



Annual Report 2020

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
Facsimile: (03) 8623 5200

Disclaimer

This Annual Report is issued by Equity Superannuation Trustees 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 2020 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@cupssuper.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 2020.

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.

Annual Member Meeting

A new legislative requirement for the Trustee is to hold an Annual Member Meeting. The Trustee is planning on holding this meeting prior to 31 March 2021. We will write to members with details of the meeting prior to the event.

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							
2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Rollover Fund							
2.50%	1.96%	1.92%	1.59%	1.10%	1.06%	1.06%	0.41%

The 5 year average compounded net rate over the 5 year period ending 30 June 2020 is 1.04%.

The 10 year average compounded net rate over the 10 year period ending 30 June 2020 is 1.88%.

Annual Effective Rates of Net Earnings to 30 June							
2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Pension Fund							
2.94%	2.31%	2.26%	1.87%	1.29%	1.25%	1.25%	0.48%

The 5 year average compounded net rate over the 5 year period ending 30 June 2020 is 1.23%.

The 10 year average compounded net rate over the 10 year period ending 30 June 2020 is 2.22%

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 1% 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 2% 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 3% 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 4.25% 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 2020 (and as at 30 June 2019), 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 2020 (and year ending 30 June 2019) 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 2020 (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 16).

Statement of financial position as at 30 June 2020

	2020 \$	2019 \$
Cash and cash equivalents		
Cash and cash equivalents	7,929,272	10,025,389
Total cash and cash equivalents	7,929,272	10,025,389
Receivables		
Distribution receivable	784,012	636,068
Due from brokers	1,853,185	117,707
Other receivables	153,268	32,570
Total receivables	2,790,465	786,345
Investments held at fair value	69,743,264	67,456,849
Other assets		
Deferred tax assets	65,955	-
Total other assets	65,955	-
Total assets	80,528,956	78,268,583
Liabilities		
Accounts payable	183,117	117,839
Due to brokers	306,362	570,607
Current tax liability	113,004	38,712
Deferred tax liabilities	-	285,111
Total liabilities (excluding member benefits)	602,483	1,012,269
Net assets available for member benefits	79,926,473	77,256,314
Member benefits		
Defined contribution member liabilities	79,561,713	76,794,505
Total member liabilities	79,561,713	76,794,505
Total net assets	364,760	461,809
Equity		
Operational risk reserve	292,414	313,597
Unallocated to members	72,346	148,212
Total equity	364,760	461,809

Financial and other statutory information

Income statement for the year ended 30 June 2020

	2020	2019
	\$	\$
Superannuation Activities		
Revenue		
Changes in fair value of investments	(1,753,445)	1,232,881
Distributions	1,519,823	1,288,299
Interest	605,726	943,452
Other operating income	111,587	4,942
Total revenue	483,691	3,469,574
Expenses		
Investment expenses	(24,558)	(30,227)
General administration expenses	(562,717)	(504,310)
Total expenses	(587,275)	(534,537)
Operating results	(103,584)	2,935,037
Net benefits allocated to defined contribution member accounts	(193,235)	(3,031,834)
Operating result before income tax	(296,819)	(96,797)
Income tax benefit/(expense)	331,329	(303,138)
Operating result after income tax	34,510	(399,935)

Financial and other statutory information

Statement of changes in member benefits for the year ended 30 June 2020

	2020 \$	2019 \$
Opening balance of Member Benefits	76,794,505	75,284,024
Contributions:		
– Employer contributions	2,362,544	2,196,429
– Member contributions	928,557	1,515,313
Transfers from other superannuation entities	9,102,889	9,290,333
Death and disability benefits credited to member accounts	250,000	-
Income tax on contributions	(470,641)	(464,170)
Net after tax contributions	12,173,349	12,537,905
Benefits to members	(9,516,063)	(13,922,707)
Insurance premiums charged to members' accounts	(104,496)	(106,660)
Reserve transferred to/(from) members	21,183	(29,891)
Net benefits allocated, comprising:		
– Net investment income	223,483	3,058,629
– Net administration fees	(30,248)	(26,795)
Closing balance of Member Benefits	79,561,713	76,794,505

Financial and other statutory information

Statement of changes in equity for the year ended 30 June 2020

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

	Operational risk reserve \$	Unallocated to members \$	Total equity \$
Opening balance as at 1 July 2018	283,706	91,841	375,547
Transfer to reserves	29,891	456,306	486,197
Operating result	-	(399,935)	(399,935)
Closing balance as at 30 June 2019	313,597	148,212	461,809

Note: Further information about the Operational Risk Financial Requirement Reserve is shown further 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 2020:

Investment	2020 \$	Total % of Fund assets
Greater Bank Limited Cash ¹	6,555,837	8.44
Qudos Bank Fixed Interest ²	9,300,993	11.97
Qudos Bank Cash Investment Pool ²	8,451,289	10.88
Defence Bank Fixed Interest ³	8,107,138	10.44
Defence Bank Cash Investment Pool ³	6,720,548	8.65
Vanguard High Growth Index Fund ⁴	30,998,990	39.91

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 2020 and 30 June 2019 are set out in the table below:

Assets	2020 \$	Total % of Fund assets	2019 \$	Total % of Fund assets
Australian equities	11,129,000	14.3	11,286,000	14.6
International equities	16,832,000	21.7	17,246,000	22.2
Fixed interest	22,002,000	28.3	20,264,000	26.2
Cash	24,410,000	31.4	24,345,000	31.4
Term deposits	3,299,000	4.2	4,341,000	5.6

Financial and other statutory information

Operational Risk Financial Requirement (ORFR) Reserve

The purpose of the ORFR Reserve is to protect members' interests should an operational failure occur that may result in losses to the Fund or its members.

