



FactSheet

Volatility in markets — what is happening and why

Important information

This information is about Cbus. It doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Cbus Product Disclosure Statement and related documents to decide whether Cbus is right for you. Call **1300 361 784** or visit **cbussuper.com.au** for a copy.

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COVID-19 and the impact on your super

The COVID-19 outbreak has significant impacts for our members and indeed for all Australians.

These impacts are broad and include market impacts that are affecting member account balances. These are not easy times.

The government and business response to the COVID-19 is moving rapidly in Australia and around the world. Many countries are imposing restrictions on gatherings, and a lot of businesses are changing the way they work to slow down the rate of infection.

We are seeing turbulence in investment markets as investors seek to understand the impacts of these measures on businesses and the economy.

We can't say for certain how long investment markets will continue to react this way.

Although past performance is not a reliable predictor of future performance, what we do know from history is that these periods tend to be temporary.

Markets do recover over time, and they sometimes recover rapidly, as happened following the global financial crisis.

A few facts worth highlighting

- Long-term investment performance continues to be strong and well above cash and the average balanced fund return.
- The RBA cash rate is currently at historical lows.
- Cbus continues to perform in the top 20 balanced superannuation funds*.

Returns^ at 29 February 2020	1 Year %	5 Years pa %	10 Years pa %
Growth (Cbus MySuper)	8.58	7.81	8.87
Cash Savings	1.13	1.55	2.34

^ Returns for the Growth (Cbus MySuper) option and Cash Savings option are based on the crediting rate, which is the return minus investment fees, the taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from Member's accounts. Past performance is not a reliable indicator of future performance.

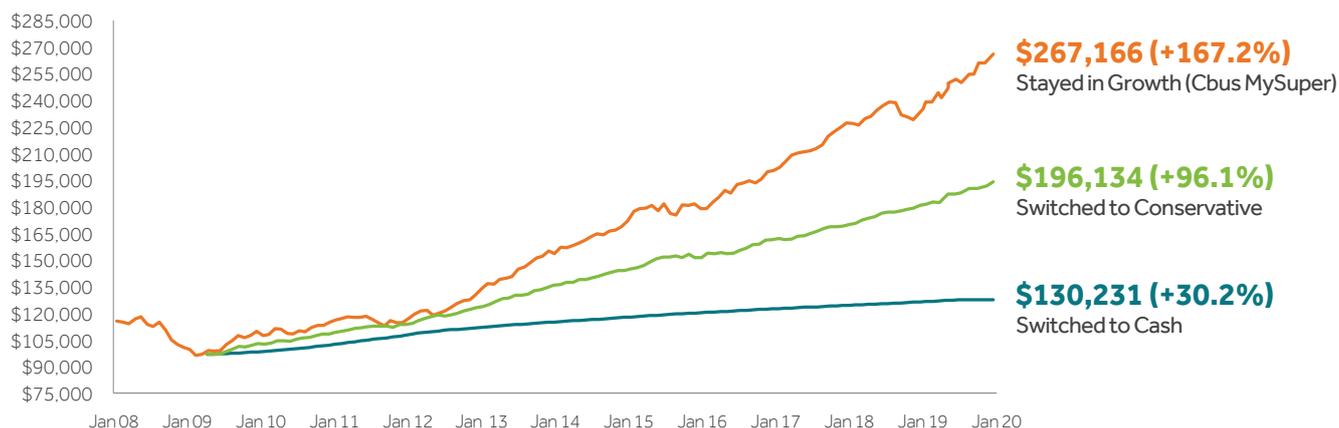
* As at January 2020 from the SuperRatings Fund Crediting Rate Survey SR50 Balanced (60-76) Index for January 2020, reported on 20 February 2020. Data for February 2020 unavailable at time of going to print. SuperRatings is a rating agency that collects information from superannuation funds to enable performance comparisons. The SR50 Balanced Index includes investment options that are broadly similar to the Growth (Cbus MySuper) option, as these funds are all diversified with an allocation to growth assets of between 60% and 76%. Go to superratings.com.au for details of its rating criteria

The impact of switching on super balances

When changing your investment option, it's important to consider the investment time frame and what could be the future impact of changing investment options based on short term share market movements.

This chart shows the difference in value from someone switching to other investment options during the Global Financial Crisis ten years ago and not switching back. This is compared to staying invested in the Growth (Cbus MySuper) option the whole time.

First invested in the Growth (Cbus MySuper) option – switched with \$100,000 balance during the Global Financial Crisis.



These figures are for illustration purposes only and do not take into account tax, fees, insurance or contributions. Calculations are based on historical monthly returns* from 31 January 2008 to 31 January 2020, switching on 31 March 2009 with a super account balance of \$100,000. Past performance is not a reliable indicator of future performance.

