



Annual Report 2021

CUBS Superannuation Fund

**Greater Rollover
and Pension Fund**

CUBS Superannuation Fund

ABN 90 120 177 925

RSE Fund Registration No. R1068832

USI 90120177925002

Trustee

Equity Trustees Superannuation Limited

ABN 50 055 641 757

AFS Licence No. 229757

RSE Licence No. L0001458





Contact details

If you have an enquiry about the Greater Rollover and Pension Fund or would like to receive your Annual Reports (including this Annual Report) by post or email (free of charge), you should contact:

The Sub-Promoter

Greater Bank Limited

GPO Box 541
Chatswood NSW 2057

Telephone: 1300 855 565
Email: gbs@cubssuper.com.au
Website: www.greater.com.au

Trustee

Equity Trustees Superannuation Limited

Level 2, 575 Bourke Street
Melbourne VIC 3000

Telephone: 1300 133 472

Disclaimer

This Annual Report is issued by Equity Trustees Superannuation Limited (ABN 50 055 641 757; AFSL 229757; RSE License No. L0001458) (the Trustee), as trustee for the CUBS Superannuation Fund (ABN 90 120 177 925; RSE Fund Registration No. R1068832; USI 90120177925002) (the Fund).

This Annual Report relates to the reporting period ending 30 June 2021 and is based on information provided to the Trustee by the Fund's service providers and underlying investment managers. This Report has been prepared in accordance with the relevant requirements of the Corporations Act and Corporations Regulations 2001. While every reasonable effort has been made to ensure that the information contained in the Report is correct, you should not make financial decisions or commitments solely based on the amounts shown. The Trustee reserves the right to correct any errors or omissions.

Information in this report relates to the CUBS Superannuation Fund ('the Fund') as a whole, unless stated otherwise. The Greater Rollover and Pension Fund is a closed segment of the Fund which includes rollover and pension accounts. A reference to the '**Greater Rollover and Pension Fund**' in this report is a reference to this segment of the Fund.

The Trustee does not guarantee the performance of any of the Fund's investments or underlying investment managers. The Trustee does endeavour to ensure that only professional managers using sound investment processes are utilised.

Past performance is not necessarily indicative of future performance. This publication contains general information or advice only that has been prepared without taking into account your personal financial objectives, situation or needs. You should refer to product disclosures previously provided to you and assess your own financial situation, and/or engage the services of an appropriately qualified financial adviser, before making any financial decisions in relation to your account. You can request information relevant to your membership by calling 1300 855 565 or emailing gbs@cubssuper.com.au

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Message from the Trustee

The Trustee presents the Annual Report for the CUBS Superannuation Fund for members participating in the Greater Rollover and Pension Fund, for the year ended 30 June 2021.

Please take the time to read this Annual Report and if you have any queries or require further information, please contact the Fund Administrator (details provided on page 15).

The Fund is set up as a trust and is governed by a legal document called a Trust Deed. The Trustee is responsible for running the Fund in accordance with the Trust Deed and superannuation legislation.

Investments

Investment performance

The investment performance is outlined below in relation to 'Rollover' accounts and 'Pension' accounts in the Greater Rollover and Pension Fund:

Annual Effective Rates of Net Earnings to 30 June							
2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Rollover Fund							
1.96%	1.92%	1.59%	1.10%	1.06%	1.06%	0.41%	0.00%

The 5 year average compounded net rate over the 5 year period ending 30 June 2021 is 0.73%.

The 10 year average compounded net rate over the 10 year period ending 30 June 2021 is 1.15%.

Annual Effective Rates of Net Earnings to 30 June							
2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Pension Fund							
2.31%	2.26%	1.87%	1.29%	1.25%	1.25%	0.48%	0.00%

The 5 year average compounded net rate over the 5 year period ending 30 June 2021 is 0.85%.

The 10 year average compounded net rate over the 10 year period ending 30 June 2021 is 1.78%

Note: Past performance should not be taken as an indication of future performance. Net earnings take into account relevant taxes (where applicable).