The ORFR Reserve is invested solely in cash in accordance with the Trustee's management strategy for the reserve.

The Trustee is obliged to review its ORFR arrangements regularly to ensure ORFR Reserve is set at an appropriate level and to make any changes (including in relation to charging ORFR fees) necessary to ensure regulatory requirements continue to be met.

As at the date of preparation of this report, the Trustee's ORFR Reserve had met its target level (0.25% of total net Fund assets) however the ORFR Reserve level and target is subject to change. If such a change results in the ORFR Reserve falling below the required level at any time, deductions from members' accounts may be required.

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

ORFR Reserve	2020	2019	2018
At 30 June	\$292,414	\$313,597*	\$283,706

*The ORFR Reserve target was met on 30 September 2018. Between 1 October 2018 and 30 June 2019, quarterly ORFR fees were deducted from some members' accounts in error and added to the ORFR Reserve. This meant that the ORFR Reserve as at 30 June 2019 was overstated. The ORFR fees deducted in error were refunded to applicable members' accounts after 30 June 2019.

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.

Other important information

What happens if we can't find you (lost, uncontactable and inactive members)

In accordance with legislative requirements, there are a number of circumstances in which lost, inactive, unclaimed and other super accounts must be reported and paid to the ATO (by prescribed payment dates).

These circumstances include:

- **An account balance under \$6,000 held by an inactive member.** You are 'inactive' if you have not, in the past 16 months, made, or had a contribution made on your behalf, to your super account, or have otherwise not opted out of the transfer or satisfied some other criteria which results in you NOT being treated as inactive.
- **An account balance under \$6,000 held by a lost member.** You are a lost member if you meet the definition of lost member in superannuation legislation. This includes, for example, where you are 'uncontactable', that is, if we can't contact you by mail or email at the address(es) we hold for you AND either you haven't been in contact with us in the last 12 months OR we have not received any contributions from you or on your behalf in the last 12 months.
- **An account held by an inactive member who is 65 years of age or more.** This applies if we have not received any contributions or rollovers from you or on your behalf in the last two years AND it has been five years or more since you last contacted us AND we are unable to make contact with you.

In respect of an account balance under \$6,000 held by an inactive member, the ATO has 28 days after it is satisfied it can reunite you with your money via an active superannuation account (meaning an account that has received a contribution or rollover from or on your behalf during the current or previous financial year), so long as the active account will hold a balance of greater than \$6,000 following the reunification.

Benefits for the following people may also be transferred to the ATO:

- Inactive or uncontactable members who cannot be properly identified;
- Former temporary resident members who have departed Australia without claiming their superannuation benefits within 6 months of departure and the ATO has issued a notice to the Fund requesting payment;

- Deceased members whose benefits cannot be paid following death; and
- A spouse who is entitled to a benefit split under the *Family Law Act 1975* and cannot be paid.

If your account balance is transferred to the ATO, you will cease to be a member of the Fund and any insurance cover you hold through your super account will cease.

Monies transferred to the ATO can be claimed directly from the ATO (subject to preservation rules and the applicable tax rates). To search for super held for you by the ATO or any other super you may have or to learn more, go to www.ato.gov.au/super or call 13 10 20.

We are required to comply with the relevant Government legislation as applicable from time to time taking into account ATO guidance. If there is any inconsistency between the above summary and the legislation, the legislation prevails.

Important information for Temporary Residents

The Trustee is required to transfer the superannuation benefits of a former temporary resident to the ATO (under Division 3 of Part 3A of the *Superannuation (Unclaimed Money and Lost Members) Act 1999* (**Act**), 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 not obliged to give a notice/ statement to members to former temporary residents relying on an exemption granted by the Australian Securities and Investments Commission (**ASIC**) from certain reporting obligations in the law, which normally apply when fund membership ceases. This exemption 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. Former temporary residents have a right to apply to the ATO to claim their superannuation under Division 4 of Part 3A of Act.

For further information please visit www.ato.gov.au or call 13 10 20.

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.

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 try to reach a satisfactory solution to your problem within 90 days of you raising the complaint and will advise you accordingly.

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 take your complaint to the Australian Financial Complaints Authority (AFCA). 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 2020 comprised:

- Mr Tony Lally (Chairman)
- Mr Ellis Varejes
- Mr Mark Blair
- Mr Michael O'Brien
- Ms Sue Everingham
- Mr Paul Rogan
- Ms Catherine Robson (retired 5 May 2020)

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.egt.com.au/superannuation/etsl-registrable-superannuation-entity-disclosures>.

Directory

Trustee

Equity Trustees Superannuation Limited

ABN 50 055 641 757
AFS Licence No. 229757
RSE Licence No. L0001458

Level 1, 575 Bourke Street
Melbourne VIC 3000

GPO Box 2307
Melbourne VIC 3001

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

Administrator & Promoter

Mainstream Superannuation Services Pty Ltd

ABN 83 082 989 142
AFS Licence No. 239636

Level 1, 51–57 Pitt Street
Sydney NSW 2000

PO Box 541
Chatswood NSW 2057

Telephone: (02) 9247 3326
Email: sydney@mainstreamgroup.com
Website: www.mainstreamgroup.com

Insurer

TAL Life Limited

ABN 70 050 109 450
AFS Licence No. 237848

Sub Promoter

Greater Bank Limited

ABN 88 087 651 956
AFSL 237476

GPO Box 4344
Melbourne Vic 3001

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

Auditor

Deloitte Touche Tohmatsu

ABN 74 490 121 060

477 Collins Street
Melbourne VIC 3000



For further information

Email: gbs@cupssuper.com.au
Website: www.greater.com.au
Telephone: 1300 855 565
Postal address: Greater Rollover and Pension Fund
PO Box 541 Sydney NSW 2057