Diversification – don't put all your eggs in one basket

Cbus' investment strategy aims to reduce the impact that any one asset class such as shares has on member's super returns.

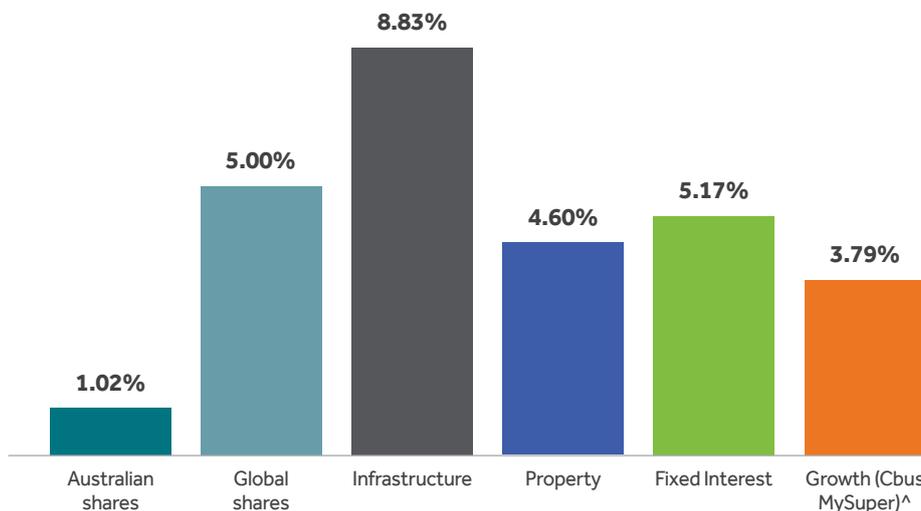
The Growth (Cbus MySuper) option invests across a range of asset classes including shares, property, infrastructure, fixed interest and cash.

Returns for asset classes like Australian and global shares can go up and down on a daily basis. While markets can have large falls, they may recover quite strongly.

The performance of assets such as infrastructure and property is not impacted by short term movements in share markets. This is why they're such an important part of Cbus' investment strategy.

Diversification in action

These are the asset class returns which contribute to the overall return



Financial year to date at 29 February 2020

Data from 1 July 2019 to 29 February 2020 sourced from JP Morgan.

^The Growth (Cbus MySuper) option return is based on the crediting rate, which is the return minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance. The most recent performance figures are available at cbussuper.com.au

Are you close to or in retirement?

We understand that it can be hard to see the value of your super savings go down if you're getting close to retirement or have already stopped working.

Even if you've stopped working, your savings could still be invested for another 20+ years. This means that many members will have time to ride out short term ups and downs and see their account balances go back up when the markets recover.

Before taking action, here's a few things you should consider first:

- **Thinking about withdrawing your money from super and putting it in the bank?**

Interest rates in Australia are at historical lows, and savings in bank like term deposits are unlikely to grow enough to keep up with the rising costs of living (inflation). So, while this may feel like a safer option in the short term, it could leave you with a lot less money to live off through your retirement.

- **Thinking about changing investments?**

When you change your investments after a major fall, you're selling them when they're at a low price and locking in that loss. While we encourage members to always consider their longer term financial goals, we understand that some members may feel they need more stability. Cbus has options available with less investment in shares, that aim to deliver a return above inflation over 10 year periods.

Returns [^] at 29 February 2020	1 Year %	5 Years pa %	10 Years pa %
Fully Retired Conservative Growth option	9.18	7.58	n/a
Fully Retired Conservative option	8.11	5.92	6.99
Fully Retired Cash option	1.43	1.94	2.84

- **Thinking about changing your income payments?**

Not everyone is in a position to change their income payments. However, you could consider temporarily reducing your payments so that you give your savings more time to recover some of the losses that we've experienced recently.

If you're in or approaching retirement, it's more important than ever to seek advice from an expert (like Cbus Advice Services) before you take action.

What you need to know?

Super is a long term investment

Super can go up and down a lot in the short term, but it's the returns you receive over many years that make a real difference to your future.

We've delivered strong returns for 35 years

Most Cbus members have their super invested in the Growth (Cbus MySuper) option. This option has returned an average of 9.23% a year for the last 35 years, which includes recovery from the Global Financial Crisis.

You can talk to us if you need help

If you're worried about your investment choices or what's happening in the markets, contact Cbus Advice Services on **1300 361 784**.

If members still have questions



More information is available through Cbus at cbussuper.com.au or calling **1300 361 784**.

[^] returns as at February 2020. Cbus' crediting rate is based on returns minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts.