<td>12</td>
<td>Macquarie Group Ltd</td>
<td>1.6</td>
<td>0.5</td>
</tr>
<tr>
<td>13</td>
<td>Alumina Limited</td>
<td>1.3</td>
<td>0.4</td>
</tr>
<tr>
<td>14</td>
<td>Insurance Australia Group Ltd</td>
<td>1.3</td>
<td>0.4</td>
</tr>
<tr>
<td>15</td>
<td>CSL Limited</td>
<td>1.2</td>
<td>0.4</td>
</tr>
<tr>
<td>16</td>
<td>Rea Group Ltd</td>
<td>1.1</td>
<td>0.3</td>
</tr>
<tr>
<td>17</td>
<td>Transurban Group</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>18</td>
<td>Boral Limited</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>19</td>
<td>ASX Limited</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>20</td>
<td>Seek Limited</td>
<td>1.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Total top 20 as % of Australian shares holdings: 52.7% (2013) vs 49.1% (2012)

Totals may differ slightly due to the impact of rounding.
Cbis Property's new development at 35 Spring St, Melbourne, consists of 270 high quality residential apartments and is expected to create around 3,500 jobs.
### Cbus Top 20 international shares holdings, 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 20 international shares holdings</th>
<th>At 30 June 2013</th>
<th>At 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>% of the International Shares asset class</td>
<td>% of the Growth (Cbus Choice) option</td>
</tr>
<tr>
<td>1</td>
<td>Google Inc</td>
<td>1.2</td>
<td>0.3</td>
</tr>
<tr>
<td>2</td>
<td>Amazon Dotcom Inc</td>
<td>1.1</td>
<td>0.2</td>
</tr>
<tr>
<td>3</td>
<td>Samsung Electronics</td>
<td>1.0</td>
<td>0.2</td>
</tr>
<tr>
<td>4</td>
<td>Baidu Inc</td>
<td>0.9</td>
<td>0.2</td>
</tr>
<tr>
<td>5</td>
<td>Taiwan Semiconductor</td>
<td>0.8</td>
<td>0.2</td>
</tr>
<tr>
<td>6</td>
<td>Nestle S.A.</td>
<td>0.7</td>
<td>0.2</td>
</tr>
<tr>
<td>7</td>
<td>Tencent Holdings Ltd</td>
<td>0.7</td>
<td>0.2</td>
</tr>
<tr>
<td>8</td>
<td>Apple Inc</td>
<td>0.7</td>
<td>0.2</td>
</tr>
<tr>
<td>9</td>
<td>Roche Holding</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>10</td>
<td>Inditex S.A.</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>11</td>
<td>Micron Technology</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>12</td>
<td>Oracle Corp</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>13</td>
<td>American International Group</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>14</td>
<td>Microsoft Corp</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>15</td>
<td>Kering</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>16</td>
<td>Johnson &amp; Johnson</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>17</td>
<td>Cisco Systems Inc</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>18</td>
<td>Wal-Mart Stores Inc</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>19</td>
<td>Exxon Mobil Corporation</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>20</td>
<td>Visa Incorporated</td>
<td>0.5</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Total top 20 as % of international shares holdings: 14.2% (2013) vs 10.7% (2012)

Totals may differ slightly due to the impact of rounding.
CEO comment
In 2012/13, Cbus Property delivered a return of 12.65%. Over a five-year period, Cbus Property has returned an annual average of 9.31%.

Our core strategy is a focus on being a developer of choice for both commercial and residential apartment/townhouse property and an active manager of high-quality commercial property.

A strong development portfolio
Despite a difficult economic environment, Cbus Property added to its significant development portfolio over the financial year. At year end, its portfolio was a mix of development and income-producing assets with a current valued in excess of $2 billion.

Its completed office tower developments total in excess of 250,000sqm and provide regular investment income. These assets performed solidly during the year, driven by long weighted average lease expiries (WALE), high occupancy rates and structured rental increases.

Occupancy for the portfolio is 98% and the weighted average lease expiry for the portfolio exceeds seven years.

Cbus Property has five commercial developments underway totalling in excess of 200,000sqm of office accommodation with an end value of $2 billion. It is constructing 400 apartments with an end value of $350 million.

In addition, it has a development pipeline exceeding $1 billion. This includes $500 million of commercial accommodation and 750 apartments.

Our successes in 2012/13
Major successes this financial year have included:

• the sale of 8 Exhibition Street, Melbourne, at a yield of 6.50%. This highlights our ability to maximise our investment returns to the Fund

• being awarded the State Government of Queensland’s office accommodation requirement at 1 William Street for 75,000sqm – our first development in Brisbane

• completion of two commercial office towers – 171 Collins Street, Melbourne (30,000sqm) and 700 Bourke Street, Melbourne (63,000sqm)

• completion of a residential development in Darlinghurst, New South Wales.

Investors seeking higher yields are moving into the property market
In a low interest rate investment environment, investors have been seeking higher income and real estate has received strong investor interest, particularly in countries, like Australia, where yields are higher. The spread between asset capitalisation rates and long bond yields – “the yield spread” – has risen in recent times to very high levels.

For this and other reasons, Australia has emerged as a clear target for major institutional investors, evidenced by a long string of acquisitions. This is not expected to continue indefinitely, as capitalisation rates are expected to increase as the upswing cycle matures and bond yields eventually lift from their unprecedented lows.

ADRIAN POZZO
CEO, Cbus Property
Cbus’s relationship with Cbus Property

Cbus Property is wholly owned by Cbus. Investments made by Cbus Property are made in accordance with the Investment Management Agreement (IMA) that is in place between Cbus and Cbus Property. Cbus Property is required to submit an annual business plan to Cbus that outlines its strategy, performance benchmarks and targets, and gearing targets.

Cbus’s Investment Committee considers and agrees an annual funding level for Cbus Property in the context of the market environment and Cbus’s overall investment strategy and commitments.
Cbus is such a unique super fund to be a part of. Not only can we invest in existing opportunities, but via Cbus Property, we can create new opportunities and get in at ground level.

Intisar Hafi, Investment Analyst
### Commercial property

<table>
<thead>
<tr>
<th>Property name</th>
<th>State</th>
<th>Cbus ownership</th>
<th>NABERS/ design rating</th>
<th>Key tenants</th>
<th>Development completion</th>
<th>Estimated jobs 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties at 30 June 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>140 William Street, Perth</td>
<td>WA</td>
<td>100%</td>
<td>NABERS Energy 4.5 Star</td>
<td>State Government of WA</td>
<td>May 2010</td>
<td>2,950</td>
</tr>
<tr>
<td>1 Bligh Street, Sydney</td>
<td>NSW</td>
<td>33%</td>
<td>Targeting NABERS Energy 5.0 Star</td>
<td>Clayton Utz / Bloomberg / Oil Search / Federal Government</td>
<td>July 2011</td>
<td>3,500</td>
</tr>
<tr>
<td>171 Collins Street, Melbourne</td>
<td>Vic</td>
<td>50%</td>
<td>Targeting NABERS Energy 5.0 Star</td>
<td>BHP / Evans &amp; Partners</td>
<td>June 2013</td>
<td>3,400</td>
</tr>
<tr>
<td>700 Bourke Street, Melbourne</td>
<td>Vic</td>
<td>100%</td>
<td>Targeting NABERS Energy 5.0 Star</td>
<td>National Bank of Australia</td>
<td>June 2013</td>
<td>4,150</td>
</tr>
<tr>
<td>Estate One, Dandenong</td>
<td>Vic</td>
<td>100%</td>
<td>N/A</td>
<td>Masters (Woolworths)</td>
<td>February 2013</td>
<td>250</td>
</tr>
</tbody>
</table>

### Commercial properties sold during 2012/13

<table>
<thead>
<tr>
<th>Property name</th>
<th>State</th>
<th>Cbus ownership</th>
<th>NABERS/ design rating</th>
<th>Key tenants</th>
<th>Development completion</th>
<th>Estimated jobs 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Exhibition Street, Melbourne</td>
<td>Vic</td>
<td></td>
<td>NABERS Energy 4.5 Star</td>
<td>Ernst &amp; Young / UBS / AECOM</td>
<td>November 2005</td>
<td>1,800</td>
</tr>
</tbody>
</table>

### Current commercial developments

<table>
<thead>
<tr>
<th>Property name</th>
<th>State</th>
<th>Cbus ownership</th>
<th>NABERS/ design rating</th>
<th>Key tenants</th>
<th>Development completion</th>
<th>Estimated jobs 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate One, Dandenong</td>
<td>Vic</td>
<td>100%</td>
<td>Targeting NABERS Energy 4.5 Star</td>
<td>CFA Building</td>
<td>Early 2014</td>
<td>300</td>
</tr>
<tr>
<td>720 Bourke Street, Melbourne</td>
<td>Vic</td>
<td>100%</td>
<td>Targeting 6 Star Green Star – Office Design</td>
<td>Medibank</td>
<td>Late 2014</td>
<td>2,750</td>
</tr>
<tr>
<td>5 Martin Place, Sydney</td>
<td>NSW</td>
<td>50%</td>
<td>Targeting 5 Star Green Star – Office Design</td>
<td>Ashurst</td>
<td>Mid 2015</td>
<td>3,500</td>
</tr>
<tr>
<td>313 Spencer Street, Melbourne</td>
<td>Vic</td>
<td>100%</td>
<td>Targeting 5 Star Green Star – Office Design</td>
<td>Victoria Police</td>
<td>Mid 2015</td>
<td>4,000</td>
</tr>
<tr>
<td>1 William Street, Brisbane</td>
<td>Qld</td>
<td>100%</td>
<td>Targeting 5 Star Green Star – Office Design</td>
<td>State Government of Queensland / Queensland Public Service</td>
<td>Late 2016</td>
<td>5,000</td>
</tr>
<tr>
<td>50 Finders Street, Adelaide</td>
<td>SA</td>
<td>100%</td>
<td>Targeting 5 Star Green Star – Office Design</td>
<td>People’s Choice / Santos</td>
<td>Late 2015</td>
<td>2,500</td>
</tr>
</tbody>
</table>

### Residential property

<table>
<thead>
<tr>
<th>Property name</th>
<th>State</th>
<th>Cbus ownership</th>
<th>Total apartments</th>
<th>Development completion</th>
<th>Estimated jobs 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Developments Under Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warleigh Grove, Brighton</td>
<td>Vic</td>
<td>100%</td>
<td>108</td>
<td>December 2013</td>
<td>350</td>
</tr>
<tr>
<td>Breakfast Point ²</td>
<td>NSW</td>
<td>50%</td>
<td>268</td>
<td>2014/15</td>
<td>Refer to note 2</td>
</tr>
<tr>
<td>35 Spring Street, Melbourne ³</td>
<td>Vic</td>
<td>100%</td>
<td>270</td>
<td>Mid 2017</td>
<td>3,500</td>
</tr>
</tbody>
</table>

### Completed residential developments

<table>
<thead>
<tr>
<th>Property name</th>
<th>State</th>
<th>Cbus ownership</th>
<th>Total apartments</th>
<th>Development completion</th>
<th>Estimated jobs 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominion, Darlinghurst</td>
<td>NSW</td>
<td>100%</td>
<td>108 apartments plus 4 commercial suites</td>
<td>June 2013</td>
<td>300</td>
</tr>
<tr>
<td>Breakfast Point ²</td>
<td>NSW</td>
<td>50%</td>
<td>1,637</td>
<td>To June 2013</td>
<td>Refer to note 2</td>
</tr>
<tr>
<td>Cromwell Road, South Yarra</td>
<td>Vic</td>
<td>100%</td>
<td>28</td>
<td>September 2009</td>
<td>175</td>
</tr>
<tr>
<td>Herald Living, Melbourne</td>
<td>Vic</td>
<td>100%</td>
<td>56</td>
<td>April 2006</td>
<td>250</td>
</tr>
</tbody>
</table>

Notes
1. Estimated jobs are building and construction workers ‘inducted’ during development and excludes ancillary employment.
2. Breakfast Point estimated jobs for combined work completed and work under construction is around 8,000.
3. 35 Spring Street is a commercial investment property but it is planned to be redeveloped into a residential tower.
Managing risk

The activities of Cbus Property expose it to a variety of risks: market risk, credit risk, liquidity risk, interest rate risk, ESG risk and reputational risk. The team at Cbus Property identifies, evaluates and, where appropriate, hedges financial risks in close co-operation with Cbus management.

Managing risk is fundamental to the operations of Cbus Property. The identification, monitoring and reporting of risk occurs continuously throughout the year.

An annual review is undertaken by the Trustee and Cbus Property to reassess the materiality of individual risks and prioritise activities for the coming year.

Cbus Property also conducts regular reviews of its management of derivatives, the use of which is limited by the provisions of the Investment Management Agreement in place between Cbus and Cbus Property.

Managing occupational health and safety risks

Cbus Property is committed to ensuring the health and safety of its employees, contractors, clients, and the general public throughout its direct property operations.

Our goal is to eliminate the incidence of work-related injury and ill health, to promote work environments that do not compromise the safety of any individual, and to ensure that occupational health and safety is proactively managed throughout the organisation.

This goal will be realised through:

• ensuring occupational health and safety issues are considered an integral part of the way we do business
• encouraging appropriate consultation with relevant stakeholders on the company’s health and safety policies and standards, and ensuring that these are communicated and observed

Sustainable buildings

Cbus Property is committed to the long-term integration of sustainability practices for the purpose of enhancing Cbus member benefits.

We deliver value by focusing on efficient investment performance. The Cbus Property sustainability initiatives include:

• membership of the Green Building Council and Property Council of Australia
• targeting a minimum 5.0 Star Green Star Rating and 4.5 Star NABERS for new commercial office developments
• empowering our property managers to implement responsible performance reporting for each (income-producing) investment, which can be integrated into our ongoing business reporting and practices
• ensuring our investments operate as efficiently as possible and therefore achieve significant cost savings
• attracting and retaining high-quality tenants (partners) and creating positive experiences for tenants, employees, consultants, customers and visitors
• futureproofing our investments against the rising cost of natural resources
• continuous review of build systems and processes for both completed investments and developments to meet best practice standards relevant to individual properties
• support for the Trustee, a signatory to the United Nations Principles for Responsible Investment.
5,000 new jobs to be created over the three-year development phase – 1 William Street, Brisbane.

Case study: 1 William Street Brisbane

Demonstrating our long term commitment to property development in Queensland, Cbus Property won the tender for the Queensland Government’s new office building at 1 William Street.

The development is a catalyst for a revitalisation of the parliamentary end of George and William streets in Brisbane, and is expected to save taxpayers about $60 million each year through its modern fit-outs and reduced space requirements.

Location:
William Street Brisbane

Size:
75,000 square metre, 43 level tower

Type:
Office, including 1,100sqm of retail and 318 car spaces.

Estimated cost:
$653 million

Completion:
Late 2016.

Expected jobs:
Around 5,000 construction workers are expected to be inducted over the development phase (January 2013 through to end 2016).

Sustainability features:
The unique central core allows optimal daylight and 360 degree views, with floor plates ranging from approximately 1,900sqm to 2,100sqm. The skygarden and laneway connections through the core will provide collaborative space, circulation flows and concentrated spaces for quiet working.

1 William Street will incorporate a high level of environmental credentials, and Cbus Property is targeting a minimum 5.0 Star Green Star Office Design Rating (V3) and a 5.0 Star NABERS Energy Rating for the building.
Cbus uses Australian and international investment managers. Each investment manager is responsible for a specified amount of the Fund’s assets. They are managed in accordance with a mandate as agreed between the manager and the Trustee in consultation with the Fund’s asset consultant. The Trustee monitors the performance of each investment manager closely throughout the year and compares it with industry benchmarks.

Selection of fund managers is a responsibility of the Board delegated to the Investment Committee. The decision to appoint or terminate a fund manager rests with the Investment Committee.

### Cbus top 5 investment managers, 30 June 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Top 5 investment managers</th>
<th>At 30 June (%) 2013</th>
<th>At 30 June (%) 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industry Funds Management</td>
<td>20.3</td>
<td>19.1</td>
</tr>
<tr>
<td>2</td>
<td>Colonial First State Asset Management</td>
<td>9.1</td>
<td>8.2</td>
</tr>
<tr>
<td>3</td>
<td>Cbus Property</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>4</td>
<td>Paradice Investment Management</td>
<td>5.6</td>
<td>5.8</td>
</tr>
<tr>
<td>5</td>
<td>BlackRock Investment Management Australia</td>
<td>4.9</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td><strong>Total top 5 as % of total Fund</strong></td>
<td><strong>46.8</strong></td>
<td><strong>45.9</strong></td>
</tr>
</tbody>
</table>

Totals may differ slightly due to the impact of rounding.
Investment Committee, based on research provided by the asset consultant and Cbus investment team.

The 20.3% allocation to Industry Funds Management incorporates an 8.1% holding in infrastructure, a 6.6% holding in Australian listed shares (managed on a passive enhanced basis) and also includes investment in private equity, credit and fixed interest.

The following table provides a breakdown of Cbus total investments by investment manager. Related parties are identified in blue italics.

For more information on related parties, refer to page 96.

Cbus Property, 140 William Street retail reactivation project in Perth will be completed in early 2014.
### Cbus total investments

<table>
<thead>
<tr>
<th>Investments</th>
<th>At 30 June 2013 ($ millions)</th>
<th>(%)</th>
<th>At 30 June 2012 ($ millions)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australian Shares</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Industry Funds Management</em></td>
<td>1,496.8</td>
<td>6.6</td>
<td>1,357.5</td>
<td>7.3</td>
</tr>
<tr>
<td>Paradise Investment Management</td>
<td>1,279.6</td>
<td>5.6</td>
<td>1,083.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Perpetual Investment Management</td>
<td>780.2</td>
<td>3.4</td>
<td>832.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Hyperion Asset Management</td>
<td>723.7</td>
<td>3.2</td>
<td>574.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Ausbil Dexia</td>
<td>670.5</td>
<td>2.9</td>
<td>754.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Airlie Funds Management</td>
<td>542.3</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ellerston Capital</td>
<td>528.0</td>
<td>2.3</td>
<td>411.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Allan Gray Australia</td>
<td>420.5</td>
<td>1.8</td>
<td>346.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Kinetic Investment Partners</td>
<td>136.9</td>
<td>0.6</td>
<td>113.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Kosmos Asset Management</td>
<td>125.2</td>
<td>0.6</td>
<td>76.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Citigroup Global Markets Australia</td>
<td>0.1</td>
<td>0.0</td>
<td>106.8</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total Australian Shares</strong></td>
<td>6,703.8</td>
<td>29.4</td>
<td>5,656.8</td>
<td>30.5</td>
</tr>
<tr>
<td><strong>International Shares</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BlackRock Investment Management Australia</td>
<td>907.2</td>
<td>4.0</td>
<td>830.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Orbis Investment Management</td>
<td>510.4</td>
<td>2.2</td>
<td>349.2</td>
<td>1.9</td>
</tr>
<tr>
<td>MFS Institutional Advisors</td>
<td>476.0</td>
<td>2.1</td>
<td>339.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Baillie Gifford Overseas</td>
<td>412.0</td>
<td>1.8</td>
<td>329.5</td>
<td>1.8</td>
</tr>
<tr>
<td>Lazard Asset Management</td>
<td>368.6</td>
<td>1.6</td>
<td>288.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Walter Scott and Partners</td>
<td>313.4</td>
<td>1.4</td>
<td>242.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Wellington Management Company</td>
<td>305.3</td>
<td>1.3</td>
<td>260.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Altrinsic Global Advisors</td>
<td>280.6</td>
<td>1.2</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Realindex Investments</td>
<td>256.1</td>
<td>1.1</td>
<td>194.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Trilogy Global Advisors</td>
<td>249.9</td>
<td>1.1</td>
<td>313.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Genesis Emerging Markets Investment Company</td>
<td>205.9</td>
<td>0.9</td>
<td>88.0</td>
<td>0.5</td>
</tr>
<tr>
<td>Platinum Investment Management</td>
<td>123.1</td>
<td>0.5</td>
<td>89.0</td>
<td>0.5</td>
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<tr>
<td>First State Investment Management</td>
<td>107.1</td>
<td>0.5</td>
<td>85.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Warakiri Asset Management</td>
<td>1.8</td>
<td>0.0</td>
<td>1.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Mesirow Financial Currency Management¹</td>
<td>-45.8</td>
<td>-0.2</td>
<td>4.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Citigroup Global Markets Australia</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Tradewinds Global Investors</td>
<td>-</td>
<td>-</td>
<td>220.0</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total International Shares</strong></td>
<td>4,471.7</td>
<td>19.6</td>
<td>3,636.5</td>
<td>19.6</td>
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<tr>
<td><strong>Property</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><em>Cbus Property</em></td>
<td>1,569.1</td>
<td>6.9</td>
<td>1,336.2</td>
<td>7.2</td>
</tr>
<tr>
<td>ISPT</td>
<td>842.8</td>
<td>3.7</td>
<td>735.4</td>
<td>4.0</td>
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<tr>
<td>AMP Capital Investors</td>
<td>459.6</td>
<td>2.0</td>
<td>424.2</td>
<td>2.3</td>
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<tr>
<td>Fortius Funds Management</td>
<td>101.3</td>
<td>0.4</td>
<td>96.3</td>
<td>0.5</td>
</tr>
<tr>
<td>MGPA</td>
<td>21.5</td>
<td>0.1</td>
<td>17.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Franklin Templeton Investments Australia</td>
<td>6.4</td>
<td>0.0</td>
<td>6.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Mesirow Financial Currency Management¹</td>
<td>-0.9</td>
<td>-0.0</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Property</strong></td>
<td>2,999.7</td>
<td>13.2</td>
<td>2,616.7</td>
<td>14.1</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Industry Funds Management</em></td>
<td>1,928.7</td>
<td>8.5</td>
<td>1,503.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Hastings Funds Management</td>
<td>557.5</td>
<td>2.4</td>
<td>505.5</td>
<td>2.7</td>
</tr>
<tr>
<td>Access Capital Advisors</td>
<td>19.6</td>
<td>0.1</td>
<td>22.9</td>
<td>0.1</td>
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<tr>
<td>Mesirow Financial Currency Management¹</td>
<td>-1.8</td>
<td>-0.0</td>
<td>0.8</td>
<td>0.0</td>
</tr>
<tr>
<td>AMP Capital Investors</td>
<td>-</td>
<td>-</td>
<td>135.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Colonial First State Asset Management</td>
<td>-</td>
<td>-</td>
<td>16.1</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total Infrastructure</strong></td>
<td>2,503.9</td>
<td>11.0</td>
<td>2,184.7</td>
<td>11.8</td>
</tr>
</tbody>
</table>

*The blue italics identify related parties. See page 96 for more information.*
Custodian
To protect the security of Cbus’s assets, minimise transaction costs and maintain consistent and high levels of reporting, Cbus uses a master custodian. The custodian holds the Fund’s investments on behalf of Cbus and guarantees security of title of the assets. The Cbus master custodian is National Australia Bank Asset Servicing (NAS), a division of the National Australia Bank. In addition to holding the Fund’s investments, NAS works with Cbus and its fund managers to provide: settlement for transactions; financial reporting, including taxation accounting; unit pricing and performance and risk analytics; and compliance services (monitoring fund manager portfolios to ensure that fund managers are within their mandate guidelines).

Cbus total investments

<table>
<thead>
<tr>
<th></th>
<th>At 30 June 2013</th>
<th>At 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ millions)</td>
<td>($ millions)</td>
</tr>
<tr>
<td></td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>Alternative Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Funds Management</td>
<td>265.8</td>
<td>224.9</td>
</tr>
<tr>
<td>Macquarie Investment Management</td>
<td>222.6</td>
<td>167.0</td>
</tr>
<tr>
<td>Bridgewater Associates</td>
<td>220.6</td>
<td>65.3</td>
</tr>
<tr>
<td>Mesirov Financial Private Equity Advisors</td>
<td>195.2</td>
<td>159.8</td>
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<tr>
<td>Siguler Guff &amp; Company</td>
<td>171.8</td>
<td>142.4</td>
</tr>
<tr>
<td>Quay Partners</td>
<td>118.9</td>
<td>131.6</td>
</tr>
<tr>
<td>ME Bank</td>
<td>115.5</td>
<td>92.3</td>
</tr>
<tr>
<td>LGT Capital Partners</td>
<td>99.4</td>
<td>89.2</td>
</tr>
<tr>
<td>Lexington Partners</td>
<td>85.9</td>
<td>86.6</td>
</tr>
<tr>
<td>ING Investment Management</td>
<td>73.5</td>
<td>72.6</td>
</tr>
<tr>
<td>Performance Equity Management</td>
<td>68.0</td>
<td>54.0</td>
</tr>
<tr>
<td>TPG Opportunities Partners II</td>
<td>67.1</td>
<td>-</td>
</tr>
<tr>
<td>Adveq Management</td>
<td>60.2</td>
<td>50.8</td>
</tr>
<tr>
<td>Industry Super Holdings Pty Ltd</td>
<td>58.6</td>
<td>48.2</td>
</tr>
<tr>
<td>Greenspring Associates</td>
<td>54.1</td>
<td>38.3</td>
</tr>
<tr>
<td>Newbury Associates</td>
<td>49.5</td>
<td>30.0</td>
</tr>
<tr>
<td>VenCap International</td>
<td>41.7</td>
<td>33.1</td>
</tr>
<tr>
<td>Oaktree Capital Management</td>
<td>29.6</td>
<td>17.7</td>
</tr>
<tr>
<td>Superpartners</td>
<td>25.9</td>
<td>43.7</td>
</tr>
<tr>
<td>Weathergage Venture Capital</td>
<td>25.9</td>
<td>21.4</td>
</tr>
<tr>
<td>Wiltshire Private Markets Group</td>
<td>24.2</td>
<td>22.9</td>
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<tr>
<td>Artwork</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Frontier Investment Consulting</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Mesirow Financial Currency Management</td>
<td>-100.3</td>
<td>12.3</td>
</tr>
<tr>
<td><strong>Total Alternative Growth</strong></td>
<td><strong>1,982.3</strong></td>
<td><strong>1,612.5</strong></td>
</tr>
<tr>
<td>Fixed Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME Portfolio Management</td>
<td>340.0</td>
<td>412.4</td>
</tr>
<tr>
<td>BlackRock Investment Management Australia</td>
<td>214.3</td>
<td>205.2</td>
</tr>
<tr>
<td><strong>Total Fixed Interest</strong></td>
<td><strong>554.3</strong></td>
<td><strong>617.6</strong></td>
</tr>
<tr>
<td>Credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Funds Management</td>
<td>629.2</td>
<td>469.3</td>
</tr>
<tr>
<td>Babson Global Loan Fund</td>
<td>372.3</td>
<td>183.2</td>
</tr>
<tr>
<td><strong>Total Credit</strong></td>
<td><strong>1,001.5</strong></td>
<td><strong>652.5</strong></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colonial First State Asset Management</td>
<td>1,968.8</td>
<td>1,422.1</td>
</tr>
<tr>
<td><strong>Industry Funds Management</strong></td>
<td><strong>302.1</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>ME Portfolio Management</strong></td>
<td><strong>237.3</strong></td>
<td><strong>138.1</strong></td>
</tr>
<tr>
<td>AMP Capital Investors</td>
<td>39.3</td>
<td>38.0</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td><strong>2,547.5</strong></td>
<td><strong>1,598.3</strong></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>22,764.9</strong></td>
<td><strong>18,575.4</strong></td>
</tr>
</tbody>
</table>

Note
1  Cbus’s international investments are affected by rises or falls in the value of the Australian dollar. Mesirow Financial Currency Management manages the Fund’s currency hedging program. The Australian dollar fell over the year, which resulted in losses in the currency hedging program (these offset currency-related gains for our international investments).
A proportion of our members’ investment earnings are used to pay the Fund’s investment costs and the Trustee operating cost. Together, these are the Fund’s indirect cost ratio.

- Investment costs include fees paid to fund managers, custodians and asset consultants, bank fees and internal investment management costs on a net of GST basis.
- The Trustee operating cost covers the costs incurred by the Trustee in operating the Fund and includes unrecouped administration fees and member protection costs.

The table below shows investment costs and the indirect cost ratio by investment option for the 2012/13 and 2011/12 financial years.

<table>
<thead>
<tr>
<th>Superannuation options</th>
<th>High Growth</th>
<th>Growth (Cbus Choice)</th>
<th>Conservative</th>
<th>Cash Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 %</td>
<td>2011/12 %</td>
<td>2012/13 %</td>
<td>2011/12 %</td>
</tr>
<tr>
<td>Investment costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base fee</td>
<td>0.50</td>
<td>0.43</td>
<td>0.48</td>
<td>0.47</td>
</tr>
<tr>
<td>Performance fee</td>
<td>0.06</td>
<td>0.07</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Direct manager fees</td>
<td>0.56</td>
<td>0.50</td>
<td>0.53</td>
<td>0.52</td>
</tr>
<tr>
<td>Underlying fund of funds base fee</td>
<td>0.16</td>
<td>0.08</td>
<td>0.16</td>
<td>0.19</td>
</tr>
<tr>
<td>Underlying fund of funds performance fee</td>
<td>0.02</td>
<td>0.01</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Underlying fund of fund fees</td>
<td>0.18</td>
<td>0.09</td>
<td>0.18</td>
<td>0.21</td>
</tr>
<tr>
<td>Other costs</td>
<td>0.06</td>
<td>0.05</td>
<td>0.06</td>
<td>0.05</td>
</tr>
<tr>
<td>Total investment costs</td>
<td>0.81</td>
<td>0.64</td>
<td>0.77</td>
<td>0.78</td>
</tr>
<tr>
<td>+ Trustee operating cost</td>
<td>0.10</td>
<td>0.09</td>
<td>0.10</td>
<td>0.09</td>
</tr>
<tr>
<td>= Total indirect cost ratio</td>
<td>0.91</td>
<td>0.73</td>
<td>0.87</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Cbus deducts the indirect cost ratio from the investment return before Cbus declares its crediting rates. This is shown in the table below.

<table>
<thead>
<tr>
<th>Superannuation options</th>
<th>High Growth</th>
<th>Growth (Cbus Choice)</th>
<th>Conservative</th>
<th>Cash Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 %</td>
<td>2011/12 %</td>
<td>2012/13 %</td>
<td>2011/12 %</td>
</tr>
<tr>
<td>Total earnings²</td>
<td>20.59</td>
<td>-0.61</td>
<td>17.02</td>
<td>2.47</td>
</tr>
<tr>
<td>Less total indirect cost ratio</td>
<td>0.91</td>
<td>0.73</td>
<td>0.87</td>
<td>0.87</td>
</tr>
<tr>
<td>= Final Crediting Rate</td>
<td>19.68</td>
<td>-1.34</td>
<td>16.15</td>
<td>1.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Super income stream options</th>
<th>High Growth</th>
<th>Growth (Cbus Choice)</th>
<th>Conservative</th>
<th>Cash Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13 %</td>
<td>2011/12 %</td>
<td>2012/13 %</td>
<td>2011/12 %</td>
</tr>
<tr>
<td>Total investment costs</td>
<td>0.81</td>
<td>0.64</td>
<td>0.77</td>
<td>0.78</td>
</tr>
<tr>
<td>+ Trustee operating cost¹</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
</tr>
<tr>
<td>Total indirect cost ratio</td>
<td>0.90</td>
<td>0.73</td>
<td>0.86</td>
<td>0.87</td>
</tr>
<tr>
<td>Total earnings²</td>
<td>22.81</td>
<td>-0.60</td>
<td>18.83</td>
<td>2.69</td>
</tr>
<tr>
<td>Less total indirect cost ratio</td>
<td>0.90</td>
<td>0.73</td>
<td>0.86</td>
<td>0.87</td>
</tr>
<tr>
<td>= Final Crediting Rate</td>
<td>21.91</td>
<td>-1.33</td>
<td>17.97</td>
<td>1.82</td>
</tr>
</tbody>
</table>

Direct managers invest directly in assets for the Fund. ‘Fund of fund’ managers select and invest through other fund managers in order to get specialised exposure to a wider range of investments.

¹ A new fee structure for the income stream options was introduced from 1 May 2013. The Trustee operating cost for income stream members was reduced to 0.03% a year. The impact for the 2013 financial year is a difference of 0.01%. The full impact will be reflected in financial year 2014. Investment costs are the same as those for the superannuation options.

² Gross of indirect costs, net of investment taxes.
There are broadly two fee types – base fees and performance fees. The base fee is usually calculated as a percentage of assets managed for Cbus. Some of Cbus’s fund managers are also paid a performance fee when their investment returns outperform agreed targets. The performance fees identified are those fees actually paid during the relevant financial year.

Over the past year, the investment cost for the Growth (Cbus Choice) investment option has decreased by 0.01% to 0.77%. Allocations to the Alternative Growth asset class have largely driven the changes in cost for the High Growth (+0.17%) and Conservative (-0.05%) options. The High Growth option asset allocation to the Alternative Growth asset class increased from 4% over 2011/12 to 10% in 2012/13. The Conservative option reduced its exposure to this asset class over 2012/13.

Where Cbus differs to other super funds

Cbus believes that members should be informed of the total investment management cost of their superannuation wherever these costs are clearly identifiable and measurable. Cbus incorporates all underlying trust and “fund of fund” investment management fees into its total investment cost. The contribution to the Growth (Cbus Choice) option’s cost from these underlying managers was 0.18% for 2012/13, down 0.03% from 0.21% in 2011/12.
It makes sense to consider ESG when we invest

Companies that take environmental, social and governance (ESG) considerations into account have a deeper understanding of the risks and opportunities arising from ESG issues and can more effectively integrate these into their business models.

Superannuation is a long-term investment, so it makes sense for Cbus and our investment managers to consider ESG issues before we invest in a company. We consider these issues alongside traditional financial factors when we make investment decisions.

Integrating ESG into Cbus’ investment portfolio

Cbus integrates ESG considerations into the Fund’s investment processes by including the potential impact of any ESG issues on the value of a company in the valuation process.

Cbus excludes companies involved in controversial weapons manufacture from our portfolio (for example, companies that are involved in making cluster bombs). These companies typically make up less than 0.1% of listed companies globally. This exclusion applies across all Australian and international shares investments, which make up around 49% of the Fund’s investments.

In August 2013, Cbus announced the exclusion of holdings in tobacco manufacturers, taking the decision after concluding there is no safe level of tobacco use.
Using our voting power to make a difference

Cbus invests more than $11 billion in listed Australian and international shares. This means that Cbus has an ownership interest in the companies it invests in. As owners, we have the opportunity to vote at company annual general meetings (AGMs). We believe we have an obligation to vote to ensure that these companies are directed and controlled in an appropriate way.

Cbus’s share voting is guided by its corporate governance policy and Cbus regularly engages with all its fund managers on their corporate governance approach.

‘Two strike rule’ leads to more engagement over remuneration reporting

Legislation that enables shareholders to vote on whether a Board should be replaced if the remuneration report receives two years of ‘against’ votes of 25% or above has led to a significant reduction in our voting against company remuneration reports this financial year.

In particular, companies’ engagement with investors improved following a ‘first year’ vote against their remuneration report. We have also seen a fall in the percentage of ‘against’ votes on manager and director remuneration resolutions.

Votes against ‘other’ resolutions increased to 21% in 2012/13. This reflected increases in the number of ‘board spill’ resolutions related to the two strike rule, and also to an increase in the number of capitalisation resolutions (where the company seeks to issue more shares).

Cbus’s ESG policy, corporate governance policy and corporate governance voting reports are available on the Cbus website at www.cbussuper.com.au/esg

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Cbus company voting – Australia 2012/13 2011/12 2010/11

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of company meetings Cbus voted</td>
<td>310</td>
<td>309</td>
<td>324</td>
</tr>
<tr>
<td>Number of resolutions Cbus voted</td>
<td>1,667</td>
<td>1,473</td>
<td>1,674</td>
</tr>
<tr>
<td>Of these, Cbus voted against</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of companies</td>
<td>100</td>
<td>99</td>
<td>101</td>
</tr>
<tr>
<td>Number of resolutions</td>
<td>187</td>
<td>165</td>
<td>205</td>
</tr>
<tr>
<td>Types of resolution Cbus voted against</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company remuneration report</td>
<td>23%</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>Remuneration of management and directors</td>
<td>30%</td>
<td>37%</td>
<td>43%</td>
</tr>
<tr>
<td>Election of directors</td>
<td>26%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>21%</td>
<td>11%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Cbus company voting - international¹ 2012/13

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of company meetings Cbus voted</td>
<td>2,535</td>
</tr>
<tr>
<td>Number of resolutions Cbus voted</td>
<td>29,695</td>
</tr>
<tr>
<td>Of these, Cbus voted against</td>
<td></td>
</tr>
<tr>
<td>Number of companies</td>
<td>1,074</td>
</tr>
<tr>
<td>Number of resolutions</td>
<td>2,727</td>
</tr>
</tbody>
</table>

Types of resolution Cbus voted against

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>12%</td>
</tr>
<tr>
<td>Director election</td>
<td>42%</td>
</tr>
<tr>
<td>Share issue related</td>
<td>18%</td>
</tr>
<tr>
<td>Constitution</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>21%</td>
</tr>
</tbody>
</table>

¹ Reporting for 2012/13 is based on directly held company shares in developed countries (around 58% of the international shares portfolio). We have excluded voting for emerging market companies and voting for companies held in pooled trusts. Comparable data for 2011/12 is not available and so has been excluded.
Engaging with companies on ESG issues

Cbus engages with companies to encourage them to improve their management of ESG issues. We principally conduct engagement through our membership of the Australian Council of Superannuation Investors (ACSI).