See the information about the allocation of earnings appearing later in this report for more detail.

Investments

Investment policy

Greater Rollover and Pension Fund

The investment objective of the Greater Rollover and Pension Fund is to maintain a low risk, highly liquid capital secure portfolio. The investment strategy for the Greater Rollover and Pension Fund is to invest all funds solely in cash deposits with Greater Bank Limited.

Other segments of CUBS Superannuation Fund

The investment objectives and strategies for the remainder of the CUBS Superannuation Fund are different and include providing access (to eligible members) to five unitised investment options and a term deposit option which allows some members the ability to choose from a range of Term Deposits approved by the Trustee according to a preferred term and interest rate.

The Term Deposit option seeks to achieve returns (after tax and fees) in line with 50% RBA cash rate+ six-month bank bills over a rolling 1 year period. The objective and strategy for each unitised investment option is summarised below.

Cash Plus Option: Investment Return Objective is to achieve returns (after tax and fees) in line with 50% RBA cash rate + six-month bank bills over a rolling 1 year period. Strategic asset allocation is Fixed Interest 50% and Cash 50%.

Conservative Option: Investment Return Objective is to achieve returns (after tax and fees) that exceed CPI by at least 0.75% over a rolling 4 year period. Strategic asset allocation is Australian Equities 11%, International Equities 16%, Fixed Interest 30% and Cash 43%.

Balanced Option: Investment Return Objective is to achieve returns (after tax and fees) that exceed CPI by at least 1.50% over a rolling 6 year period. Strategic asset allocation is Australian Equities 18%, International Equities 27%, Fixed Interest 30% and Cash 25%.

Growth Option: Investment Return Objective is to achieve returns (after tax and fees) that exceed CPI by at least 2.50% over a rolling 8 year period. Strategic asset allocation is Australian Equities 25%, International Equities 38%, Fixed Interest 34% and Cash 3%.

High Growth Option: Investment Return Objective is to achieve returns (after tax and fees) that exceed CPI by at least 3.75% over a rolling 8 year period. Strategic asset allocation is Australian Equities 36%, International Equities 54%, and Fixed Interest 10%.

Investment holdings

As at 30 June 2021 (and as at 30 June 2020), cash deposits with Greater Bank Limited represented 100% of the total assets of the Greater Rollover and Pension Fund.

For information about asset holdings for the year ending 30 June 2021 (and year ending 30 June 2020) for the CUBS Superannuation Fund as a whole, refer to the Financial and Other Statutory Information later in this report.

Financial and other statutory information

This is an abridged summary of the audited Fund financial statements for the Fund for the financial year ended 30 June 2021 (incorporating all products including Greater Rollover and Pension accounts).

A copy of the audited Fund financial statements and auditor's report are available on the Greater Bank Limited website at <https://www.greater.com.au/legal/disclosure-documents> or on request from the Administrator (details provided on page 15).

Statement of financial position as at 30 June 2021

	2021 \$	2020 \$
Cash and cash equivalents		
Cash and cash equivalents	10,806,181	7,929,272
Total cash and cash equivalents	10,806,181	7,929,272
Receivables		
Distribution receivable	1,418,630	784,012
Due from brokers	-	1,853,185
Other receivables	300,419	153,268
Total receivables	1,719,049	2,790,465
Investments held at fair value	75,727,253	69,743,264
Other assets		
Deferred tax assets	-	65,955
Total other assets	-	65,955
Total assets	88,252,483	80,528,956
Liabilities		
Accounts payable	891,721	183,117
Due to brokers	-	306,362
Current tax liabilities	318,891	113,004
Deferred tax liabilities	298,952	-
Total liabilities (excluding member benefits)	1,509,564	602,483
Net assets available for member benefits	86,742,919	79,926,473
Member benefits		
Defined contribution member liabilities	86,199,654	79,561,713
Total member liabilities	86,199,654	79,561,713
Total net assets	543,265	364,760
Equity		
Operational risk reserve	292,414	292,414
Unallocated surplus	250,851	72,346
Total equity	543,265	364,760

