

# 2014 Annual Report

## CUBS Superannuation Fund – Greater Rollover and Pension Fund

**CUBS Superannuation Fund**

ABN 90 120 177 925

**Trustee**

**Equity Trustees Limited**

ABN 46 004 031 298

AFS Licence No. 240975

RSE Licence No. L0003094

## 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 mail (free of charge), you should contact:

### **The Administrator: Financial Synergy Pty Limited**

GPO Box 4344  
Melbourne VIC 3001

Telephone: 1300 855 565  
Facsimile: (03) 9654 2187

Email: [super@financialsynergy.com.au](mailto:super@financialsynergy.com.au)  
Website: [www.financialsynergy.com.au](http://www.financialsynergy.com.au)

### **Trustee: Equity Trustees Ltd**

Level 2, 575 Bourke Street  
Melbourne VIC 3000

Telephone: 1300 133 472  
Facsimile: (03) 8623 5200

## **Disclaimer**

This Annual Report is accurate as at the date of preparation, and relates to the reporting period ending 30 June 2014. This Report has been prepared in accordance with the Corporations Act and Corporations Regulations 2001. Reasonable care has been taken to ensure the information in this report is correct, but neither the Trustee, its service providers nor its advisers accept responsibility for any error or misprint or anyone using or acting on this information for any purpose. Information contained in this report is accurate as at 30 June 2014, based on information provided to the Trustee by the Fund's service providers and underlying investment managers.

Information in this report relates to the CUBS Superannuation Fund ('Fund') as a whole, unless stated otherwise. The Greater Rollover and Pension Fund is a closed segment of the Fund (this is not a separate superannuation fund) which includes rollover and pension accounts. A reference to '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.

This publication contains general information or advice only that has been prepared without taking into account your objectives, financial situation or needs.

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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 2014.

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 16).

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.

During the reporting period covered by this Annual Report and prior to 8 January 2014, the trustee of the Fund was The Trust Company (Superannuation) Limited (“the former trustee”). As previously communicated to you, Equity Trustees Limited has been appointed as the new trustee of the Fund with effect from 9 January 2014. Please refer to the ‘Member Notice’ forwarded to you on 31 October 2013 for further information regarding this change.

# INVESTMENTS

## Investment performance

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

ANNUAL EFFECTIVE RATES OF NET EARNINGS TO 30 JUNE				
2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Rollover Fund				
2.81%	3.73%	3.55%	2.50%	1.96%
The 5 year average compounded net rate over these years was 3.12%				
The 10 year average compounded net rate over these years was 4.58%				
Pension Fund				
2.81%	3.73%	3.55%	2.50%	2.31%
The 5 year average compounded net rate over these years was 3.67%				
The 10 year average compounded net rate over these years was 5.39%				

*NOTE: Past performance should not be taken as an indication of future performance. Net earnings takes into account relevant taxes (where applicable). See the information about the allocation of earnings appearing later in this report for more detail.*

## Investment policy

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 Building Society Ltd.

As at 30 June 2014 and 30 June 2013, cash deposits with Greater Building Society Ltd represented 100% of the total assets of the Greater Rollover and Pension Fund.

For information about asset holdings for the years ending 30 June 2013 and 2014 for the CUBS Superannuation Fund as a whole, refer to the statement of financial position shown later in this report.

## FINANCIAL AND OTHER STATUTORY INFORMATION

This is an abridged summary of the audited financial statements for the CUBS Superannuation Fund for the year ended 30 June 2014 (incorporating all products or segments of the Fund including the Greater Rollover and Pension Fund). A copy of the audited financial statements and auditor's report is available on request from the Administrator.