Cbus is a foundation member of ACSI and our Executive Manager, Investment Management, Trish Donohue, is ACSI’s Deputy President. ACSI engages with companies on behalf of its member super funds and where possible Cbus’s ESG Investment Manager takes part in these meetings. Currently the superannuation fund members of ACSI represent more than $350 billion in funds under management.

During the financial year ACSI engaged with the boards of 84 ASX200 companies compared with 74 companies in 2011/12. This represented 28% of the companies in our Australian shares portfolio. The engagement focus was on four key themes,

- **Sustainability reporting practices:** seeking improved disclosure of ESG risks.
- **Anti-corruption policies:** seeking public commitments to monitor corporate behaviour regarding bribery and corruption.
- **Labour and human rights standards:** seeking improved disclosure of how these risks are managed and adherence to global leading practice.
- **Governance practices:** including director elections, executive pay and improved diversity on ASX200 boards.

Cbus’s second largest infrastructure investment, Pacific Hydro, produces energy from renewable sources.
ACSI monitors the progress made by companies across the four themes. The engagement program continued to be broadly successful with changes seen in 14 companies who had ‘first strike’ votes on remuneration. The vast majority of these companies improved their executive pay practices following engagement with ACSI and other investors.

ACSI also conducts a research program that includes annual research into CEO and non-executive director pay, board composition and company sustainability practices.

A separate report on labour and human rights investment risks in supply-chain sourcing for S&P/ASX200 consumer discretionary and consumer staples companies was released in May 2013. Cbus utilises the outcomes of ACSI research in our engagement with fund managers and companies.

Our fund managers are another channel for engagement with companies on ESG. They are responsible for selecting companies and apply their extensive company knowledge to analyse and engage on ESG performance.

Cbus may also directly engage with companies alongside our fund managers and other collaborative organisations, such as the Asian Corporate Governance Association.

Prominent ESG issues over the financial year

Worker safety in developing countries

There are many situations in developing countries where worker safety is less than adequate. For example, many major retail and clothing brands source apparel from Bangladesh. The clothing manufacturing industry in Bangladesh has several ESG issues associated with it, in particular poor safety practices (especially in regard to fire safety), over-crowding, excessive overtime and prohibitions on unionisation.

Over the past six months there have been several significant events in the industry, leading to large loss of life. These have included factory fires at Tazreen with the death of 117 workers and Hameen with the death of 26 workers. In early May, the eight storey Rana Plaza building in Bangladesh collapsed, resulting in the death of more than 1100 workers.

Through our ongoing manager engagement program, Cbus met with our fund managers to discuss these issues and to encourage them to have discussions with the companies in which they invest, to satisfy themselves that supply chain issues are being adequately disclosed and monitored.

Coal seam gas extraction

There is growing community debate about the environmental impact of coal seam gas extraction. This affects energy and resources companies involved in this industry. The key issue is related to concerns about the risk for water and food security being impaired through the impact of water extraction from coal seams on water aquifers, potential contamination through the gas extraction process and management of by-products such as salt.

There are investor concerns that some companies have not managed stakeholder relations well and as a result are subject to increasing government regulation in this area.

Cbus encourages fund managers to focus on the ESG implications in supply chains for retailers in our portfolio holdings. Supply chain issues have the potential to affect the value of our investments in these companies because if they fail to manage their supply chains properly they may be exposed to reputational risk or compensation requirements that reduce the value of the company. In total, around 5.5% of Cbus’s Australian share holdings is invested in companies with significant exposure to retail clothing (these include Woolworths, Wesfarmers and David Jones).
Promoting ESG through the Principles of Responsible Investment

Cbus works with other like-minded superannuation funds and fund managers to promote and advocate better management of ESG issues. The Principles of Responsible Investment (PRI) is an international network of investors (signatories) working together to integrate a consideration of ESG issues in investment processes. Cbus’s CEO, David Atkin, sits on the Council and Board of the PRI.

Cb us and climate change

“The precise impacts of climate change are uncertain, both in terms of magnitude and timing. Yet one thing is increasingly certain – under most reasonable scenarios the costs of failing to prepare for climate change will be significant and these costs will increase with every year that action is delayed.” – Global Investor Survey on Climate Change, 2011.

At present Cbus has not quantitatively estimated the financial implications of climate change, however, Cbus expects that investment risks and opportunities will arise as a result of climate change and the regulatory response to it. There are several things we do to help manage these risks and opportunities.

- We work with our fund managers to monitor the impact on our investments that may arise.
- We are members of the Investor Group on Climate Change (IGCC), which provides information and research about climate change for investors and advocates for sound policy responses on behalf of investors. Louise Davidson, Cbus ESG Investment Manager, is Secretary for the IGCC.
- We participate in an annual global investor survey on climate change.

The latest 2011 global investor survey results reported that asset owners and managers had retained or boosted their commitment to addressing climate change in their investment activities despite wider economic and financial challenges and continuing policy uncertainty.

Read more about Cbus and climate change on the Cbus website at www.cbussuper.com.au/esg

An example: ESG and our property portfolio

Cbus invests $2.8 billion in property. We engage with all our property managers on:

- climate change, particularly in relation to the ability of their buildings to withstand extreme weather
- the integration of sustainability, such as reducing the carbon footprint through energy efficiency and reducing the amount of water wastage
- labour issues, such as workplace safety.

More than $1.4 billion of our property portfolio is invested through our wholly owned property developer, Cbus Property. There is evidence to suggest that sustainable buildings outperform the broader market and Cbus Property seeks to be a leader in this area.

Activity planned for 2013/14

Over the coming year, Cbus will be reviewing occupational health and safety monitoring within investment portfolios. We will also be working with ACSI on several new ESG policy initiatives, including the establishment of a responsible contracting policy.

ESG engagement

Companies engaged with Cbus on ESG issues

74 2012 2013 84
The internal structure of Cbus Property’s 1 Bligh Street Sydney investment. It is targeting 5.0 Star NABERS energy rating.


Stronger investment policies

Over the financial year the Fund strengthened its investment policies to better reflect the current investment arrangements and to ensure alignment with the prudential standards and Stronger Super requirements.

Detailed summaries of Cbus’s investment policies can be found at www.cbussuper.com.au/investments

Cbuss believes that a strong investment policy framework leads to better investment decisions and enhanced risk-adjusted returns for members.

Investment governance framework policy and investment policy statement

The investment governance framework policy sets out how the Fund arranges the systems, structures, policies, processes and people involved in managing the Fund’s investments. It incorporates the Fund’s investment beliefs and guiding principles.

Cbus’s investment policy statement provides details of the processes by which the Trustee sets and implements investment strategy.

Asset valuation policy

Reliable and timely valuations of Fund assets are critical to ensuring accurate crediting rates and the equitable treatment of members.

The asset valuation policy sets out the frequency and processes for valuing Fund assets and the processes to ensure members are treated fairly.

Derivative management plan

Cbus allows some of its investment managers to use derivatives to reduce risk and/or enhance efficiency. The managers must use derivatives within strict parameters, including that they are not used to gear the Fund and that there are sufficient cash assets to back the derivative exposures at all times.

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.
Currency management plan
The Fund invests in international assets, which may be denominated in currencies other than the Australian dollar. The currency management plan describes how the Fund manages the currency risks associated with exposure to these international assets, including using hedges to limit the exposure to currency to between a range of 10% and 20% of the Fund.

Due diligence policy
The objective of the due diligence policy is to ensure that proper investigation and analysis is conducted when determining whether a potential or existing investment is appropriate for the Fund, including ensuring compliance with the Fund’s outsourcing framework.

Environmental, social and governance (ESG) policy
Cbus believes that companies that act in a responsible way from an environmental, social and governance perspective will perform better over the longer term. Cbus’ ESG policy ensures the Fund integrates ESG considerations into its investment processes.

Class actions policy
Investment-related class actions are lawsuits where a group of investors sue a company based on losses experienced due to false or misleading disclosure by the company. Cbus participates in class actions either passively or actively under certain circumstances as outlined in the class actions policy.

Placement agent disclosure
Some investment managers use placement agents to market their services and provide local investment advice. Cbus seeks to ensure that all such relationships, related costs and potential conflicts are transparent.

CBW building in Melbourne, developed by Cbus Property, employed an estimated 3,200 workers during construction
Cbuss products and services

Cbuss offers four product options.

**Industry Super** – suitable for people working and receiving superannuation contributions through their employer.

**Sole Trader** – designed for the self-employed who are making their own contributions occasionally or regularly to their retirement savings.

**Personal** – allowing access for anyone who wants a super fund to make contributions, receive spouse contributions or unite their super accounts.

**Superannuation Income Stream** – for people who have retired or are moving towards retirement and want to use their superannuation savings to receive regular income payments.

Additional Cbus benefits

Members of Cbus have access to additional benefits including:

- insurance cover protection in the event of death or disability
- financial advice education and personal advice
- discounted banking and health insurance benefits.

New member direct investment options

New member direct investment options (which will include Infrastructure and Property asset classes) will be introduced in 2014.
Profile of Cbus membership

Our members may be starting their careers or several years into retirement and everywhere in between. Regardless of their situation, we aim to provide high quality, impartial help and advice so they can maximise their ultimate retirement savings.

Locations of our members

- WA: 12.6%
- QLD: 6.1%
- NSW: 33.1%
- VIC: 37.2%
- TAS: 1.8%
- SA: 5.7%
- NT: 0.9%
- Overseas & other: 0.7%

16.7%
$31,498
Average member super account balance

38 years
Average member age

0.15%
$201,079
Average member income stream account balance

Inbound advice calls
25,750 + 187.13%
Outbound advice calls
20,002 + 50.79%
Total advice calls
45,752 + 68%
Cbus has implemented a new model for employer engagement that builds on and invests in a proactive employer engagement model. It has improved employer segmentation, a dedicated and specialised employer management team and a clear set of objectives.

Key partnerships team
Cbus has established a key partnerships team, which works to engage with and support employers and expand our membership base.

The team comprises a National Manager Key Partnerships based in Melbourne and a Partnerships Manager based in Western Australia.

The team is focused nationally on building stronger relationships with our larger employers, understanding their needs, identifying how Cbus can improve our service delivery as well as seeking new opportunities for growth.

Cbus will continue to develop the team’s capacity to service more employers and their employees in the building and construction industry over time.

Employer account managers
Cbus, through its administrator Superpartners, employs a team of 11 employer account managers nationally who support 2,960 key employers across Australia.

The team provides information and support to employers with a particular focus on assisting employers to switch over to paying contributions electronically and utilising the Cbus clearing house service.
Cbus continually strives to deliver services and products that help our members to maximise their retirement outcomes. Cbus recognises the way in which members and employers interact with their superannuation is undergoing significant change. With the impetus of the SuperStream reforms, the superannuation industry is accelerating into a new digital age. Ensuring Cbus adapts to the changes and provides the services that members need is both an ongoing challenge and an opportunity. In response, these are some of the programs in place at Cbus.

BeCbus program

During 2012/13 Cbus implemented a series of initiatives through its ‘beCbus’ service transformation program in partnership with its administrator, Superpartners. At its heart, ‘beCbus’ is about aligning the cultures of Cbus and Superpartners and increasing superannuation knowledge and expertise in the Cbus service centre, focusing on educating members about superannuation and their Cbus membership.

The program has now been extended into the insurance and claims services as a way of serving members (and their dependants) during a difficult time.

Join Cbus online

Becoming a member of Cbus became easier during the year with the introduction of an online join-up option.

nextGEN program update

The nextGEN program is a series of business transformation projects that represents a fundamental shift from dated systems to new technologies and improved services for our members. When completed, the program will consolidate a fragmented, paper-based technology platform into a fully integrated, flexible and modern system. The program is being undertaken by Superpartners on behalf of its shareholders including Cbus.

There have been delays around the implementation of the new core administration system known as spRIGHT. These delays are attributed to a constantly changing regulatory environment and underestimation of the complexity of the required solutions. As a response, the administrator and its shareholders has appointed a transformation partner to deliver the solution and position the administrator appropriately for the future.

Up to June 2013, Cbus had committed to make an investment up to $39.3m. Further investment will be required in 2013/14 to complete the program as determined by the review conducted by the transformation partner.

Cbus prides itself on being a Fund for its members. Our members are why we exist and who we serve.

Michelle Fitzgerald, our Brisbane-based Employer Account Manager
Accepting that the construction and building industry is second only to the mining industry in terms of its risk profile, maintaining competitive levels of insurance cover and limiting cost increases remain the most challenging aspects of the Fund’s product offering.

Claims management
Cbus has a case management approach to claims with designated case managers appointed to help claimants (members and beneficiaries) through the claims process. The case manager looks after the claim from start to finish, acting as a direct contact throughout the claims process to ensure all the required information is received and that the claim progresses through the assessment process as efficiently as possible.

<table>
<thead>
<tr>
<th>Insurance claims paid</th>
<th>For the 2012/13 year</th>
<th>For the 2011/12 year</th>
<th>For the 2010/11 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death</td>
<td>669</td>
<td>682</td>
<td>674</td>
</tr>
<tr>
<td>TPD</td>
<td>1,010</td>
<td>798</td>
<td>795</td>
</tr>
<tr>
<td>Terminal illness</td>
<td>145</td>
<td>114</td>
<td>146</td>
</tr>
</tbody>
</table>

Listening to our members

Complaints
We appreciate things can go wrong or be misunderstood. When a member or an employer has a query we are committed to getting things resolved first time. If this does not happen, we provide members and employers with a means to be heard via our escalated complaints process.

Cbus has a designated complaints team whose members specialise in ensuring each complaint is fully investigated, including direct telephone contact to ensure we are aware of all of the issues affecting our service performance. All complaints receive a formal response in writing.

Complaints are an important way for Cbus to be held accountable to its stakeholders. It is a vital feedback channel that supports the Fund’s continuous improvement in its service and people.

While Cbus aims to resolve all complaints with members, should a member not be satisfied with our response they can lodge a complaint with the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to assist members and beneficiaries to resolve certain superannuation complaints.

The SCT can be contacted on 1300 884 114.
Complaints are an opportunity for Cbus to demonstrate we listen and respond to members, employers and beneficiaries with a view to improving our performance.

<table>
<thead>
<tr>
<th>Complaint numbers</th>
<th>For the 2012/13 year</th>
<th>For the 2011/12 year</th>
<th>For the 2010/11 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of complaints</td>
<td>469, with 211 related to administration matters and 258 related to insurance and claims</td>
<td>436, with 156 related to administration matters and 280 related to insurance and claims</td>
<td>456, with 154 related to administration matters and 302 related to insurance and claims</td>
</tr>
<tr>
<td>Total number of SCT complaints lodged</td>
<td>30, with 6 related to administration matters and 24 related to insurance and claims</td>
<td>63, with 15 related to administration matters and 48 related to insurance and claims</td>
<td>32, with 15 related to administration matters and 17 related to insurance and claims</td>
</tr>
<tr>
<td>Total number of SCT complaints conciliated</td>
<td>24</td>
<td>34</td>
<td>18</td>
</tr>
<tr>
<td>Total number of SCT complaints resolved at conciliation</td>
<td>17 (71%)</td>
<td>21 (62%)</td>
<td>15 (83%)</td>
</tr>
<tr>
<td>Total number of SCT complaints outstanding following conciliation</td>
<td>7 (29%)</td>
<td>13 (38%)</td>
<td>3 (17%)</td>
</tr>
</tbody>
</table>
Sponsorships

Sponsorships must be in line with the Cbus sponsorship policy, which sets out the criteria for determining sponsorship opportunities.

Cbus’s sponsorship activities in this financial year have included major partnerships with the Construction Forestry Mining and Energy Union, Australian Workers’ Union, Australian Manufacturing Workers’ Union, Communications, Electrical and Plumbing Union, Master Builders Australia, National Electrical and Communications Association, Master Plumbers Association, Master Painters Association, the Air Conditioning and Mechanical Contractors’ Association, the Construction Forecasting Council, the Association of Consulting Architects and the Australian Institute of Building.

Sponsorship activities include workplace meetings, awards functions, conference events and presentations, social events (picnic days), and other major activities.

All approved sponsorships fall within global budget allocation. For the 2012/13 year these sponsorship costs were $1,767,638 ($1,390,600 in 2011/12).

Cbus does not make any donations to political parties or politicians.

Building Australia Game Day partnership

The concept of a Building Australia game was an initiative of former plumber and Greater Western Sydney Giants’ coach Kevin Sheedy.

This year was the second year of the program and it had several complementary activities.

Seven great buildings around Australia’s cities were selected to showcase the contribution Cbus members have made to the built environment of Australia.

These buildings demonstrate the long history of our members contributing to the construction of well-known government, commercial, cultural, science and transport centres, e.g. the Museum of Old and New Art (MONA) in Hobart, Melbourne’s Etihad Stadium and Parliament House in Canberra.

It provided a great opportunity for members to tell their building Australia stories. As part of the member activation program, Kevin Sheedy visited the buildings to meet Cbus members who had worked on their construction.

Photos, video content and the member stories were packaged for national magazine ads (Footy Record), websites, social media and Cbus member communications. These were progressively published in the lead up to the game and following.

The promotion culminated with the Building Australia tribute game between AFL teams, the Giants and Western Bulldogs on 6 July in Canberra. The game started with a private pre-match briefing for Cbus members with coach Kevin Sheedy, a lap of honour to recognise members, crowd activities and the presentation of the Mavis Robertson Team Spirit Award.

Further information on the showcase and the Building Australia tribute game can be found at www.cbusbuildingoz.com.au

Men’s Health

Since 2006, Cbus has been actively supporting programs aimed at producing better men’s health outcomes across our sector, with a focus on working to reduce the number of suicides.