Financial and other statutory information

Income statement for the year ended 30 June 2021

	2021	2020
	\$	\$
Superannuation Activities		
Revenue		
Changes in fair value of investments	4,755,799	(1,753,445)
Distributions	4,108,479	1,519,823
Interest	299,547	605,726
Other operating income	179,716	111,587
Total revenue	9,343,541	483,691
Expenses		
Investment expenses	(21,432)	(24,558)
General administration expenses	(661,486)	(562,717)
Total expenses	(682,918)	(587,275)
Operating result before income tax	8,660,623	(103,584)
Net benefits allocated to defined contribution member accounts	(7,518,379)	(193,235)
Income tax benefit/(expense)	(597,039)	331,329
Operating result after income tax	545,205	34,510

Financial and other statutory information

Statement of changes in member benefits for the year ended 30 June 2021

	2021 \$	2020 \$
Opening balance of Member Benefits	79,561,713	76,794,505
Contributions:		
– Employer contributions	2,437,847	2,362,544
– Member contributions	998,927	928,557
Transfers from other superannuation entities	4,788,862	9,102,889
Income tax on contributions	(428,910)	(470,641)
Net after tax contributions	7,796,726	11,923,349
Benefits to members	(8,626,928)	(9,516,063)
Insurance premiums charged to members' accounts	(110,236)	(104,496)
Death and disability benefits credited to member accounts	60,000	250,000
Reserve transferred to/(from) members:		
– Operational risk reserve	-	21,183
Net benefits allocated, comprising:		
– Net investment income	7,545,827	223,483
– Net administration fees	(27,448)	(30,248)
Closing balance of Member Benefits	86,199,654	79,561,713

Financial and other statutory information

Statement of changes in equity for the year ended 30 June 2021

	Operational risk reserve \$	Unallocated surplus* \$	Total equity \$
Opening balance as at 1 July 2020	292,414	72,346	364,760
Net transfers from reserves	-	(366,700)	(366,700)
Transfer (to)/from member accounts	-	-	-
Operating result	-	545,205	545,205
Closing balance as at 30 June 2021	292,414	250,851	543,265

	Operational risk reserve \$	Unallocated surplus* \$	Total equity \$
Opening balance as at 1 July 2019	313,597	148,212	461,809
Net transfers from reserves	(21,183)	(237,656)	(258,839)
Transfer (to)/from member accounts	-	127,280	127,280
Operating result	-	34,510	34,510
Closing balance as at 30 June 2020	292,414	72,346	364,760

*The unallocated surplus is utilised by the Fund to maintain the difference between the amounts allocated to members as at the end of the financial year and the net assets of the Fund. It includes unallocated contributions and operating result which will be utilised by the Fund regarding any future income or tax credits arising from the completion of the tax position following the year end. This income will be allocated to members during the course of the following year.

Note: Further information about the Operational Risk Financial Requirement Reserve is shown on page 12.

Financial and other statutory information

Significant investments

The following underlying investments each represent more than 5% of the total assets of the Fund (incorporating all products including accounts in the Greater Rollover and Pension Fund) as at 30 June 2021:

Investment	2021 \$	Total % of Fund assets
Greater Bank Limited Cash ¹	5,903,087	6.81
Qudos Bank Fixed Interest ²	9,237,871	10.47
Qudos Bank Cash Investment Pool ²	8,496,062	9.63
Defence Bank Fixed Interest ³	7,952,843	9.01
Defence Bank Cash Investment Pool ³	6,386,475	7.24
Vanguard High Growth Index Fund ⁴	40,223,155	45.58