	2014	2013
<b>Net Assets Available to Pay Benefits At End of Previous Year</b>	<b>20,755,044</b>	<b>22,750,425</b>
<b>Revenue</b>		
Changes in net market value of investments	88,539	76,665
Contributions from employers	152,067	40,946
Contributions from members	1,590,504	339,045
Interest	476,004	619,350
Other Income	127,493	67,158
Transfer from other funds	16,907,747	478,889
<b>Total Revenue</b>	<b>19,342,354</b>	<b>1,622,053</b>
<b>Expenses</b>		
Administration	(20,060)	(6,752)
Benefits paid	(8,557,502)	(3,502,720)
General administration expenses	(21,908)	(35,594)
Tax expense	(59,609)	(70,963)
Trustee fees	(5,417)	(1,843)
<b>Total Expenses</b>	<b>(8,664,496)</b>	<b>(3,617,872)</b>
Movement in Fund reserves	10,672	438
<b>Net Assets Available To Pay Benefits At End of Year</b>	<b>31,443,574</b>	<b>20,755,044</b>
<b>Represented by</b>		
<b>Assets</b>		
Cash and cash equivalents	16,077,685	18,676,148
Receivables	101,326	60,090
Hunter Credit Union – cash	747,198	813,226
Hunter Credit Union – fixed interest	540,128	604,441
QSCU Fixed Interest	2,649,911	-
QSCU Cash Investment Pool	2,355,932	-
Defence Bank Super Cash Investment Pool	472,115	-
Defence Bank Super Fixed Interest	503,573	-
Vic Teachers Credit Union Cash Investment Pool	5,063	-
Vic Teachers Credit Union Fixed Interest	9,698	-
Term Deposits	2,858,959	-
Units in managed investment schemes	5,180,501	664,378
<b>Total Assets</b>	<b>31,502,089</b>	<b>20,818,283</b>

## FINANCIAL AND OTHER STATUTORY INFORMATION

### Liabilities

Audit fee payable	-	19,445
Operating expenses payable	16,965	7,491
Current tax liability	30,791	33,748
Deferred Tax liability	10,759	2,555
<b>Total Liabilities</b>	<b>58,515</b>	<b>63,239</b>
<b>Net Assets Available to Pay Benefits</b>	<b>31,443,574</b>	<b>20,755,044</b>



# FINANCIAL AND OTHER STATUTORY INFORMATION

## Significant Investments

The following underlying investments each represent more than 5% of the total assets of the CUBS Superannuation Fund as at 30 June 2014:

INVESTMENT	\$'000	%
Vanguard High Growth Index Fund	5,180	16.4
QSCU Cash*	2,355	7.5
QSCU Fixed Interest *	2,649	8.4
Greater Building Society Ltd Cash	15,182	48
Term Deposits*	2,439	7.7

\*The QSCU Cash, QSCU Fixed Interest and Term Deposit investments are cash and fixed interest deposits or products issued by Qantas Credit Union. Qantas Credit Union is an authorised deposit-taking institution (ADI).

The assets for the CUBS Superannuation Fund as a whole (incorporating all products and segments of the Fund including the Greater Rollover and Pension Fund) as at 30 June 2014 and 30 June 2013 are set out in the table below:

ASSET	2014		2013	
Australian Equities	\$2,051,478	6.53%	\$ 263,094	1.27%
International Equities	\$2,077,381	6.61%	\$ 266,416	1.27%
Property	\$528,412	1.71%	\$ 67,766	0.33%
Fixed Interest	\$7,085,500	22.55%	\$ 671,543	3.24%
Cash	\$19,657,993	62.60%	\$19,489,374	93.89%

## Allocation of Earnings

The net earnings of members participating in the Greater Rollover and Pension Fund is based on the calculation of interest on a daily basis by the Greater Building Society Ltd which is credited (after tax on investment earnings, in the case of rollover accounts) to members' accounts quarterly. The net earnings rate is influenced by the Reserve Bank overnight cash rate (as amended from time to time by the Reserve Bank).

Some further information about the allocation of returns to member accounts is shown in your annual Member Statement.

# FINANCIAL AND OTHER STATUTORY INFORMATION

## 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. Some of the underlying investment managers utilised in the Investment Options may use derivatives to reduce risks in their investment product and to increase or decrease their exposure to particular investment sectors or markets. However, use of derivatives carries 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.