Cbus supports real services and programs where our members work. Be it online, on site or in regional camps, these programs and services are delivered through our experienced partners. These include:

SuperFriend – a national mental health promotion foundation that helps ‘all profit to member’ superannuation funds to promote and support improved mental health and wellbeing for their members through the workplace. SuperFriend aims to reduce the incidence of suicide and the impact of mental illness on individuals, employers, workplaces, family and friends.

OzHelp – a community-based mental health support organisation with a focus on suicide prevention in industry workplaces.

Mates In Construction – works to deliver better mental health and wellbeing outcomes for construction workers.

IncoLink – provides a range of welfare support, educational and awareness-raising programs to workers and their families in the industry.

Cbus is proud to be a leader in this area. Cbus is dedicated to providing strong and focused support through programs designed for all of us working across building, construction and allied industries.
Kevin Sheedy, former plumber and coach of Greater Western Sydney Giants, acknowledges the Cbus members who’ve built the buildings and infrastructure of Australia. Pictured in front of Cbus members at Parliament House, Canberra.
The Trustee

The Trustee company of Cbus is United Super Pty Ltd. The Trustee has the complete management and control of all matters in connection with Cbus.

The Trustee has a wholly owned subsidiary company, Cbus Property, which manages part of the Cbus direct property investment portfolio.

The Trustee holds a registrable superannuation entity (RSE) licence from the Australian Prudential Regulation Authority (APRA) and an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC) which enable the Trustee to provide general financial product advice to its members.

The Trustee was also granted MySuper authorisation during the year, enabling it to offer a MySuper product.

Conflicts management framework

The Trustee has a conflicts management framework to ensure it identifies and takes all reasonably practicable actions to avoid, or prudently manage, all potential and actual conflicts in its business operations.

Where there is a conflict, priority must be given to the duties to and interests of the beneficiaries of the Fund over the duties to and interests of other persons. The Trustee must ensure that the duties to the beneficiaries are met despite the conflict and that the interests of the beneficiaries are not adversely affected by the conflict.

Conflict management procedures are included as a standard Board or committee agenda item for every meeting.

Any identified conflicts are recorded as well as the action taken to avoid or manage the conflict in accordance with the Trustee’s conflict management policy.

A summary of the policy is available on www.cbussuper.com.au/governance

A Register of Relevant Interests and Duties is maintained and is available on the website.

### Cbus fund governance policy (FGP)

The FGP outlines the key elements of the Cbus governance framework. The Trustee, as part of its commitment to an open and transparent communication program to its members and other stakeholders, makes the FGP publicly available on its website at www.cbussuper.com.au/governance During the year the FGP has been substantially revised to incorporate the prudential standards requirements and other Stronger Super changes.
Trust Deed and Articles of Association


During the year the Trust Deed was amended. In January 2013, the Trustee applied for an authorisation from APRA to offer a MySuper product. As part of the application the Trustee was required to establish that the governing rules of the Fund complied with s.29TC of the Superannuation Industry (Supervision) Act 1993. This section sets out the characteristics of a MySuper product, such as: a single diversified investment strategy; rules regarding the changing of fees; and equal access to options, benefits and facilities by all members of this class of benefit. The Trustee approved amendments to its Trust Deed in December 2012 to satisfy these requirements and to incorporate other legislative changes that had been introduced by the Government for the superannuation industry.

Insurance

The Trustee holds indemnity insurance to protect the Fund from the costs involved in legal actions.

Just as our buildings require sound foundations, good governance is the basis on which we make sound decisions about our members’ money.
The composition of the Trustee Board is based on an equal representation model. The Board's current composition is:

- Chair (nominated by ACTU)
- Seven x Directors nominated by the employer sponsor organisation – Master Builders Australia
- Seven x Directors nominated by the member sponsor organisations (CFMEU, ACTU, CEPU, AMWU, AWU)
- Independent Director

All Directors are appointed on a non-executive basis.

Director appointments are done in accordance with the Fund's fit and proper policy as detailed in the Fund's governance policy, available on our website.

The Fund’s definition of an independent Director is a person who is not a representative of a sponsor organisation or an employee of a sponsor organisation or an associate of a sponsor organisation.

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HON. STEVE BRACKS AC
Board Chair, since February 2009
Age: 58

Qualifications:
- Diploma of Business Studies (Accounting)
- Graduate Diploma Education (Economics)
- RG146 for Superannuation
- Honorary doctorates from Ballarat and Deakin universities.

Sponsoring organisation:
Australian Council of Trade Unions.

Skills and experience:
Best known as one of Victoria’s longest serving premiers, Steve Bracks has had a distinguished career in public service across education, training, employment, industrial relations and politics.

Since political retirement, Steve has held several director and honorary positions across industry and interest areas, both domestically and internationally. Steve was awarded a Companion of the Order of Australia in 2010 for services to Parliament and the community.

Current role, recent and past directorships held:
- Director of Cbus Property, Jardine Lloyd Thomson Australia Ltd, Bionic Institute, Bank of Sydney, John Button Foundation
- NAB Philanthropic Advisory Committee member
- Chair of Australian Subscription Television & Radio Industry (ASTRA), Deakin Foundation and Union Education Foundation and Industry Super Holdings
- Governance Adviser to PM, Timor Leste
- Automotive Envoy for Australia.

Cbus meeting attendance:
- Board (Chair) 6/6
- Investments Committee 9/11
- Remuneration Committee 4/4
- Audit and Risk Management Committee (observer) 4/4.
JOHN DAWKINS
Independent Director, since May 2012
Age: 66

Qualifications:
- Diploma in Agriculture
- Bachelor in Economics
- Doctor of the University (Honorary) of Ballarat, University of SA and Queensland University of Technology
- Completed RG146 for Superannuation.

Sponsoring organisation: Independent Director.

Skills and experience:
John has had a distinguished parliamentary and finance career in both the public and private sectors, holding positions ranging from Chair of exploratory mining companies, to Cabinet Minister in the Trade, Finance and Treasury portfolios during the Hawke and Keating governments.

He advises Commonwealth, state and territory ministers on vocational education and training policy.

As Treasurer, John was responsible for the SGC and SIS legislation. Significant assignments have also been held with the World Bank, OECD, UNDP and UNESCO.

Current role, recent and past directorships held:
- Chair of ASX listed Australian Bauxite Ltd, Sovereign Gold Ltd, Precious Metals Ltd and Integrated Legal Holdings Ltd
- Chair and Director of numerous non-listed entities and Advisory Boards.

Cbus meeting attendance:
- Board 6/6
- Investments Committee 10/11.

SCOTT BEYNON
Director, since August 2009, Cbus member
Age: 49

Qualifications:
- RG146 for Superannuation
- Diploma of Financial Services (Superannuation)
- Advanced Diploma of Construction Management
- Adjudicator, Building Management, Supervision and Clerk of Works Certificate
- Carpenter & Joinery Certificate.

Sponsoring organisation: Master Builders Australia.

Skills and experience:
Scott has been actively involved with the Master Builders movement for the past 21 years and is the Immediate Past President and Chairman of Master Builders Australia and past President and Chairman of MBA (NSW).

Scott commenced his career in the commercial sector of the building and construction industry in a trade role, progressively building his career through to management roles and establishing the Proline Group of companies.

Current role, recent and past directorships held:
- Professional company director
- Director of various companies, mainly in the building and construction industry and financial management, as well as private holdings
- Director, Master Builders Australia Ltd.

Cbus meeting attendance:
- Board 6/6
- Member Services and Marketing Committee 5/5.

WILHELM HARNISCH
Director, since April 2000, Cbus member
Age: 63

Qualifications:
- Applied Finance and Investment studies
- Diploma Company Director
- Bachelor of Arts (Administration/Economics)
- Associate Diploma Mechanical Engineering
- Journeymen’s Certificate – Automotive Engineering
- RG146 for Superannuation
- Fellow AICD, Fellow AIM, Senior Associate, FSA.

Sponsoring organisation: Master Builders Australia.

Skills and experience:
Wilhelm has had a distinguished career in building and as a Director, holding senior commercial positions throughout the MBA (including as CEO and Chief Economist), as well as roles in economics, investment, strategic planning, industrial relations and OH&S law.

Wilhelm has invested significantly in his company directorship skills and knowledge and was voted AIST 2012 Trustee of the Year.

Current role, recent and past directorships held:
- CEO, Master Builders Australia
- Various Master Builders directorships
- Focus ACT Ltd, Liveable Housing Limited, Australian Construction Industry Forum Limited and Zennex companies.

Cbus meeting attendance:
- Board 6/6
- Investments Committee 11/11
- Member Services and Marketing Committee 3/5
- Remuneration Committee (Chair) 4/4.

JOHN HASKINS AM
Director, since June 2003
Age: 73

Qualifications:
- Three year TAFE management course
- RG146 for Superannuation.

Sponsoring organisation: Master Builders Australia.

Skills and experience:
A long-standing Cbus director, John has enjoyed an extensive career in contracting, building, civil engineering and management including leading his own company for 25 years.

John has held the most senior positions within the MBA, as well as with some of the world’s most important international contractor associations.

John is an Honorary Ambassador of Canberra and was awarded an AM for his contribution to the construction industry.

Current role, recent and past directorships held:
- Chair, Exhibition Park, Canberra
- Chair, ACT Gambling and Racing Commission
- Director, Utilities Trust of Australia
- Several previous senior ACT government directorship appointments.

Cbus meeting attendance:
- Board 5/6
- Audit and Risk Management Committee (Chair) 3/4.
GED KEARNEY
Director, since August 2011
Age: 49
Qualifications:
• Bachelor of Education
• Registered Nurse
• RG146 for Superannuation.
Sponsoring organisation:
Australian Council of Trade Unions.
Skills and experience:
Commencing her career as a registered nurse in 1985, Ged has built a skills and experience portfolio across the health, aged care, union and education industries.
A lifelong supporter of the collective, Ged’s achievements have included appointment as ANF Federal Secretary and President of the ACTU.
Current role, recent and past directorships held:
• President, ACTU
• The Australian Institute Ltd, Australian Workplace and Productivity Agency (AWPA)
• Campaign Action Ltd
• Australian People for Health, Education and Development Abroad (Union Aid Abroad – APHEDA)
Cbus meeting attendance:
• Board 4/6
• Investments Committee 7/11.

PETER KENNEDY
Director, since March 2004,
Cbus member
Age: 63
Qualifications:
• Building Diploma studies
• RG146 for Superannuation
• Fellow of each of Australian Institute of Building, Australian Institute of Company Directors and Australian Institute of Management.
Sponsoring organisation:
Master Builders Australia.
Skills and experience:
Before retirement, Peter achieved more than 40 years’ tenure in the construction industry, leading Hansen Yuncken (one of Australia’s most successful private companies, which has achieved turnover in excess of $1.2 billion) as CEO and Director for 17 years.
Peter has held several senior appointments in the MBA, including his current role as National President.
Current role, recent and past directorships held:
• National President, Master Builders Australia (MBA)
• Director of various MBA commercial entities
• Director of Estate Committee – University of Adelaide, Australian Chamber of Commerce and Industry, and International Federation of Asian and Pacific Contractors Association
• Member, Advisory Committee for the Fortius Active Property Fund 1 and AMP Australian Core Property Portfolio
• Director, Whitehall Flats Pty Ltd
• Director of Kennedy family investment vehicles.
Cbus meeting attendance:
• Board 6/6
• Investments Committee (Chair) 11/11
• Remuneration Committee 4/4

RITA MALLIA
Director, since February 2011,
Cbus member
Age: 41
Qualifications:
• Bachelor of Economics / Law (Hons)
• NSW Practising Legal Practitioner;
• RG146 for Superannuation.
Sponsoring organisation:
Construction Forestry Mining and Energy Union.
Skills and experience:
Rita has worked for the CFMEU for 17 years, resulting in an extensive understanding of the construction industry and unions.
She holds significant legal practice experience across employment, workers’ compensation and insurance-related law, and is an experienced manager in union operations.
Current role, recent and past directorships held:
• President, CFMEU Construction and General Division, NSW Divisional Branch
• Asbestos Diseases Research Institute and Schizophrenia Research Institute
• Workers Compensation Dust Disease Board
• Member, Administrative Committee ALP (NSW Branch) and NSW Council of Civil Liberties
• ACIRT Pty Ltd and Uplus Pty Ltd.
Cbus meeting attendance:
• Board 6/6
• Member Services and Marketing Committee 5/5.
ANTHONY McDONALD  
Director, since April 2009  
Age: 48

Qualifications:  
- Bachelor of Arts (Accounting)  
- Chartered Accountant  
- Diploma Financial Services  
- Registered Tax Accountant and Company Auditor.

Sponsoring organisation:  
Master Builders Australia.

Skills and experience:  
Anthony has a significant level of skills, education and experience across property, finance, taxation, business management and accounting.

Commencing his career at Deloitte, key positions have included partnership at Cuthel & Bigg Accountants and appointment as CEO and Director at property investment and development company PrimeSpace Property.

Current role, recent and past directorships held:  
- CEO and Executive Director, PrimeSpace Property Investment  
- Director, Cbus Property Pty Ltd  
- Director of numerous personal and commercial property-related companies.

Cbus meeting attendance:  
- Board 6/6  
- Audit and Risk Management Committee 4/4.

SCOTT MCDINE  
Director, since June 2013  
Age: 43

Qualifications:  
- Currently completing RG146 for Superannuation.

Sponsoring organisation:  
Australian Workers’ Union.

Skills and experience:  
Scott has worked extensively across industry and unions his entire working life.

Devoting the past six years of his career to the AWU, Scott has worked with the union and the national executive to develop and deliver its national direction, as well as on key issues.

Prior to his formal appointment to the Board in June 2013, Scott was known to Cbus through his role as Alternate Director for the AWU, a role he held since February 2011.

Current role, recent and past directorships held:  
- Assistant National Secretary, AWU (since 12/09)  
- Director of Resources and Infrastructure Industry Skills Council Ltd  
- Previous AWU National Organiser and Mining Division Secretary.

Cbus meeting attendance:  
- Board 5/6  
- Audit and Risk Management Committee 2/4  
- Member Services and Marketing Committee 4/5.

CESAR MELHEM  
Director, since December 2007  
Age: 48 (resigned 19 June 2013)

Qualifications:  
- Diploma in Electronics;  
- RG146 for Superannuation.

Sponsoring organisation:  
Australian Workers’ Union.

Skills and experience:  
Cesar has enjoyed more than 23 years’ with the AWU. He has worked with the union and the national executive to develop and deliver its national direction, as well as on key issues.

Prior to his formal appointment to the Board, Cesar was known to Cbus through his role as Alternate Director for the AWU, a role he held since February 2011.

Current role, recent and past directorships held:  
- State Secretary, Australian Workers’ Union (AWU), Victoria  
- Director Chifley Financial Services, Industry 2020 Pty Ltd  
- Chair, Building Professionals Board (NSW).

Cbus meeting attendance:  
- Board 5/6  
- Investments Committee 9/11.

JOHN MURRAY AM  
Director, since September 1999, Cbus member  
Age: 61

Qualifications:  
- Bachelor of Economics  
- Bachelor of Laws  
- RG146 for Superannuation.

Sponsoring organisation:  
Master Builders Australia.

Skills and experience:  
One of the Fund’s original directors, John has enjoyed a prominent career in both the construction law and building industries.

Some of John’s most senior roles have included National Executive Director of the MBA and Legal Manager MBA (Vic). John is a qualified senior arbitrator and adjudicator.

In 2004, John was made a member of the Order of Australia for services to the building and construction industry.

Current role, recent and past directorships held:  
- Director, Australian Super Developments Pty Ltd and Cbus Property Pty Ltd  
- Director SAI Global Ltd, Standards Australia, and Construction Industry Development Agency  
- Chair, Building Professionals Board (NSW).

Cbus meeting attendance:  
- Board 5/6  
- Investments Committee 9/11.
DAVID NOONAN  
Director, since November 2006,  
Cbus member  
Age: 49  
Qualifications:  
• RG146 for Superannuation  
• Various specialist property and investment courses.  
Sponsoring organisation:  
Construction Forestry Mining and Energy Union.  
Skills and experience:  
David holds extensive senior union leadership experience developed through positions including National Secretary, Assistant National Secretary and organiser of the CFMEU (Construction and General Division).  
Prior to 1988, David worked as a builder’s labourer. He has managed major union sites at several iconic Melbourne landmarks.  
Current role, recent and past directorships held:  
• National Secretary, CFMEU Construction and General Division  
• Director, Cbus Property Pty Ltd and Australian Super Developments Pty Ltd  
• Member, Built Environment Innovation Council  
• Member, Ministerial Advisory Council on Skilled Migration.  
Cbus meeting attendance:  
• Board 5/6  
• Investments Committee 9/11  
• Remuneration Committee 1/4.  

FRANK O’GRADY  
Director, since February 2011,  
Cbus member  
Age: 54  
Qualifications:  
• Trade Certificate  
• RG146 for Superannuation.  
Sponsoring organisation:  
Construction Forestry Mining and Energy Union.  
Skills and experience:  
Frank has 39 years’ experience in the Australian and NZ building industries and is a senior construction union official having held President, Assistant Secretary and organiser roles for BWIU Victoria and the CFMEU.  
Frank was a participant in the pivotal 1984 national union action seeking the establishment of superannuation for the building and construction industries.  
Current role, recent and past directorships held:  
• Assistant National Secretary, CFMEU  
• Director, Industry Superannuation Property Trust Pty Ltd (ISPT), IGIPT  
• Member of governing bodies of CFMEU at state and national levels since 1983  
• Committee member, John Cummins Memorial Fund.  
Cbus meeting attendance:  
• Board 6/6  
• Audit and Risk Management Committee 4/4  

PETER SMITH  
Director, since December 2010,  
Age: 66  
Qualifications:  
• RG146 for Superannuation  
• Management Diploma and Electrical Trades Course (TAFE).  
Sponsoring organisation:  
Master Builders Australia.  
Skills and experience:  
Peter has extensive experience at all levels in the building and sub-contracting industries, having commenced his career as an electrical apprentice.  
Peter has held senior roles across the industry including at group general manager level while also serving as both State and National President of the Electrical Contractors Association.  
Current role, recent and past directorships held:  
• Project Manager, NECA Skills Centre Melbourne  
• Director, Elecnec (Aust) Pty Ltd, Protect Services Pty Ltd and Spec Pty Ltd.  
Cbus meeting attendance:  
• Board 6/6  
• Audit and Risk Management Committee 4/4  
• Member Services and Marketing Committee 5/5.
GLENN THOMPSON
Director, since December 2001
Age: 48
Qualifications:
• Trade Certificate
• RG146 for Superannuation
• Qualified metals tradesman.
Sponsoring organisation:
Australian Manufacturing Workers’ Union.
Skills and experience:
Commencing in the metals trade, Glenn has more than 13 years’ experience within the AMWU culminating in his appointment as National Assistant Secretary in 2003.
A long-standing Cbus Director, Glenn has considerable Board experience arising from numerous industry-based appointments.
Current role, recent and past directorships held:
• Assistant National Secretary, AMWU
• Director, Australian Construction Industry Redundancy Trust Pty Ltd and NEST Nominees Pty Ltd
• U-Cover Pty Ltd (Chair)
• Building Advisory Committee of the Construction and Property Services Industry Skills Council (CPSISC)
• Coal Industry Long Service Leave Corporation.
Cbus meeting attendance:
• Board 4/6
• Remuneration Committee 4/4
• Member Services and Marketing Committee 5/5.

PETER TIGHE
Director, since May 2001,
Cbus member
Age: 62
Qualifications:
• RG146 for Superannuation
• Electrical Trades Certificate
• Diploma of Financial Services in Superannuation.
Sponsoring organisation:
Communications Electrical and Plumbing Union.
Skills and experience:
Peter has more than 20 years’ employment experience working in and leading the Communications, Electrical and Plumbing Union.
Peter has applied his 15 years’ industry superannuation experience to directorship and chair positions with the SPEC industry fund and is a long-standing Cbus director.
Current role, recent and past directorships held:
• National Secretary, CEPU and Divisional Secretary, Electrical Energy and Services Division
• Ministerial Advisory Council on Skilled Migration
• Executive member, Australian Council of Trade Unions
• Chair, Energy Skills Australia
• Member, IFM Investor Advisory Board
• Director, Spec Pty Ltd, EE-OZ Training Standards, NEEITC and E-Profiling Pty Ltd.
Cbus meeting attendance:
• Board 6/6
• Investments Committee 10/11.

TIM AYRES
Alternate director, since August 2008
Age: 39
Qualifications:
• Bachelor of Arts (Industrial Relations)
• RG146 for Superannuation.
Sponsoring organisation:
Australian Manufacturing Workers’ Union.
Skills and experience:
Tim Ayres is the NSW Secretary of the AMWU. In 18 years with the AMWU, Tim has taken a leadership role in representing the interests of members in the aerospace, defence and engineering industries. He has also worked extensively with government and private sector stakeholders to promote investment and innovation in manufacturing.
Current role, recent and past directorships held:
• Director, McKell Institute
• Director, MERT Pty Ltd
• AUSCOAL Board (past).
Cbus meeting attendance:
• Audit and Risk Management Committee 2/4.
The Trustee Board

The overall role of the Board is to ensure the sound and prudent management of the Trustee’s business operations. This encompasses:

- making reasonable and informed decisions in a timely manner in the best interests of beneficiaries and which consider the impact of its decision on 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 three-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
- appointing and reviewing the performance of the CEO, setting an appropriate remuneration package and ensuring adequate succession planning;
- performing such other functions as required by the relevant laws and ensuring the Trustee acts legally, responsibly and ethically on all matters.

Board and committee charters

The Board and each committee has a charter that sets out their role and responsibilities. All charters have been updated during the year to incorporate the new prudential standards and Stronger Super requirements.

All charters can be found at www.cbussuper.com.au/about-us

Board

The Board met six times during the 2012/13 financial year, undertaking the following material activities as part of its overall work program.

- Approved the Fund’s budget and business plan for the 2013/14 financial year.
- Approved the Fund’s MySuper application (approved by the regulator 18/2/13).
- Received comprehensive training on Trustee duties and Fund responsibilities arising from the Stronger Super and prudential reforms.
- Approved new Board and Fund policies as required by the prudential and Stronger Super reforms.
- Approved the Fund’s risk management strategy and risk appetite statement.
- Oversaw the Fund’s successful application in the Victorian Building Unions’ tender of default superannuation funds.
- Oversaw the strategic, operational and governance review of key service provider, Superpartners, as well as its progress in the nextGEN, spRIGHT and Core Registry programs.
- Renewed Cbus’s sponsorship of the July 2013 AFL Building Australia game.
- Approved the Fund’s tenancy of an additional floor at Casselden Place, Melbourne.
- Approved the Fund’s member direct investment option, to be launched in 2014.
- Approved the Board charter.
- Approved the Fund’s annual investment objective and strategy review.
- Attended a two-day offsite workshop to explore the Fund’s longer-term strategy and industry position
- Appointed an additional Company Secretary (Angela Thurstans)

During the year, the Board approved the appointment of new Director Scott McDine (as of 19 June 2013), replacing resigned Director Cesar Melhem.
Investment Committee

The overall role of the Investment Committee is to assist the Board in its implementation of the Fund’s investment governance framework, including developing, selecting, managing and monitoring the Fund’s investments and investment strategies.

The committee met 11 times during the 2012/13 financial year, undertaking the following material activities as part of its overall work program.

- Aligning Cbus’s investment policies and procedures with the new prudential standards and Stronger Super requirements.
- Projects arising from 2011/12 investment review:
  - Expanding the internal investment team to cater for future growth and complexity of the Fund.
  - Reviewing investment processes and delegations.
  - Systems enhancements including risk systems.
  - Commencing a custodian review (leading to a tender for master custody of Cbus’s assets).
  - Enhancing the Fund’s dynamic asset allocation approach.
  - Considering a default option for Cbus’s retirement income stream product.
  - Reviewing each asset class.
  - Reviewing the Fund’s liquidity position.
  - Appointing 10 new investment mandates.
  - Reviewing the Cbus Property business plan and funding commitments.
  - approving co-investment in an infrastructure investment, NSW Ports.
  - Approving the sale of Thames Water, an infrastructure asset in the UK.

Member Services and Marketing Committee

The overall role of the Member Services and Marketing Committee is to consider and recommend any changes to the Board on:

1. Matters affecting the delivery of member and employer products, services and benefits.
2. Service and product strategy and development.
3. Reviewing the marketing strategy devised by Fund management, ensuring maintenance of the Cbus brand.

The committee met five times during the 2012/13 financial year, undertaking the following material activities as part of its overall work program.

- Risk management of the major administration systems development, spRIGHT.
- Review of post-retirement product solutions.
- Fund growth strategies.
- Service improvement program at Superpartners.
- Member Advice Service delivery.
- Employer electronic payment services, including clearing house services.
- Brand strategy and advertising.
- Insurance and claims services review.
- Member retention strategies.
- New digital strategy development.
- New business analytics capability.

Audit and Risk Management Committee

The overall role of the Audit and Risk Management Committee is to provide assistance to the Board by undertaking an objective non-executive review of the effectiveness of the Trustee’s financial governance and reporting responsibilities and risk management framework.

The committee met four times during the 2012/13 financial year, undertaking the following material activities as part of its overall work program.

- Review and approval of the external and internal audit programs, fees and review of all audit findings.
- Review of new policies required under the prudential standards and for MySuper authorisation: risk management strategy, risk appetite statement, operational risk financial reserve strategy.
- Reviewing and recommending approval of the annual financial statements.
- Reviewing and recommending approval of the annual and re-forecasted Trustee budget.
- Annual risk management declarations and legislative compliance.
- Quality review audit of Superpartners.

Remuneration Committee

The overall role of the Remuneration Committee is to assist the Board in the review and management of remuneration and expenses for those persons covered by the Trustee’s remuneration policy and ensuring that risks associated with remuneration are managed in a manner that supports the Trustee’s risk management framework.

The committee met four times during the 2012/13 financial year, undertaking the following material activities as part of its overall work program.

- Reviewing the remuneration of the CEO against benchmarks.
- Reviewing the remuneration of the directors of Cbus and Cbus Property against benchmarks.
- Noting the CEO’s recommendation around the remuneration of the executive team for the 2012/13 financial year.
- Reviewing the results of the external Board and committee review in relation to the committee.
- Reviewing and implementing changes to the Cbus remuneration policy as a result of the implementation of the Prudential Standard SPS 510 – Governance.
Directors are required to meet a minimum training standard within 12 months of joining the Board and annually complete a minimum of 30 hours of training.

The Trustee has identified the required skills sets and knowledge areas necessary for the effective and prudent governance of the Fund, taking into account the operations, strategy and environment the Fund operates in.

The six core skills sets are:

- investments
- property investment
- operational (strategic, administration, insurance, marketing, member and employer requirements)
- finance and audit
- governance and risk management
- remuneration and people.

Each skill set has three tiers (see figure below) and a minimum number of Directors who are required to meet each tier in terms of Board and committee composition.

During the year the Trustee reviewed its skills sets and made several changes to ensure its skills sets reflected the new prudential standard requirements. The skills sets of the committees were also reviewed and new skill matrices for each committee have been developed to reflect the broadening of skills required on the committees as outlined in the following tables.

778 registered hours of professional development completed – an average of 45 hours per Director
Reflects the fact that new committee members had not met relevant skill requirements at the time of assessment.

The Trustee endeavours to ensure that Board and committees composition conforms to the skills matrices. These skills matrices are used by the Trustee in formulating individuals’ training and professional development plans and also inform succession planning considerations at Board and committee level.

Further information on the skills sets and requirements can be found in the Fund governance policy available at www.cbussuper.com.au/governance
Fund governance
Board renewal and review policies

As at 30 June 2013 the current average tenure of Directors is 6.2 years

Annual reviews
The Board, its committees and Directors annually undertake an internal review of their performance against their objectives.

The review processes include:

- a review of the Board and committee charters and of the skills mix and composition of the Board and its committees
- programs for inducting Directors and developing their skills and involvement
- whether Board and committee meetings are efficient, including the scheduling and timing of meetings, division of time between its various responsibilities, minutes, quality of papers and agendas.

Individual Director objectives are to:

- meet the required skill levels within the required time periods
- meet ongoing performance development hours
- meet attendance requirements
- comply with the Trustee code of conduct
- contribute to Board and committee deliberations and the overall direction of the Trustee.

Triennial reviews
The Board undertakes an independent performance assessment every three years.

Issues reviewed include:

- Board and committee processes
- Board and committee cohesion and decision making
- setting of strategic direction and reporting
- committee practices and performance
- review of the Fund Chair.

Directors
The continuation of Directors is considered during a Director’s individual three yearly reviews.

The review process includes discussion between the Fund Chair, CEO and the respective Director as well as with the sponsoring organisation.

The reviews consider:

- whether the Director demonstrates the required degree and depth of expertise to continue supporting their appointment to the Board and respective committees, taking into account their length of tenure
- whether their continued tenure is deemed to be in the best interest of members and beneficiaries
- whether their appointment remains appropriate and tenable, given all other operational, environmental and governance elements of the Board and its sponsoring organisations.

Tenure
The Trustee targets a measure of collective Board experience expressed as a range of average tenure for the Board. This range of average tenure is a minimum of five years and a maximum of nine years.

The Trustee applies an average tenure on a collective basis to ensure there is an appropriate mix of experience on the Board.

Further information on the review processes of the Fund can be found in the fund governance policy, which is available on the website at www.cbussuper.com.au/governance
My account manager went out of his way to find a solution that would integrate the organisation’s two payroll systems.

Feedback from a Cbus employer. (Phone survey with Cbus members regarding their satisfaction with the Fund, June 2013)
Role of Director
Cbus Directors are required to:

• attend Board meetings and be a member of at least one Board committee
• participate in strategy formulation and working parties
• meet the required skill levels and ongoing minimum training requirements (as outlined on page 66)
• promote and represent Cbus.

Further details around the role of the Chair, committee Chairs and Directors can be found in the Fund governance policy available at www.cbussuper.com.au/governance

Fees
Cbus Directors’ fees are benchmarked using annual remuneration survey data. Fee rates are also externally benchmarked at least once every three years. The Remuneration Committee utilises this data and determines whether a fee review is required. Any recommendation of the Remuneration Committee for a fee review is made to the Board for approval at the next available meeting (normally in August).

At Cbus, Directors are paid a base fee and an additional fee per Board or committee meeting attended. The Chair and independent Director are paid an annual fee. Directors are also reimbursed for expenses incurred in attending meetings, within Board-approved limits.

Director fees are paid quarterly in arrears.

Total Board remuneration

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ fees paid</td>
<td>965,831</td>
<td>761,734</td>
<td>850,090</td>
</tr>
<tr>
<td>SG paid on fees</td>
<td>86,924</td>
<td>47,442</td>
<td>56,292</td>
</tr>
<tr>
<td>Total Directors’ remuneration paid by the Trustee company on behalf of the Fund</td>
<td>1,052,755</td>
<td>809,176*</td>
<td>906,382</td>
</tr>
</tbody>
</table>

*Remuneration was lower in 2011/12 due to the search for an independent Director. All figures are inclusive of GST.

Cbus Trustee schedule of fees*

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair of the Board</td>
<td>111,202</td>
<td>107,183</td>
</tr>
<tr>
<td>Independent Director</td>
<td>111,202</td>
<td>107,183</td>
</tr>
<tr>
<td>Board member (base fee)</td>
<td>17,876</td>
<td>17,618</td>
</tr>
<tr>
<td>Board member (attendance fee)</td>
<td>2,234</td>
<td>2,128</td>
</tr>
<tr>
<td>Committee Chair (attendance fee)</td>
<td>4,469</td>
<td>4,255</td>
</tr>
<tr>
<td>Committee member (attendance fee)</td>
<td>2,234</td>
<td>2,128</td>
</tr>
</tbody>
</table>

*All amounts are inclusive of superannuation.
<table>
<thead>
<tr>
<th>Director</th>
<th>Committee membership</th>
<th>Date commenced</th>
<th>Date left during period</th>
<th>Year</th>
<th>Fee (if applicable)</th>
<th>SGC contributions</th>
<th>Total remuneration paid</th>
<th>Fees paid to</th>
</tr>
</thead>
<tbody>
<tr>
<td>S Bracks Chair</td>
<td>Investment Committee Remuneration Committee</td>
<td>Feb-09</td>
<td></td>
<td>2013</td>
<td>102,020</td>
<td>9,181</td>
<td>111,202</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>97,162</td>
<td>8,744</td>
<td>105,907</td>
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<tr>
<td>J Dawkins Independent</td>
<td>Investment Committee</td>
<td>May-12</td>
<td></td>
<td>2013</td>
<td>102,020</td>
<td>9,181</td>
<td>111,202</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>W Harnisch</td>
<td>Chair, Remuneration Committee Investment Committee Member Services and Marketing Committee</td>
<td>Apr-00</td>
<td></td>
<td>2013</td>
<td>83,537</td>
<td>7,518</td>
<td>91,055</td>
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<td>2012</td>
<td>71,741</td>
<td>6,456</td>
<td>78,198</td>
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<tr>
<td>J Haskins</td>
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<td>Jun-03</td>
<td></td>
<td>2013</td>
<td>51,227</td>
<td>4,610</td>
<td>55,837</td>
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<td></td>
<td>2012</td>
<td>40,973</td>
<td>3,687</td>
<td>44,661</td>
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<tr>
<td>P Kennedy</td>
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<td>Mar-04</td>
<td></td>
<td>2013</td>
<td>87,539</td>
<td>7,878</td>
<td>95,417</td>
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<td>2012</td>
<td>75,736</td>
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<td>82,553</td>
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<tr>
<td>G Thompson</td>
<td>Chair, Member Services and Marketing Committee Remuneration Committee</td>
<td>Dec-01</td>
<td></td>
<td>2013</td>
<td>65,381</td>
<td>5,884</td>
<td>71,265</td>
<td>AMWU</td>
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<td>2012</td>
<td>50,641</td>
<td>4,557</td>
<td>55,199</td>
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<tr>
<td>S Beynon</td>
<td>Member Services and Marketing Committee Remuneration Committee</td>
<td>Aug-09</td>
<td></td>
<td>2013</td>
<td>47,225</td>
<td>4,250</td>
<td>51,475</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>35,211</td>
<td>3,169</td>
<td>38,381</td>
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<td>G Kearney</td>
<td>Investment Committee</td>
<td>Aug-11</td>
<td></td>
<td>2013</td>
<td>45,175</td>
<td>4,065</td>
<td>49,240</td>
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<td>2012</td>
<td>21,882</td>
<td>1,969</td>
<td>23,852</td>
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<td>R Mallia</td>
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<td>2013</td>
<td>47,225</td>
<td>4,250</td>
<td>51,475</td>
<td>CFMEU</td>
</tr>
<tr>
<td></td>
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<td>2012</td>
<td>29,355</td>
<td>2,641</td>
<td>31,997</td>
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<tr>
<td>A McDonald</td>
<td>Audit and Risk Committee</td>
<td>Apr-09</td>
<td></td>
<td>2013</td>
<td>43,223</td>
<td>3,890</td>
<td>47,113</td>
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<td></td>
<td></td>
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<td>2012</td>
<td>37,070</td>
<td>3,336</td>
<td>40,407</td>
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<tr>
<td>C Melham</td>
<td>Audit and Risk Committee Member Services and Marketing Committee</td>
<td>Dec-07</td>
<td>Jun-13</td>
<td>2013</td>
<td>45,273</td>
<td>4,074</td>
<td>49,347</td>
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<td></td>
<td></td>
<td>2012</td>
<td>44,785</td>
<td>4,030</td>
<td>48,816</td>
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<tr>
<td>J Murray</td>
<td>Investment Committee</td>
<td>Sep-99</td>
<td></td>
<td>2013</td>
<td>57,279</td>
<td>5,155</td>
<td>62,434</td>
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<tr>
<td></td>
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<td>2012</td>
<td>43,019</td>
<td>3,871</td>
<td>46,891</td>
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<tr>
<td>D Noonan</td>
<td>Investment Committee Remuneration Committee</td>
<td>Nov-06</td>
<td></td>
<td>2013</td>
<td>53,179</td>
<td>4,786</td>
<td>57,965</td>
<td>CFMEU</td>
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<td></td>
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<td>2012</td>
<td>42,926</td>
<td>3,863</td>
<td>46,790</td>
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<tr>
<td>F O’Grady</td>
<td>Audit and Risk Committee</td>
<td>Feb-11</td>
<td></td>
<td>2013</td>
<td>30,923</td>
<td>2,783</td>
<td>33,706</td>
<td>CFMEU</td>
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<td></td>
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<td></td>
<td>2012</td>
<td>29,448</td>
<td>2,650</td>
<td>32,099</td>
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<tr>
<td>P Smith</td>
<td>Audit and Risk Committee Member Services and Marketing Committee</td>
<td>Dec-10</td>
<td></td>
<td>2013</td>
<td>53,277</td>
<td>4,794</td>
<td>58,072</td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>44,878</td>
<td>4,039</td>
<td>48,918</td>
<td></td>
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<tr>
<td>P Tighe</td>
<td>Investment Committee</td>
<td>May-01</td>
<td></td>
<td>2013</td>
<td>49,275</td>
<td>4,434</td>
<td>53,709</td>
<td>CEPU</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>35,211</td>
<td>3,169</td>
<td>38,381</td>
<td></td>
</tr>
<tr>
<td>Alternate Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T Ayres</td>
<td>Alternate Director for G Thompson, Audit and Risk Committee</td>
<td>Aug-08</td>
<td></td>
<td>2013</td>
<td>2,050</td>
<td>184</td>
<td>2,234</td>
<td>AMWU</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>3,903</td>
<td>351</td>
<td>4,255</td>
<td></td>
</tr>
</tbody>
</table>
Cbuss Property Board

The Cbus Property Board comprises:

- up to two Directors who are United Super employer Directors, currently John Murray and Anthony McDonald
- up to two Directors who are United Super member Directors, currently Steve Bracks and Dave Noonan
- three independent Directors who are independent of Cbus Property and United Super and who have substantial experience in property development and/or property fund management, currently Mark Ford, Ian Costley and Allan Davison.

Cbuss Directors are appointed for two-year terms and can be reappointed. Independent Directors are appointed for three-year terms. The Chair must be an independent Director and all appointments are made by United Super (Cbus’s Trustee).

Cbuss Property Director appointments/renewals

Alan Davison, John Murray and Dave Noonan were reappointed as Directors in the financial year.

Cbuss Property Director meetings and fees

The Cbus Property Board met 15 times in the 2012/13 financial year.

The Audit Committee met once in the financial year and the members are Anthony McDonald (Chair), Allan Davison and John Murray.

The Remuneration Committee met once in the financial year and its members are Allan Davison (Chair), Mark Ford and Steve Bracks.

Board remuneration, Cbus Property

<table>
<thead>
<tr>
<th>Director</th>
<th>Total fees paid including superannuation at 9%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012/13</td>
</tr>
<tr>
<td><strong>Independent Chair</strong></td>
<td></td>
</tr>
<tr>
<td>Mark Ford</td>
<td>232,520</td>
</tr>
<tr>
<td><strong>Independent Directors</strong></td>
<td></td>
</tr>
<tr>
<td>Ian Costley</td>
<td>109,617</td>
</tr>
<tr>
<td>Allan Davison</td>
<td>109,617</td>
</tr>
<tr>
<td><strong>Cbuss Directors</strong></td>
<td></td>
</tr>
<tr>
<td>Steve Bracks</td>
<td>85,036</td>
</tr>
<tr>
<td>Dave Noonan</td>
<td>85,036*</td>
</tr>
<tr>
<td>John Murray</td>
<td>85,036</td>
</tr>
<tr>
<td>Anthony McDonald</td>
<td>85,036</td>
</tr>
</tbody>
</table>

* Director fee paid to the CFMEU
MARK FORD  
Cbus Property Independent Director and Chair since December 2005  
Age: 59  
Qualifications:  
• Diploma in Commerce  
• Chartered Accountant (ACA)  
• Fellow, Australian Institute of Company Directors (FAICD) (DIP)  
• Fellow, Australian Property Institute (FAPI)  
Skills and experience:  
Currently a professional non-executive Director, Mark has built a strong domestic and international property career through senior management roles held in investment banks (notably with Deutsche and Macquarie banks) as well as a suite of industry-based directorship appointments. Mark’s expertise extends from accounting, finance and funds management to listed company management and corporate governance.  
Current role, recent and past directorships held:  
• Chair, KIWi Income Property Trust  
• Director, RREEF China Management, The Bond Market  
• Formerly a Director of the Property Council of Australia.  
Mark is also an observer at the Cbus Investment Committee.

IAN COSTLEY  
Cbus Property Director since January 2006  
Age: 69  
Qualifications:  
• Fellow, Australian Institute of Company Directors (FAICD)  
• Fellow, Australian Property Institute (FAPI)  
• Diploma Town and Country Planning  
Skills and experience:  
Commencing his career as a property valuer and town planner, Ian moved into property development and has since held several senior commercial roles in large property companies, including CEO of Mirvac Development NSW (retired late 2004). Ian also has a strong directorship portfolio and experience base, and has worked with several industry councils and planning institutes.  
Current role, recent and past directorships held:  
• Director, Culurs No. 37 Pty Ltd  
• Director, Breakfast Point Pty Ltd  
• Formerly a Director of Mirvac Projects Pty Ltd.

ALLAN DAVISON  
Cbus Property Director since January 2006  
Age: 64  
Qualifications:  
• Bachelor of Building (QS)  
Skills and experience:  
Allan has enjoyed 40 years in the property and construction industries commencing as an Assistant Project Manager in 1973, retiring as Managing Director of Folkestone Ltd in 2006. Allan has been exposed to all aspects of property development, with his career portfolio extending across CBD offices, hotels, business parks, industrial estates and medium density residential.  
Current role, recent and past directorships held:  
• Director, Breakfast Point Pty Ltd  
• Formerly a Director of Trafalgar Corporate Group (ASX listed)  
• Formerly a Director of Folkestone Ltd (ASX listed)  
• Member (and Chairman 2006-09), Course Advisory Committee for School of Property, Construction and Project Management at RMIT University.  
Allan is also an observer at the Cbus Audit and Risk Management Committee.

ADRIAN POZZO  
Cbus Property Chief Executive Officer since 2007  
Age 51  
Qualifications:  
• BCom  
• CPA  
• Member, FSIA  
• Member, AICD  
Career overview:  
Chief Financial Officer, Cbus Property  
Senior positions in corporate office and major projects for property and construction companies such as John Holland, The Jennings Group, Fletcher Challenge Group and BHP.  
Responsibility:  
Adrian is responsible for an investment property portfolio which currently exceeds $2 billion, plus investments under development which on completion will total more than $3.5 billion. He has responsibility for the strategic performance and management of all aspects of the Cbus Property direct property investment business, which includes major investments and developments in the commercial, residential, industrial and retail sectors.  
Current role, recent and past directorships held:  
• Directorships for all Cbus Property investment entities  
• Director, McAldin Pty Ltd.
The cornerstone of Cbus’s fund-based memberships is to enhance the total value we provide for our members. The organisations we actively seek membership with offer:

- industry advocacy, policy examination and commentary on important regulatory matters
- information and topical debate on current social, environmental and governance practices
- industry-specific education and training, providing a stronger skills and contemporary knowledge base across the Fund.

Cbus utilises its membership of both national and international organisations to ensure that it remains fully informed and engaged with key industry, investment, environmental and social policy discussions.

Our memberships reflect the Fund’s commitment to pursuing excellence across a wide range of matters and initiatives that matter to our members.

The following is a list of Fund memberships held in the 2012/13 financial year:

- Australian Council of Super Investors (ACSI)
- Australian Institute of Management (AIM)
- Australian Institute of Superannuation Trustees (AIST)
- The Association of Superannuation Funds of Australia (ASFA)
- Asian Corporate Governance Network (ACGN)
- Diversity Council of Australia (DCA)
- ESG Research Australia
- Fund Executives Association Limited (FEAL)
- Industry Funds Forum (IFF)
- Industry Super Network (ISN)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change (IGCC)
- Principles of Responsible Investment (PRI).
Our members can stay with Cbus, even once they’ve finished working. The Cbus Super Income Stream pays a regular income and aims to still grow your super so it will last longer.
DAVID ATKIN
CEO,
Cbus member
Age: 50
Appointment date: 2008
Qualifications:
BA (Hons), MA, Diploma of Financial Services.
Career overview:
• CEO, Emergency Services & State Super
• CEO, Just Super
• National Marketing and Communications Manager, STA Super.
Functional responsibility:
As the CEO, David is responsible for working with the Board to ensure that the Fund develops and successfully implements a comprehensive strategic plan that meets the needs of members, employers and sponsoring organisations. The Office of the CEO oversees all aspects of the operation of the Fund and the Board of Directors. The team is responsible for executive management, business strategy, fund integration and Trustee liaison.
Michele Boucher  
Executive Manager, Marketing and Communications, Cbus member  
Age: 42  
Appointment date: 2013  
Qualifications: B.Com, Grad Dip – Organisational Leadership  
Career overview:  
• Executive Manager, Organisational Performance – Emergency Services and State Super  
• Executive Manager, Member Relationships and Product Development – Emergency Services and State Super  
• Manager of Marketing and Business Development – State Trustees Ltd.  
Functional responsibility: Michelle and her team are responsible for brand management and the development and implementation of marketing and communication strategies for members and employers. The team strives to ensure that members are provided with information, advice and options to empower members to achieve the best retirement outcomes possible.

Maria Butera  
Executive Manager Workplace Distribution, Cbus member  
Age: 53  
Appointment date: 1997  
Qualifications: B.Com.  
Career overview:  
• Board member, Royal Women’s Hospital  
• Executive Director, Australian Construction Industry Council  
• Development Executive, Construction Industry Development Agency  
• Manager, Building and Construction Industry Division, Department of Labour, Victoria.  
Functional responsibility: Maria and her team are responsible for effectively aligning, planning and implementing the growth and retention strategies of the Fund and managing the sponsorship program. Maria’s team is made up of those staff members who communicate directly with our members and employers including the member coordinators and key partnerships team.

Trish Donohue  
Executive Manager, Investment Management, Cbus member  
Age: 46  
Appointment date: 2000  
Qualifications: BSc, Actuary, CIMA designee, Fellow of FINSIA.  
Career overview:  
• Investment Consultant, Mercer Melbourne  
• Investment and Actuarial Analyst, Mercer Auckland  
• Actuarial Analyst, Mercer Melbourne.  
Functional responsibility: Trish and her team are responsible for managing the investment governance, risk, implementation and operations of the Fund. Trish and her team work closely with the Investment Committee of the Board and with Kristian Fok’s team as they evaluate the market and investment opportunities. Trish and her team assess and manage the risk in the portfolio and new opportunities, along with the implementation of the strategy of the Fund and the governance parameters of the portfolio. The team is made up of risk, implementation, investment communications, investment operations and custody specialists.

Kristian Fok  
Executive Manager, Investment Strategy, Cbus member  
Age: 43  
Appointment date: 2012  
Qualifications: BCom, Fellow of the Institute of Actuaries, Fellow of FINSIA.  
Career overview:  
• Deputy Director of Consulting, Frontier Advisors  
• Deputy Managing Director, Frontier Advisors  
• Senior Consultant, Frontier Advisors  
• Consulting Actuary, Buck Consultants.  
Functional responsibility: Kristian and his team are responsible for designing and setting the investment strategy for the Fund. The team works closely with the Investment Committee of the Board and with Trish Donohue’s team as they manage investment governance and risk, implement the strategy and monitor the portfolio. Kristian and his team evaluate the market and investment opportunities that will provide returns to members over the long term within the parameters of the investment objectives of the Fund. The team is made up of strategy, ESG, public and private markets investment professionals.
JOHANNA NEILSEN
Executive Manager,
People & Culture,
Cbus member
Age: 42
Appointment date: 2008
Qualifications:
Grad. Dip-HRM, MHRM
Career overview:
- Senior HR Consultant, ESSuper (Emergency Services and State Superannuation Scheme)
- Recruitment Advisor, KPMG
- HR Consultant, Arthur Anderson (London)
- HR Advisor, Kraft Foods Ltd.
Functional responsibility:
Johanna and her team are responsible for attraction, engagement, retention and development strategies across the Fund.
P&C develops and implements strategies and initiatives that continue to make our Fund a great place to work and embed the Cbus culture, values and behaviours. P&C partners across the Trustee office to facilitate the performance planning and review process, recognition programs, talent and leadership development, learning and development and professional career development. P&C also manages recruitment in-house and associated responsibilities around reporting and OHS practices and implementation.

STEPHEN SPILLER
Executive Manager, Strategy & Operations,
Cbus member
Age: 55
Appointment date: 2001
Qualifications:
MBA, Fellow ANZIIF
Career overview:
- Senior Project Manager, Business Strategy/Change Management (IS) AAS (AMP)
- Client Administration and Services Manager, Industry Super SA&A (SUNCORP)
- Project Management, Business Systems, Industry Super Nexis (NMLA)
- Client Services Management, Retail, Superannuation NMLA (AXA).
Functional responsibility:
Stephen and his team have a broad set of responsibilities. This includes the facilitation, delivery and reporting of the Cbus business plan.
Stephen's team comprises:
- Project management office
- Product and business insights
- Service delivery function
- Advice services
- Insurance and complaint Services

ANGELA THURSTANS
Executive Manager, Governance & Risk,
Cbus member
Age: 41
Appointment date: 1999
Qualifications:
BA/LLB, LLM (Com)
Career overview:
- Superannuation Consultant, Victorian Superannuation Board
- Compliance Manager, Trust Company of Australia.
Functional responsibility:
Angela and her team oversee the risk management framework of the Fund, which encompasses monitoring the risk appetite and tolerances of the Fund, ensuring Cbus complies with all Fund rules and policies, its licences, legislative and regulatory requirements and maintains good governance procedures and practices.
KEITH WELLS-JANSZ
Executive Manager, Finance, Cbus member
Age: 43
Appointment date: 2009
Qualifications:
BBus, CPA.
Career overview:
- Manager, Investment Control and Fund Reporting, NAB/MLC Finance/Plum Financial Services
- Senior Manager, KPMG.
Functional responsibility:
Keith and his team ensure that Cbus meets its financial and compliance obligations including financial reporting, taxation, audit and regulatory compliance. As part of this, the finance team facilitates the year-end financial reporting and income tax processes. It is primarily responsible for the crediting rate process, facilitates the budget process, provides management reporting and payroll services and manages the accounts payable process. The finance team also includes a corporate services team, which is responsible for all corporate services including management of Cbus's fixed assets, leasing and procurement requirements.
Cbus aligns executive remuneration arrangements with the achievement of strategic objectives consistent with both its risk appetite and the Cbus culture.

All Cbus executive staff are employed on an ongoing contract (and are excluded from the industrial agreement that operates within the Trustee office) that has a set of common working conditions.

The CEO is required to give six months’ notice to the Board in the event of his resignation. Cbus executive staff are required to give six weeks’ notice (and be given six weeks’ notice). However, there are additional requirements in relation to a retrenchment or redundancy that apply. No executive staff member, including the CEO, has any termination payments included in their contract on top of their accrued entitlements in the event of a resignation.

Cbus executive staff receive salary increases (if appropriate) that are based around the achievement of performance measures that are linked to the achievement of the Cbus strategy.

All executive salary recommendations must to be endorsed by the Remuneration Committee and approved by the Board at the August meeting each year.

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**Remuneration**

Cbus’s remuneration strategy recognises its position in the industry fund sector and is underpinned by principles that ensure:

- remuneration will be equitable, based on merit and underpinned by a transparent and consistent methodology
- the Fund provides an appropriately competitive level of remuneration within the market in which it operates
- the Fund remains conscious of the relationships between remuneration pressures and costs to members
- remuneration structures at Cbus are supported by a governance framework that avoids conflicts of interest, defines clear accountabilities and ensures that proper checks and balances are in place.

---

Cbus does not make any incentive bonus payments to executive staff (or any staff) in either a short term or long term structure.
<table>
<thead>
<tr>
<th>Executive</th>
<th>Date commenced</th>
<th>Date left during period</th>
<th>Year</th>
<th>Base pay</th>
<th>Superannuation</th>
<th>Other monetary benefits</th>
<th>Total remuneration</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Atkin</td>
<td>29/01/2008</td>
<td></td>
<td>2013</td>
<td>514,572</td>
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<td>539,572</td>
<td>Carpark provided</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>475,000</td>
<td>25,000</td>
<td>500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M Boucher</td>
<td>15/04/2013</td>
<td></td>
<td>2013</td>
<td>225,000</td>
<td>25,000</td>
<td>250,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>213,543</td>
<td>25,000</td>
<td>242,650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M Butera</td>
<td>08/12/1997</td>
<td></td>
<td>2013</td>
<td>229,018</td>
<td>25,000</td>
<td>258,422</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>350,087</td>
<td>25,000</td>
<td>379,800</td>
<td></td>
<td></td>
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<tr>
<td>T Donohue</td>
<td>04/01/2000</td>
<td></td>
<td>2013</td>
<td>378,194</td>
<td>25,000</td>
<td>408,285</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>350,087</td>
<td>25,000</td>
<td>379,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K Fok</td>
<td>03/12/2012</td>
<td></td>
<td>2013</td>
<td>475,000</td>
<td>25,000</td>
<td>500,000</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J Neilsen</td>
<td>10/06/2008</td>
<td></td>
<td>2013</td>
<td>157,713</td>
<td>25,000</td>
<td>184,836</td>
<td></td>
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<td></td>
<td></td>
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<td>2012</td>
<td>143,847</td>
<td>25,000</td>
<td>166,800</td>
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<tr>
<td>S Spiller</td>
<td>22/11/2001</td>
<td></td>
<td>2013</td>
<td>219,865</td>
<td>25,000</td>
<td>244,865</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>207,100</td>
<td>25,000</td>
<td>232,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Thurstans</td>
<td>24/05/1999</td>
<td></td>
<td>2013</td>
<td>214,758</td>
<td>25,000</td>
<td>242,649</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>181,515</td>
<td>29,042</td>
<td>213,000**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K Wells-Jansz</td>
<td>16/02/2009</td>
<td></td>
<td>2013</td>
<td>263,370</td>
<td>25,000</td>
<td>288,370</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012</td>
<td>248,337</td>
<td>25,000</td>
<td>273,337</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former named Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Altis</td>
<td>16/11/2009</td>
<td>30/06/2013</td>
<td>2013</td>
<td>201,611</td>
<td>25,000</td>
<td>229,325</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Former Executive Manager Marketing &amp; Communications)</td>
<td></td>
<td></td>
<td>2012</td>
<td>191,867</td>
<td>25,000</td>
<td>219,450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S Leonard</td>
<td>1/10/2012</td>
<td></td>
<td>2012</td>
<td>233,159</td>
<td>25,000</td>
<td>258,159</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Former Executive Manager Product Strategy &amp; Strategic IT)</td>
<td></td>
<td></td>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* leave loading
** was paid 0.8 FTE of the full-time package disclosed in 2011/12.
All Cbus staff (outside the executive team) are employed under one of two industrial instruments that operate within the Trustee office. Enterprise agreement increases for 2012/13 year were 5%. These increases were applied from 1 July 2012. Cbus does not pay a bonus or performance-based incentives to staff.

As part of the collective agreement, staff have their SG payments paid into Cbus. From 1 July 2013 Cbus has increased SGC payments to 16.25% for staff where the contribution caps allow.

A summary of the Cbus remuneration policy that outlines the remuneration philosophy at Cbus can be found at www.cbussuper.com.au/governance

Change
During the 2012/13 year, Cbus made some changes to its organisational structure in line with our strategy and as a result of this a group of staff members were not able to be redeployed and their roles were made redundant. Cbus notified the affected staff in accordance with the processes outlined in the relevant enterprise agreements.

Accountability
Cbus monitors pay equity. The executive team manages a salary benchmarking process that occurs each year in April to ensure that salaries are competitive and benchmarked against the market appropriately.

Occupational health and safety (OHS)
Cbus is committed to providing a safe and healthy place to work for our employees. An OHS committee, which covers all staff, meets quarterly and incidents are reported to this committee and to the executive management and Board on a bi-monthly basis. During 2012/13 Cbus experienced two minor incidents internally; however these did not result in any lost time.

Cbus staff have access to a reimbursement that enables them to support their health and wellbeing. Cbus also provides flu injections, health checks, skin checks and other health initiatives to encourage staff to stay well for work and family life.
Staff professional development and training

Cbos is focused on building our staff capability to ensure that our people are equipped with the skills to deliver the Cbus strategy.

Cbos has a genuine commitment to learning and development and values building the internal capability of its staff.

Staff who provide advice services to Fund members must meet a minimum training standard (Tier 1 training course as listed on the Australian Securities and Investments Commission Register) before they can provide any advice.

They must also meet a 30-hour annual minimum training requirement and successfully complete an annual compliance audit conducted by the Australian Institute of Superannuation Trustees (AIST).

The minimum number of hours other staff are encouraged to spend on ongoing training is seven hours.

As part of the performance planning and review framework, all staff participate in regular performance and career development discussions and reviews and set annual professional development and training goals.

The average training hours completed per staff member for 2012/13 was 29.5 hours.

96% of our people agree with the statement that ‘This is a Great Place to Work’ (up from 89% in 2012).

*Source: 2013 Best Place to Work survey, conducted by the Great Places to Work Institute.
Cbus is committed to positive gender diversity and an inclusive culture.

The Trustee is conscious of increasing its proportion of female Directors. The sponsoring organisations are asked to take this into consideration when nominating replacements to the Board.

Cbus promotes a working environment that is fair and flexible, encourages personal and professional growth and capitalises on the capabilities and leadership of a gender diverse and inclusive culture.

For the second year running, 100% of those staff that took maternity leave during the year have returned to work and all are currently working part-time.

Cbus is trialling a return-to-work coaching session to focus on returning to work with confidence from maternity leave and to promote a balance between work and family responsibilities.

### The Gender breakdown at Board, management and staff levels of the Trustee office at 30 June 2013.

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td><strong>Board</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chair of Board</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Independent Director</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Member Directors</td>
<td>5</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Employer Directors</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total Board</strong></td>
<td>14</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td><strong>Cbus Trustee office</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Staff (full-time)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive team</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Management team</td>
<td>17</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Trustee office staff</td>
<td>24</td>
<td>25**</td>
<td>25</td>
</tr>
<tr>
<td><strong>Sub total permanent staff</strong></td>
<td>45</td>
<td>35**</td>
<td>41</td>
</tr>
<tr>
<td>Permanent staff (part-time)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive team</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Management team</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Trustee office staff</td>
<td>2</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sub-total part time staff</strong></td>
<td>2</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Casual staff</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Sub-total casual staff</strong></td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total staff at Cbus</strong></td>
<td>47</td>
<td>50**</td>
<td>42</td>
</tr>
</tbody>
</table>

* 2 maternity leave  
* 1 maternity leave  
** 6 maternity leave
Equal opportunity
Cbus has a comprehensive list of policies and procedures to support a culture that is fair and provides equal opportunity for all. These include:

- code of conduct
- respect in the workplace policy
- parental leave policy
- performance review guidelines
- leave policy (including 50/52 leave purchasing)
- workplace bullying and violence prevention policy
- Cbus recruitment and selection policy.

To view the Cbus code of conduct please see the Fund Governance Policy at www.cbussuper.com.au/governance

Reputation
Cbus has grown significantly in the 2012/13 year and has handled more than 1,100 applications from potential staff. Of these applicants, a total of 45% were female.

Interestingly, of the eight roles that were placed in our investment team, 431 candidates applied, of which 42 were women.

Overall, of the 30 roles that were appointed 15 were filled by female candidates.

Cbus measures voluntary turnover on an annual basis. Cbus considers the current turnover rate of our people to be in line with a healthy organisation and within our current risk parameters.

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover rate</td>
<td>4.0%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

“...I am really pleased I have joined an organisation with such a great culture and that provides opportunities to contribute and also encourages my development.”

Elisa Gallichio, National Manager, Partnerships
We encourage staff to provide feedback and test ideas and strategies, believing that robust discussion will enable better decisions and therefore better outcomes for members and employers.

**Great place to work**

Cbus participates in the 50 Best Workplaces Study, which is hosted by the Great Place to Work Institute.

‘Engagement’ is the percentage of staff who ‘agree’ or ‘strongly agree’ with a range of statements inside the survey. Engagement looks at how staff rate the organisation over a range of sub-sections of the survey, including ‘pride’, ‘respect’, ‘fairness’, and ‘camaraderie’.

The 2012 survey results identified that Cbus needed to focus on understanding reward and recognition, increase our cooperation and teamwork and our understanding of individual behaviours and communications styles, and ensure that new staff understand the history of the Fund and Cbus values.

In 2013, Cbus finished in 73rd position (94th in 2012). We are aiming to improve our position in 2014 as we continually strive to engage with our people to make Cbus an even better place to work.

Cbus has a culture that is robust and supportive, friendly and caring.

The results in each of the areas of the survey (credibility, respect, fairness, pride and camaraderie) have all increased.

**Compass annual staff event**

At Cbus we connect our people to our strategy through Compass, which brings together the Trustee office nationally to test, question and endorse the Fund’s strategy and to showcase how each individual contributes to that. Compass is a commitment to a consultative business planning process.

The theme of Compass 2013 was ‘Teamwork and Collaboration’, focusing on our values and that of a collaborative enterprise. It was an opportunity to illustrate the importance of our Members in Fund operations and initiatives.

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![Cbus results in the Great Place to Work Institute survey](image-url)

In 2013 the results in each of the areas of the survey have all increased.
Cbus has a good team approach to its work. There are a lot of cross-functional teams that work on projects and therefore a variety of work and contributors.

Catherine McMahon, Governance and Risk Manager
New programs

Arising from the results of the Best Places to Work survey in 2012, Cbus introduced a leadership development program for 2013. This program is in progress and has 10 participants. It is expected that this program will also run next year as it is expanded throughout the organisation.

In 2013 the ‘Shine’ recognition program, where staff can nominate other staff and be recognised for their work over and above their functional role, is also being trialled.

Staff In the community

In 2013 approximately 10% of the Cbus staff took advantage of the opportunity for ‘volunteer days’ and participated in a community-based activity to give back to their community. More than 10 days’ worth of work was contributed by staff who worked with the Salvation Army, Mother’s Day Classic, youth groups and community-based child care centres.

In 2014 Cbus hopes that our people can double their commitment to the community with our partnership with Second Bite.

Cbus is also a national sponsor of the Mother’s Day Classic run. In 2013 we supported a team of 54 staff and family members who participated around the country at various events. The Cbus team raised just under $5,000 and was the runner-up largest corporate team in the ‘small company’ category.

People and Culture Committee

This committee has been in place more than five years and brings staff together from each of the functional teams to run a range of programs of work.

The committee was instrumental in the facilitation of the outcomes of the 2012/13 Best Places to Work survey. It worked on understanding our results through focus groups and delivered a recommendations paper to the executive team, with many of the suggestions being endorsed.

Cbus staff identify strongly with the members and put them at the heart of everything they do.
Top floor of the Cbus Property development at 1 Bligh Street, Sydney. Sustainability is a feature we believe is important in all our investment decisions.
Financials

Statement of financial position

The Cbus Annual Financial Report (Report) is based on the Fund’s general ledger balances and Custodian investment and taxation reports, together with members’ funds information sourced from Superpartners administration systems. The Report includes the Fund’s Financial Statements, which comprise a Statement of Financial Position, Operating Statement and Statement of Cash Flows, and Notes to these Financial Statements. It also includes a Trustee Declaration, Auditor’s Independence Declaration and Auditor’s Report.

The Report is prepared in accordance with Australian Accounting Standards and other relevant requirements and is subjected to an independent audit by the Fund’s external auditor. It is reviewed by the Audit and Risk Management Committee and then reviewed and endorsed by the Trustee Board. The Report will be available on the Cbus Website from 24 October 2013 at www.cbussuper.com.au/AnnualReport
### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments (funds under management)</td>
<td>22,764,858</td>
<td>18,575,449</td>
</tr>
<tr>
<td>Current assets</td>
<td>203,584</td>
<td>345,396</td>
</tr>
<tr>
<td>Non current assets</td>
<td>2,758</td>
<td>3,477</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>22,971,200</strong></td>
<td><strong>18,924,322</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Tax payable</td>
<td>211,062</td>
<td>92,319</td>
</tr>
<tr>
<td>Benefits payable</td>
<td>32,530</td>
<td>23,858</td>
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<tr>
<td>Other liabilities</td>
<td>72,958</td>
<td>67,540</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>316,550</strong></td>
<td><strong>183,717</strong></td>
</tr>
</tbody>
</table>

**NET ASSETS AVAILABLE TO PAY BENEFITS**

<table>
<thead>
<tr>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,654,650</td>
<td>18,740,605</td>
</tr>
</tbody>
</table>

Represented by:

**Members’ funds**

<table>
<thead>
<tr>
<th>Growth (Cbus Choice)</th>
<th>20,016,204</th>
<th>16,521,459</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Growth</td>
<td>789,573</td>
<td>646,796</td>
</tr>
<tr>
<td>Conservative</td>
<td>570,445</td>
<td>414,209</td>
</tr>
<tr>
<td>Cbus Super Income Stream</td>
<td>658,640</td>
<td>451,317</td>
</tr>
<tr>
<td>Cash Savings</td>
<td>521,564</td>
<td>615,193</td>
</tr>
<tr>
<td><strong>Total members’ funds</strong></td>
<td><strong>22,556,426</strong></td>
<td><strong>18,648,974</strong></td>
</tr>
</tbody>
</table>

| Operational risk reserve | 14,273 | - |
| Group life administration fund | 28,212 | 54,874 |
| General reserve account  | 55,739  | 36,757  |

**LIABILITY FOR ACCRUED BENEFITS**

<table>
<thead>
<tr>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,654,650</td>
<td>18,740,605</td>
</tr>
</tbody>
</table>

### OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

**Revenue**

<table>
<thead>
<tr>
<th></th>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions by employers</td>
<td>2,070,071</td>
<td>2,023,350</td>
</tr>
<tr>
<td>Contributions by members</td>
<td>136,238</td>
<td>125,800</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>392,961</td>
<td>378,166</td>
</tr>
<tr>
<td>Investment income (net of investment expenses)</td>
<td>3,225,368</td>
<td>264,176</td>
</tr>
<tr>
<td>Proceeds on insurance claims</td>
<td>170,135</td>
<td>140,590</td>
</tr>
<tr>
<td>Other revenue</td>
<td>1,716</td>
<td>2,710</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>5,996,489</strong></td>
<td><strong>2,934,792</strong></td>
</tr>
</tbody>
</table>

**Expenditure**

<table>
<thead>
<tr>
<th></th>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration and management costs</td>
<td>101,988</td>
<td>77,647</td>
</tr>
<tr>
<td>Insurance costs</td>
<td>193,911</td>
<td>172,917</td>
</tr>
<tr>
<td>Taxation expense</td>
<td>485,450</td>
<td>213,234</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>781,349</strong></td>
<td><strong>463,798</strong></td>
</tr>
</tbody>
</table>

**Benefits accrued after tax**

<table>
<thead>
<tr>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,215,140</td>
<td>2,470,994</td>
</tr>
</tbody>
</table>

**Movement in liability for accrued benefits**

<table>
<thead>
<tr>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefits at the start of the year</td>
<td>18,740,605</td>
</tr>
<tr>
<td>Benefits accrued after tax</td>
<td>5,215,140</td>
</tr>
<tr>
<td>Benefits paid and payable</td>
<td>(1,301,095)</td>
</tr>
</tbody>
</table>

**ACCRUED BENEFITS AT THE END OF THE YEAR**

<table>
<thead>
<tr>
<th>2013 ($'000)</th>
<th>2012 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,654,650</td>
<td>18,740,605</td>
</tr>
</tbody>
</table>

This is an unaudited extract from the Annual Financial Report.
Financials

Financial statement inputs

There are several different inputs that support the completeness and accuracy of the Financial Statements.

---

Custodian administration controls

An independent audit of the internal controls and procedures the custodian has over custody, investment administration, accounting and tax reporting, unit registry and related information technology services is completed by the custodian’s external auditor and the audit report is provided to the Fund. The internal controls and procedures audited support investment-related information reflected in the Financial Statements and Notes to the Financial Statements.

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Administrator’s controls

An independent audit of the internal controls and procedures the administrator has over superannuation and pension member administration is completed by an independent accounting firm and the audit report is provided to the Fund. The internal controls and procedures audited support member-related information reflected in the Financial Statements and Notes to the Financial Statements.

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Existence and valuation of investments

An independent audit of the existence and valuation of the Fund’s investments held under custody by the custodian is completed by the custodian’s external auditor and the audit report is provided to the Fund. The investments audited are reflected in the Financial Statements and Notes to the Financial Statements.
Tax review
A tax review over the key tax numbers in the Financial Statements and Notes to the Financial Statements is completed by the Fund’s internal tax specialists in conjunction with its external auditor to provide assurance over these numbers. In-house tax expertise assists in maintaining comprehensive tax management and accuracy of tax expense within the Fund.

Internal audit
The Fund’s internal auditor (KPMG) completes reviews of internal controls and procedures over key Fund transactions that are represented in the Financial Statements and Notes to the Financial Statements.

External audit
The Fund’s external auditor (PwC) conducts an independent audit of the Financial Statements and Notes to the Financial Statements to provide an opinion as to whether the Financial Statements are presented fairly. The external auditor performs procedures in accordance with Australian Auditing Standards to enable it to form its opinion.

Management representation letter
The Fund’s Chief Executive Officer and Executive Manager Finance provide a letter to Fund Directors confirming their responsibility in ensuring that the Financial Statements are fairly presented.

An estimated 2,950 jobs were created on the Cbus Property development at 140 William St, Perth.
ATO risk ratings

The Australian Taxation Office (ATO) has a risk differentiation framework for large business taxpayers that rates them as:

1. High risk
2. Key taxpayer
3. Medium risk
4. Low risk

Last year Cbus was rated as medium for both income tax and GST. This year Cbus has had its risk rating for GST reduced from medium to low, while its rating for income tax remains at medium.

ATO client risk review

The ATO has commenced a client risk review of Cbus on income tax matters. This is not an audit but rather an opportunity for the ATO to determine whether there are any particular areas of risk that it wishes to audit. The basis for being chosen for this review is that Cbus had a merger with CONNECT. Other large superannuation funds that have had mergers are being subjected to similar reviews.

Foreign Accounts Tax Compliance Act (FATCA)

The US Treasury and the IRS released the long awaited final regulations to implement FATCA in January 2013. Under the regulations, Cbus should be treated as an “exempt beneficial owner” for FATCA purposes. This should limit Cbus’s responsibilities to updating withholding tax forms previously filed with custodians and fund managers to certify its FATCA status and not be required to report information to the IRS or have US tax withheld at the rate of 30% on any income or capital proceeds from its US investments.

Financials

Tax management

Cbus utilises in-house tax resources along with external tax expertise to manage its tax risks and obligations.
**Internal audit**

The Fund’s internal auditor attends all Audit and Risk Management Committee meetings and has unfettered access to the committee. The committee, in turn, must ensure that the internal and external auditors have access to all data, information and staff in respect of the Trustee’s business operations that the auditors reasonably believe necessary to fulfill their role and responsibilities.

**Responsibilities**

The internal audit function is responsible to the Board through the Audit and Risk Management Committee. Through the execution of an internal audit program, the internal audit function is responsible for:

- assessing the Fund’s risk management framework
- reviewing the effectiveness of internal controls with particular focus on operational, financial and compliance risks and controls.

The internal audit program is ongoing and also covers the operations of Cbus Property.

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**Eligible rollover fund**

Cbus may transfer accounts to an eligible rollover fund if no contributions have been received for 12 months and the account balance is less than $1,000. As a result, any insurance cover will cease and members may be charged fees by AUSfund (the ERF chosen by Cbus). During 2012/13, 18,716 Cbus accounts worth a total of $4,324,346 were transferred to AUSfund. Cbus’s ERF is AUSfund (Australia’s Unclaimed Super Fund), ABN 17 006 883 227.

**AUSfund’s contact details are:**

PO Box 2468
Kent Town SA 5071
Or call 1300 361 798

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**Temporary residents’ benefits transferred to the ATO**

If a former temporary resident employee has left Australia and their visa has expired or been cancelled, Cbus is required to pay their benefit to the ATO if it has not been claimed from the Fund within six months of departure. Visit [www.ato.gov.au](http://www.ato.gov.au) for more information about superannuation for temporary residents.

Cbus relies on ASIC’s relief in that we are not obliged to notify or give an exit statement to a non-resident in the above circumstances. However, it is available on request.

I feel so privileged to work at Cbus. Being able to share my passion of working with members to help them learn, shape and improve their lives in relation to super and retirement.  
Lisa Zanatta, Senior Advisor, Member Relationships
Entities that Cbus has ownership in and which provide services to Cbus are called related parties.