1. These cash investments are deposits with the Greater Bank Limited relating to members in the Greater Rollover or Greater Pension Fund, which are legacy products that are also part of the Fund.
2. The Qudos Bank Cash and Fixed Interest investments utilised in each of the investment options are cash and fixed interest deposits or products issued by Qudos Bank. The Qudos Bank Term Deposit is an interest-bearing deposit held by Qudos Bank that has a fixed term and pays a fixed rate of interest calculated daily. Qudos Bank is an authorised deposit-taking institution (ADI) and also undertakes some promotional activities in respect of the Qudos Super product within the Fund.
3. The Defence Bank Cash and Fixed Interest investments utilised in each of the investment options are cash and fixed interest deposits or products issued by Defence Bank. The Defence Bank Term Deposit is an interest-bearing deposit held by Defence Bank that has a fixed term and pays a fixed rate of interest calculated daily. Defence Bank is an authorised deposit-taking institution (ADI) and also undertakes some promotional activities in respect of the Defence Bank Super product within the Fund.
4. The Vanguard High Growth Index Fund is a registered managed investment scheme which provides low cost access to a range of sector funds across multiple asset classes. The scheme is issued by Vanguard Investments Australia Ltd.

Assets

The assets for the Fund as a whole (incorporating all products including accounts in the Greater Rollover and Pension Fund) as at 30 June 2021 and 30 June 2020 are set out in the table below:

Assets	2021 \$	Total % of Fund assets	2020 \$	Total % of Fund assets
Australian equities	14,440,113	16.7	11,128,637	14.3
International equities	21,760,726	25.1	16,832,452	21.7
Fixed interest	22,089,643	25.5	22,001,596	28.3
Cash	26,245,055	30.3	24,410,352	31.4
Term deposits	1,997,897	2.3	3,299,499	4.2

Financial and other statutory information

Operational Risk Reserve (ORR)

The Australian Prudential Regulation Authority requires super fund trustees to 'reserve' monies which can be drawn on to address losses arising from operational risk. The Trustee of the Fund maintains a reserve called the Operational Risk Reserve (ORR) for this purpose and operates it in line with an Operational Risk Financial Requirement Strategy. The level of the ORR and the Operational Risk Financial Requirement Strategy is reviewed each year.

The target reserve amount has been determined as 0.25% of the Fund's net assets available to pay benefits. Should the ORR fall below 90% of the target amount, the Trustee will implement a Replenishment Plan to increase the ORR to its target amount.

The level of the ORR as at 30 June over the last three financial years is:

Operational Risk Reserve	2021 \$	2020 \$	2019 \$
At 30 June	292,414	292,414	313,597

Allocation of earnings

The allocation of earnings to member accounts depends on the segment of the Fund that you participate in and how your account is invested.

For members of the Greater Rollover and Pension Fund, the investment performance attributed to their accounts is based on interest rates from deposits with Greater Bank Limited, after taking into account any taxes on these investment earnings.

For other members of CUBS Superannuation Fund, the investment performance attributed to member accounts is reflected in the unit prices for the investment option(s) they are invested in, which are (usually) calculated after taking into account relevant fees, costs and taxes. The Trustee's policy is to allow all investment returns (after taking into account relevant fees, costs and taxes) from these unitised investment options to flow through to members via increases (or decreases) in unit prices.

For members invested in one or more Term Deposits, the investment performance of a Term Deposit is based on the applicable rate of interest declared by the relevant financial institution and allocated to the member's account. Refer to your annual member statement for information about interest rates/interest relevant to your account in the Fund.

Neither the Trustee or any service provider or other entity associated with the Fund (including Greater Bank Limited) guarantee your investment or the returns on any of your selected investments. Past performance is not a reliable indicator of future performance.

Derivatives

It is the Trustee's policy not to use derivative instruments directly.

Derivatives include investment products such as futures, options, swaps and warrants. They are securities whose value is derived from other securities or assets.

Derivatives may be used by some of the underlying investment managers used in the Conservative, Balanced, Growth and High Growth unitised investment options to manage risks and return expectations within their investment portfolios.

However, use of derivatives can carry its own risks like the possibility that the derivative position is difficult or costly to reverse, that it does not perform as expected, or that the parties to the derivatives contract do not perform their contractual obligations. Any exposure to derivatives may vary depending on the strategy and objectives of a particular underlying investment.

Enquiries and complaints

The Trustee has established a procedure for dealing with member enquiries and complaints. Enquiries and complaints should be made to the Complaints Officer.

An acknowledgement will be issued to you at the time of receipt of your complaint, either by phone, email or post. Our team will investigate and respond to all aspects of the issues raised in your complaint.

We will provide you with a response no later than 45 calendar days after receiving your complaint, unless another timeframe is allowed or required under the relevant legislation.

If you make a complaint and we resolve it within 5 business days from receipt to your satisfaction, we are not required to send you a formal complaint response, unless you request one; or your complaint relates to hardship, a declined insurance claim, the value of an insurance claim or for any decision of a trustee (or failure by the trustee to make a decision) relating to a complaint. For death benefit objections, the Trustee must provide a complaint response no later than 90 calendar days after the expiry of the 28 day period for objecting.

We will do our best to resolve your complaint as soon as possible. However, if we are unable to provide you with a response within the required timeframe, we will provide you with progress updates including reasons for the delay.

Complaints can be made to:

Complaints Officer
CUBS Superannuation Fund –
Greater Rollover and Pension Fund

PO Box 541
CHATSWOOD NSW 2057

Telephone: 1300 855 565
Email: gbs@cubssuper.com.au

You may also be able to lodge a complaint with the Australian Financial Complaints Authority (AFCA), although AFCA will not normally deal with a complaint until it has been through the trustee's complaints handling process. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

For more information on eligibility or to lodge a complaint you can contact AFCA at:

Australian Financial Complaints Authority (AFCA):

Online: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678
Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

AFCA will only handle certain types of complaints and time limits may apply. You should act promptly or otherwise consult AFCA to find out if or when the time limit relevant to your circumstances expires. Other limits may apply.

Who's looking after you

The Trustee

Equity Trustees Superannuation Limited is the Registrable Superannuation Entity Licensee and Trustee of the CUBS Superannuation Fund, and is responsible for making sure the Fund is run in accordance with the Trust Deed and governing superannuation legislation, including looking after the interests of members as a whole.

The Trustee's Board of Directors for the period to 30 June 2021 comprised:

- Mr Anthony Lally (Chairman)
- Mr Ellis Varejes
- Mr Mark Blair
- Mr Michael O'Brien
- Ms Susan Everingham
- Mr Paul Rogan
- Mr George Zeilinski (from 6 July 2020)

Current directors' profiles, including remuneration details, are available at ETSL Registrable Superannuation Entity Disclosures at [eqt.com.au](https://www.eqt.com.au)

No penalties were imposed on the Trustee or its directors for the relevant year.

The Trustee holds professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant insurance policy.

Equity Trustees Limited (ABN 46 004 031 298 AFSL No: 240975) is the Custodian of the Fund. Transactions between Equity Trustees Superannuation Limited in its capacity as Trustee of the Fund and Equity Trustees Limited in its capacity as Custodian are conducted on normal commercial terms and involve conditions no more or less favorable than those available to other parties unless otherwise stated.

For more information about the Trustee's governance practices, please visit <https://www.eqt.com.au/superannuation/etsl-registrable-superannuation-entity-disclosures>.

Directory

Trustee

Equity Trustees Superannuation Limited

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RSE Licence No. L0001458

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Telephone: 1300 133 472
Website: www.eqt.com.au/superannuation

Administrator & Promoter

Mainstream Superannuation Services Pty Ltd (an Apex Group Company)

ABN 83 082 989 142
AFS Licence No. 239636

Level 10, 12 Shelley Street
Sydney NSW 2000

PO Box 541
Chatswood NSW 2057

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Insurer

TAL Life Limited

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AFS Licence No. 237848

Sub Promoter

Greater Bank Limited

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AFSL 237476

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Auditor

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For further information

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