## WHAT HAPPENS IF YOUR ACCOUNT BECOMES INACTIVE

Subject to any requirement on the Trustee to transfer lost accounts to the Tax Office in certain circumstances, if we have not received contributions or rollover amounts into your accumulation account for a period of 5 years or more we may transfer your benefit to our nominated Eligible Rollover Fund (**ERF**) - the Australia's Unclaimed Super Fund (AUSfund). The Trustee also reserves the right to transfer benefits to an ERF in any other circumstances that it considers appropriate (for example, small accounts) under broad powers conferred on superannuation trustees under superannuation legislation.

Its contact details are:

### **Australia's Unclaimed Super Fund (AUSfund)**

PO Box 543

Carlton South VIC 3053

Telephone: 1300 361 798

Facsimile: 1300 366 233

Email: [admin@ausfund.net.au](mailto:admin@ausfund.net.au)

Being transferred to an ERF may affect your benefits because:

- You will cease to be a member of the CUBS Superannuation Fund and any insurance you may have will also cease.
- You will become a member of AUSfund and be subject to its governing rules.

AUSfund's investments, fees and costs and other arrangements are different to the CUBS Superannuation Fund. AUSfund does not offer insurance cover.

Where we have your current address, we will advise you of any transfer.

The trustee of AUSfund is Industry Funds Investments Limited (ABN 17 006 883 227).

# IMPORTANT INFORMATION

## Important Information for Temporary Residents

The Trustee is required to transfer the superannuation benefits of a former temporary resident to the ATO (as unclaimed money) on request, after six months has elapsed since the temporary resident has left Australia and their visa has expired or is cancelled. If this happens, a former temporary resident can claim their super benefits directly from the ATO as a Departing Australia Superannuation Payment (DASP), subject to applicable tax rates.

Former temporary resident members whose benefits have been paid to the ATO will not be provided with notices or exit statements at the time or after their benefits are transferred to the ATO. The Trustee is taking this approach relying on relief granted by the Australian Securities and Investments Commission (ASIC) from certain reporting obligations in the law, which normally apply when fund membership ceases. This relief recognises that trustees will generally not be aware which members are former temporary residents (until advised by the ATO) and that they may have difficulty communicating to an overseas address or finding correct contact details for the member.

For further information please contact the Administrator or go to [www.ato.gov.au](http://www.ato.gov.au).

## Important Information – Changes to the Fees and Costs & the ORFR

### Operational Risk Financial Requirement Reserve (ORFR) Fee

From 1 January 2014, the Trustee determined that a fee of 0.12% per annum of a member's account balance (or such other percentage determined by the Trustee from time to time to ensure that funding of the ORFR is maintained at an appropriate level) will be charged for the next 3 financial years or until such time as a minimum of 0.30% of Fund assets has been accumulated in the ORFR. This fee is calculated and deducted from your account balance at the end of each month or on account closure.

### ORFR

The purpose of the ORFR is to protect members' interests should an operational failure occur that may result in losses to the Fund or its members. The reserve will remain in the Fund, invested in cash, and only be used to meet any losses that may arise from the operational risks due to a failed internal process or an external event. Please refer to the notice previously provided to you about this.

The Trustee has a management strategy for the ORFR. It includes monitoring of the level of the ORFR. Monitoring of the ORFR is conducted by the Administrator on a quarterly basis and reported to the Trustee and at least annually in conjunction with the financial year reporting.

## IMPORTANT INFORMATION

The Trustee has set a limit for the Fund where if the level of the ORFR falls below this limit, the Trustee will need to advise APRA and replenish the ORFR (as determined by the Trustee).

As at 30 June 2014, the amount held in the ORFR was \$10,672.

## INQUIRIES & COMPLAINTS

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

### **Complaints can be made to:**

Complaints Officer

CUBS Superannuation Fund – Greater Rollover and Pension Fund

PO Box 4344

MELBOURNE VIC 3001

Telephone 1300 855 565

Facsimile (03) 9654 2187

Email [gbs@cubssuper.com.au](mailto:gbs@cubssuper.com.au)

If you are unhappy with the response to an enquiry, or have a complaint or dispute, you will generally be asked to place your question or problem in writing to the Trustee. The Trustee will endeavour to reach a satisfactory solution to your problem within 90 days of receiving the complaint and will advise you accordingly.