More detailed information on Cbus’s related parties can be found in the Cbus Financial Statements under Note 22. (These will be available from 24 October 2013)
## Related parties

<table>
<thead>
<tr>
<th>Name</th>
<th>% Cbus ownership</th>
<th>Services</th>
<th>Board representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cbus Property Pty Ltd (CPPL)</td>
<td>100% held subsidiary of United Super Pty Ltd (USPL).</td>
<td>Manages direct property on behalf of the Fund in accordance with an Investment Management Agreement between CPPL and Cbus. CPPL does not have ownership of any direct property assets.</td>
<td>Yes. Refer to page 72</td>
</tr>
<tr>
<td>Superpartners Pty Ltd</td>
<td>USPL owns 17.95% of Superpartners.</td>
<td>Member and employer administration services, financial services and IT platform to Cbus, which are provided under normal commercial terms and conditions.</td>
<td>No</td>
</tr>
<tr>
<td>Frontier Advisors Pty Ltd (Frontier)</td>
<td>USPL owns 31% of Frontier.</td>
<td>Frontier provides asset consulting services to Cbus, which are provided on normal terms and conditions.</td>
<td>Yes. Cbus CEO David Atkin is a Director of Frontier. Director fees of $15,000 for 2012/13 were paid to the Fund.</td>
</tr>
<tr>
<td>Industry Super Holdings Pty Ltd</td>
<td>USPL owns 16.1% of Industry Super Holdings Pty Ltd (ISH). Industry Fund Services Pty Ltd, Industry Superannuation Network Pty Ltd and Industry Funds Management Pty Ltd are wholly owned subsidiaries of ISH.</td>
<td>Services provided to the Fund through the subsidiary companies.</td>
<td>No</td>
</tr>
<tr>
<td>Industry Superannuation Network Pty Ltd</td>
<td>Subsidiary of Industry Super Holdings.</td>
<td>Marketing, policy advocacy role.</td>
<td>Yes. The Cbus CEO is a director of ISN. No fee is paid for this position. The Cbus Chair Steve Bracks was also the Chair of ISN (but is not appointed as a Cbus representative). Provision is made by ISN for the payment of Directors’ fees.</td>
</tr>
<tr>
<td>Industry Fund Services Pty Ltd (IFS)</td>
<td>Subsidiary of Industry Super Holdings.</td>
<td>Provision of financial planning services to Cbus members. These services are provided under normal commercial terms and conditions.</td>
<td>No</td>
</tr>
<tr>
<td>Industry Fund Investments Pty Ltd</td>
<td>Subsidiary of Industry Fund Services.</td>
<td>Trustee of AUSfund eligible rollover fund of Cbus, also provides cross fund matching services to enable consolidation of accounts.</td>
<td>No</td>
</tr>
<tr>
<td>IFS Insurance Broking Pty Ltd</td>
<td>Subsidiary of Industry Fund Services.</td>
<td>Insurance broking services to Cbus (including group life, trustee indemnity, general property, public liability insurance) and is paid brokerage fees.</td>
<td>No</td>
</tr>
<tr>
<td>Industry Funds Management Pty Ltd (IFM)</td>
<td>Subsidiary of Industry Super Holdings.</td>
<td>IFM manages several Cbus investments, including: Australian shares, Australian and international infrastructure, Australian fixed interest, cash and credit, and Australian and international private equities. All management fees charged in relation to these investments are under normal commercial terms and conditions. All investments are managed in accordance with relevant mandate agreements.</td>
<td>No representation on the IFM Board, but Cbus Director Peter Tighe and Cbus Executive Manager, Investment Management Trish Donohue represents Cbus on the IFM Investment Advisory Board. No fees are paid for these positions.</td>
</tr>
<tr>
<td>Members Equity Bank Pty Ltd</td>
<td>USPL owns 16.1% of Members Equity Bank Pty Ltd.</td>
<td>Members Equity Bank Pty Ltd provides fixed income and cash management services for Cbus. It also provides banking products to superannuation fund members.</td>
<td>No</td>
</tr>
<tr>
<td>ISPT Pty Ltd</td>
<td>USPL holds one $1 share in ISPT Pty Ltd, the Trustee for the ISPT property vehicles with voting rights based on the level of investment in ISPT vehicles. The current holding of 11.7% in ISPT entities Cbus to one position on the ISPT Pty Ltd Board.</td>
<td>ISPT provides property investment management services for Cbus.</td>
<td>Yes. Cbus Director Frank O’Grady is a Director of ISPT Pty Ltd, the Trustee of ISPT. Provision is made by ISPT for the payment of Directors’ fees.</td>
</tr>
<tr>
<td>Hasting Funds Management – Utilities Trust of Australia (UTA)</td>
<td>USPL holds one $1 share in Utilities of Australia Pty Ltd, the Trustee of UTA with voting rights based on the level of investment in UTA. As one of the four largest investors in UTA, Cbus is entitled to one position on the Utilities of Australia Pty Ltd Board.</td>
<td>Hastings provides infrastructure investment management services for Cbus.</td>
<td>Yes. Cbus Director John Haskins is a Director of Utilities of Australia Pty Ltd, the Trustee of UTA. Provision is made by UTA for the payment of Directors’ fees.</td>
</tr>
</tbody>
</table>
Members’ funds represent benefits accrued to members at 30 June 2013.

General reserve account
The purpose of establishing and maintaining the general reserve account is to set aside monies to meet unexpected and unforeseen expenses of the Fund and to meet any other expenses which the Trustee deems ought to be met from the general reserve account rather than directly from member accounts.

The Trustee Board has determined that the general reserve account is to be maintained within a range of 0.10%-0.50% of Fund net assets. The factors considered in setting this range include:

- the operational running costs of the Fund
- tax and other liabilities of the Fund
- the nature and levels of other Fund reserves
- the Fund’s operating processes and internal control environment
- the Fund’s business planning and budgeting process
- current business mix and complexity of the Fund.

The level of the general reserve account will be set annually as part of the Fund’s annual financial statements and review process.

The investment strategy for the general reserve account is the strategy for the combined investment options. In practice, this is predominantly the investment strategy for the Growth Option, which is reviewed as part of the annual review of the Fund’s investment strategy.

Operational risk reserve
Under the new prudential standards, superannuation funds are required to establish, within three years, adequate reserves to cover potential operational losses. Cbus has determined it prudent to target an amount equal to 0.25% of Fund net assets to meet this requirement. This reserve has been funded initially by a reduction of 0.063% in the crediting rates applied to all members’ accounts for the year ended 30 June 2013 (or approximately one-quarter of the total funding obligation). The remaining 75% of the target is expected to be progressively funded via reductions in crediting rates over the next three years. Cbus believes this funding methodology is the most fair and equitable to members within the parameters of the prudential standard requirements.

Group life account
All insurance premiums deducted from insured members plus any profit share rebate received from the insurer (Hannover) is paid into the group life account. The Fund utilises this account to:

1. Pay the insurer its premiums
2. Pay administration and consulting costs for insurance and claims (Superpartners) and IFS Insurance Broking
3. Fund its insurance claims reduction strategies aimed at generating a long-term improvement in the claims ratio
4. Fund development and implementation costs associated with the delivery of improved insurance offerings.

Member protection removal
Part of the Government’s Stronger Super reform package included the removal of the mandatory requirement for superannuation funds to provide member protection. Member protection ensured small accounts (under ($1,000) were protected from erosion by administration fees. Cbus has ceased applying member protection from 1 July 2013.
### Members' funds and reserves

The table shows the general reserve balance for the past five years.

<table>
<thead>
<tr>
<th>Year</th>
<th>S'000</th>
<th>% of fund assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/06/2009</td>
<td>24,307</td>
<td>0.2%</td>
</tr>
<tr>
<td>30/06/2010</td>
<td>33,431</td>
<td>0.2%</td>
</tr>
<tr>
<td>30/06/2011</td>
<td>28,932</td>
<td>0.2%</td>
</tr>
<tr>
<td>30/06/2012</td>
<td>36,757</td>
<td>0.2%</td>
</tr>
<tr>
<td>30/06/2013</td>
<td>55,739</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

### Members' funds and reserves

<table>
<thead>
<tr>
<th></th>
<th>As at 30 June 2013</th>
<th>As at 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (Cbus Choice)</td>
<td>88.4%</td>
<td>88.1%</td>
</tr>
<tr>
<td>High Growth</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Conservative</td>
<td>2.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Cbus Super Income Stream</td>
<td>2.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Cash Savings</td>
<td>2.3%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Operational risk reserve</td>
<td>0.1%</td>
<td>N/A</td>
</tr>
<tr>
<td>Group life administration fund</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>General reserve account</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
Reporting against the GRI G3.1 framework

The GRI G3.1 Application Level C requires that Cbus report fully against a range of standard disclosures and against at least ten performance indicators. We have listed our disclosures in the table on page 101. The disclosures are also identified throughout the report, listing the disclosure item number underneath the page headings. The full GRI Content Index is available at www.cbussuper.com.au/sustainability

We outsource our administration services to Superpartners. Superpartners produces its own sustainability report and this can be found on its website www.superpartners.com.au

National office environmental sustainability

Motor vehicles

Our national motor vehicle fleet is currently being transferred over to a commercial hire purchase arrangement. This will allow us to track our travel patterns, fuel use and efficiency data and driver behaviour. We recently took delivery of our first Hybrid vehicle and we are aiming to introduce more fuel efficient and alternate powered vehicles into our fleet over the 2013-14 financial year.

Emissions

During the 2012/2013 year, emissions associated with travel, both by vehicle and by air, were identified. These are being closely monitored so a reduction target can be set for the next reporting period. In 2013/2014 we will evaluate an organisational level carbon offset program.

Environmental impact – energy use

With significant increases in staff numbers within the National Trustee Office, it remains challenging to reduce our overall environmental impact. The majority of our greenhouse gas emissions are from electricity consumed by computers and lights in our office. Recent refurbishment has seen the installation of motion detecting lighting, more energy efficient light fittings and low impact furniture and fittings. We continue to look for opportunities within our operations and with our property owner to further reduce our emissions.

The National Office has been on its own power meter since October 2012 and is now in a position to accurately measure its power consumption. In the 9 months since October 2012 (to June 2013) we are averaging 17,204 kWh of electricity use per month. This is equivalent to 22.54 tonnes of Greenhouse gas emissions per month. Our gas use over the year was 143,048.86 MJ. 100% of our gas and electricity is from non-renewable sources.

We will be able to report on annual averages and any success in our reduction targets, in the next reporting period.

The National Office building continues to maintain a 4.5 star NABERS Energy base building rating, a 3.5 star NABERS water certificate and a 5 star Green Star rating for Office Design v3.

Water

The office used 658.56 kL of water over the year. Our water is sourced from water utilities, and is not recycled. We are looking to reduce our overall water consumption with the building’s commissioning of a black water recycling plant in September 2013.

Waste

We have recently had the ability to conduct an audit of the National Office’s waste streams and now have a benchmark for reporting the success of our recycling initiatives moving forward. We also anticipate improved waste and recycling outcomes through the engagement of a new waste management contractor.

Future developments

The next 12 months will see us working closely with all of our suppliers and key stakeholders to determine and develop sustainable procurement practices and operational methods that continually monitor and improve our capacity to identify and reduce our emissions and environmental footprint.
The table below lists each disclosure and the page location in this report and/or on the Cbus website, www.cbussuper.com.au. Our plan is to report annually, transitioning towards the newly released framework, G4, over the coming one to two years.

<table>
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<tr>
<th>Standard Disclosures</th>
<th>Page location</th>
</tr>
</thead>
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<td></td>
</tr>
<tr>
<td>1.1 Relevance of sustainability</td>
<td>3, 6-7</td>
</tr>
<tr>
<td><strong>Organisational Profile</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Name of organisation</td>
<td>2</td>
</tr>
<tr>
<td>2.2 Primary brands, products, services</td>
<td>3, 48, Outsourcing Policy on website</td>
</tr>
<tr>
<td>2.3 Operational structure</td>
<td>7, website</td>
</tr>
<tr>
<td>2.4, 2.5 Location of headquarters, countries where Cbus operates</td>
<td>2, 3</td>
</tr>
<tr>
<td>2.6 Nature of ownership and legal form</td>
<td>56</td>
</tr>
<tr>
<td>2.7, 2.8 Markets served, scale of Cbus</td>
<td>3, 48, 84, 91</td>
</tr>
<tr>
<td>2.9 Significant changes during the reporting period (size, structure, ownership)</td>
<td>3</td>
</tr>
<tr>
<td>2.10 Awards received in the reporting period</td>
<td>3</td>
</tr>
<tr>
<td><strong>Report Parameters</strong></td>
<td></td>
</tr>
<tr>
<td>3.1, 3.2, 3.3 Reporting period, date of most recent previous report, reporting cycle</td>
<td>6, 101</td>
</tr>
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<td>3.4 Contact point for questions</td>
<td>Back Cover</td>
</tr>
<tr>
<td>3.5 Process for defining report</td>
<td>Website – Additional Disclosures¹</td>
</tr>
<tr>
<td>3.6, 3.7 Boundary of the report, specific limitations on the scope or boundary of the report</td>
<td>6</td>
</tr>
<tr>
<td>3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations</td>
<td>6</td>
</tr>
<tr>
<td>3.10 Explanation of the effect of any re-statements of information provided in earlier reports</td>
<td>n/a (first report)</td>
</tr>
<tr>
<td>3.11 Significant changes from previous reports in the scope, boundary, measurement methods</td>
<td>n/a (first report)</td>
</tr>
<tr>
<td>3.12 Table identifying the location of the standard disclosures in the report</td>
<td>101,102</td>
</tr>
<tr>
<td><strong>Governance, Commitments, Engagement</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Governance structure of the organisation</td>
<td>58</td>
</tr>
<tr>
<td>4.2 Indicate whether Cbus’ Chair is also an executive officer</td>
<td>58</td>
</tr>
<tr>
<td>4.3 Number &amp; gender of Board members that are independent and/or non-executive members</td>
<td>58,84</td>
</tr>
<tr>
<td>4.4 Mechanisms to provide recommendations or direction to the Board</td>
<td>58, 86</td>
</tr>
<tr>
<td>4.14 List of stakeholder groups engaged by the organisation</td>
<td>6</td>
</tr>
<tr>
<td>4.15 Basis for identification and selection of stakeholders with whom to engage</td>
<td>6</td>
</tr>
</tbody>
</table>

¹ Additional disclosures are located on www.cbussuper.com.au/sustainability
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<th>Page location</th>
</tr>
</thead>
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<td></td>
</tr>
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<td>EC2 Financial implications and other risks</td>
<td>44, website</td>
</tr>
<tr>
<td>and opportunities for Cbus due to climate</td>
<td></td>
</tr>
<tr>
<td>change</td>
<td></td>
</tr>
<tr>
<td>EC3 Coverage of defined benefit plan</td>
<td>82</td>
</tr>
<tr>
<td>obligations</td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
</tr>
<tr>
<td>EN3 Direct energy consumption by primary</td>
<td>100</td>
</tr>
<tr>
<td>energy source</td>
<td></td>
</tr>
<tr>
<td>EN6 Initiatives to provide energy-efficient</td>
<td>100</td>
</tr>
<tr>
<td>or renewable based products and services</td>
<td></td>
</tr>
<tr>
<td>EN8 Total water withdrawal by source</td>
<td>100</td>
</tr>
<tr>
<td>EN10 Percentage and total volume of water</td>
<td>100</td>
</tr>
<tr>
<td>recycled and reused</td>
<td></td>
</tr>
<tr>
<td><strong>Labour Practices and Decent Work</strong></td>
<td></td>
</tr>
<tr>
<td>LA1 Total workforce by employment type,</td>
<td>84</td>
</tr>
<tr>
<td>employment contract, and region, by gender</td>
<td></td>
</tr>
<tr>
<td>LA4 Percentage of employees covered by</td>
<td>82</td>
</tr>
<tr>
<td>collective bargaining agreements.</td>
<td></td>
</tr>
<tr>
<td>LA6 Percentage of total workforce</td>
<td>82</td>
</tr>
<tr>
<td>represented in formal joint management–</td>
<td></td>
</tr>
<tr>
<td>worker health and safety committees</td>
<td></td>
</tr>
<tr>
<td>LA12 Percentage of employees receiving</td>
<td>83</td>
</tr>
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<td>regular performance and career</td>
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<td>development reviews, by gender.</td>
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<td>LA15 Return to work and retention rates</td>
<td>84</td>
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<tr>
<td>after parental leave, by gender</td>
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<td><strong>Society</strong></td>
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<tr>
<td>SO5 Public policy positions and</td>
<td>10, 11</td>
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<tr>
<td>participation in public policy development</td>
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<td>and lobbying</td>
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<td>SO6 Total value of in-kind contributions</td>
<td>54</td>
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<td>to political parties, politicians and</td>
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<tr>
<td>related institutions, by country</td>
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<td><strong>Product</strong></td>
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<tr>
<td>PR5 Practices related to customer</td>
<td>7, 9</td>
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<tr>
<td>satisfaction, including results of surveys</td>
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<tr>
<td><strong>Financial Services Sector Supplement</strong></td>
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<tr>
<td>FS10 Percentage and number of companies</td>
<td>42</td>
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<td>held in the institution’s portfolio with</td>
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<td>which the reporting organisation has</td>
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<td>interacted on environmental or social</td>
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<td>FS11 Percentage of assets subject to</td>
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<td>positive and negative environmental or</td>
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<td>social screening</td>
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<td>FS12 Voting Policies applied to</td>
<td>41</td>
</tr>
<tr>
<td>environmental or social issues</td>
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</tbody>
</table>

“Green wall from 1 Bligh Street, Sydney”
Economic EC2 Financial implications and other risks and opportunities for Cbus due to climate change

EC3 Coverage of defined benefit plan obligations

Environment EN3 Direct energy consumption by primary energy source
EN6 Initiatives to provide energy-efficient or renewable based products and services
EN8 Total water withdrawal by source
EN10 Percentage and total volume of water recycled and reused

Labour Practices and Decent Work
LA1 Total workforce by employment type, employment contract, and region, by gender.
LA4 Percentage of employees covered by collective bargaining agreements.
LA6 Percentage of total workforce represented in formal joint management–worker health and safety committees
LA12 Percentage of employees receiving regular performance and career development reviews, by gender.
LA15 Return to work and retention rates after parental leave, by gender

Society SO5 Public policy positions and participation in public policy development and lobbying
SO6 Total value of in-kind contributions to political parties, politicians and related institutions, by country

Product PR5 Practices related to customer satisfaction, including results of surveys

Financial Services Sector Supplement
FS10 Percentage and number of companies held in the institution’s portfolio with which the reporting organisation has interacted on environmental or social issues
FS11 Percentage of assets subject to positive and negative environmental or social screening
FS12 Voting Policies applied to environmental or social issues

External windows of Cbus Property's 700 Bourke St development.