If a satisfactory solution is not achieved within 90 days, or you do not hear from us in this timeframe, you are able to take your complaint to the Superannuation Complaints Tribunal (SCT) by:

- phoning 1300 884 114 (cost of a local call); or
- writing to Locked Bag 3060, Melbourne Victoria 3001; or
- visiting Level 7, 120 Collins Street, Melbourne VIC 3000.

The Tribunal is an independent body set up by the Commonwealth Government to review trustee decisions relating to members (as opposed to trustee decisions relating to the management of the fund as a whole).

You must follow the procedure set out above. The SCT will only handle certain types of complaints and time limits apply for lodging some complaints. If the SCT accepts your complaint it will try to help you and the Trustee to reach a mutual agreement through conciliation. If this is not successful, the SCT will make a decision that is binding on all parties (subject to a limited right of appeal to the Courts).

## YOUR PRIVACY

As an investor in CUBS Superannuation Fund you will be protected by the Trustee's Privacy Policy, and that of the Administrator. In summary, this means that we only collect information that is necessary for the efficient operation of the Fund and as required or permitted by law. On occasion, and as required under various types of legislation, certain information may be required to be passed on to various regulatory bodies to ensure that you receive all the benefits to which you are entitled. All parties involved in these transfers are also subject to the privacy guidelines.

A copy of the Administrator's Privacy Policy can be viewed on the *Privacy Policy* page at [www.greater.com.au](http://www.greater.com.au) or you may call the Administrator on 1300 855 565 to have a copy mailed to you.

A copy of the Trustee's policy is also available on request by contacting the Trustee.

# WHO'S LOOKING AFTER YOU

## The Trustee

Equity Trustees 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 as at 30 June 2014 comprised:**

Mr JA (Tony) Killen (Chairman)

Mr David F Groves (Deputy Chairman)

Mr Robin B O Burns (Managing Director)

Ms Alice JM Williams

The Hon Jeffrey Kennett AC

Ms Anne M O'Donnell

Mr Kevin J Eley

Mr Michael J O'Brien was appointed 28 July 2014.

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.



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# DIRECTORY

## Trustee

### **Equity Trustees Limited**

ABN 46 004 031 298

AFS Licence No. 240975

RSE Licence No. L0003094

Level 2, 575 Bourke Street  
Melbourne VIC 3000

Telephone: 1300 133 472

Facsimile: (03) 8623 5200

## Administrator

### **Financial Synergy Pty Limited**

ACN 005 484 391

as Trustee for the Financial Synergy

Unit Trust ABN 73 423 494 780

Level 9, 360 Elizabeth Street  
Melbourne VIC 3000

GPO Box 4344  
Melbourne VIC 3001

Telephone: (03) 9654 1399

Facsimile: (03) 9654 2187

Email: [super@financialsynergy.com.au](mailto:super@financialsynergy.com.au)

Website: [www.FinancialSynergy.com.au](http://www.FinancialSynergy.com.au)

## Promoter

### **Top Quartile Management Pty Ltd**

ABN 98 006 771 848

AFS Licence No. 238816

Level 9, 360 Elizabeth Street  
Melbourne VIC 3000

GPO Box 4344  
Melbourne VIC 3001

Telephone: (03) 9654 1399

Facsimile: (03) 9654 2187

## Auditor

### **UHY Haines Norton Chartered Accountants**

ABN 85 140 758 156

Level 11, 1 York Street  
Sydney NSW 2000

### **For Further Information**

**Email**                    [gbs@cupssuper.com.au](mailto:gbs@cupssuper.com.au)

**Website**                [www.greater.com.au](http://www.greater.com.au)

**Telephone**            1300 855 565

**Facsimile**             (03) 9654 2187

**Postal Address**      CUBS Superannuation Fund –  
GPO Box 4344  
Melbourne VIC 3001

