



2014 Annual Report

CUBS Superannuation Fund –

QSCU Super

QSCU Pensions

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 QSCU Super or QSCU Pensions 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 721 720

Facsimile: (03) 9654 2187

Email: super@financialsynergy.com.au

Website: www.financialsynergy.com.au

The Credit Union: Qantas Staff Credit Union Limited

420 Forest Road

Hurstville NSW 2220

Telephone: 1300 747 747

Facsimile: (02) 4889 2090

Email: QSCUsuper@qantascu.com.au

Website: www.qantascu.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. QSCU Super and QSCU Pensions are products offered from the Fund since 16 October 2013 (they are not separate superannuation funds) and are referred to as '**QSCU products**' in this report.

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. You should refer to the relevant Product Disclosure Statement (**PDS**) and any factsheets (where applicable) and assess your own financial situation before making any financial decisions. You may wish to consult an appropriately qualified financial adviser before making any financial decisions in relation to this product. You can obtain the PDS and factsheets relevant to your membership by calling 1300 721 720 or downloading it from www.qantascu.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 QSCU accumulation and pension products, 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 19).

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. 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.

INVESTMENT OPTIONS

There are five investment options available to members of the QSCU products to choose from when making your investment decisions. The Trustee may close, vary or add to the investment options available to members from time to time. The investment options available to members of the QSCU products reflect the Fund's investment policy for this segment of the Fund and are part of an overarching approach to investments that takes into account various factors including relevant law, the Trust Deed and the nature of the Fund membership.

You should also consider the current PDS and factsheets applicable to the QSCU product you participate in when making any investment decisions.

INVESTMENT OPTIONS

- Cash Plus Option*
- Conservative Option
- Balanced Option
- Growth Option
- Term Deposit Option

*Note: This option is called 'Cash Plus' because it invests in Fixed Interest assets as well as Cash.

This Report provides information about each of the options, as relevant to members of the CUBS Superannuation Fund for the 2013/2014 financial year. Further information about the options can be downloaded from www.qantascu.com.au.

Refer to your Annual Member Statement to check which investment options you are invested in or have chosen. Your member statement shows your investment options as at 30 June 2014. Visit the website at www.qantascu.com.au for more up to date information.

INVESTMENT OPTIONS

	CASH PLUS OPTION		CONSERVATIVE OPTION	
Risk Level	Estimated number of negative annual returns over any 20 year period is less than 0.5.		Estimated number of negative annual returns over any 20 year period is one to less than 2.	
Investment Return Objectives	To provide capital security and an income return before tax in line with a 50/50 combination of the RBA cash rate and six-month bank bill rates.		To track the weighted average return of the various indices of the asset classes in which the option invests, in proportion to the strategic asset allocation as set out below before fees and expenses.	
Strategic Asset Allocation	Fixed Interest	50%	Australian Equities	14%
	Cash	50%	International Equities	10%
			Property	3%
			Fixed Interest	27%
			Cash	46%
Recommended Minimum Investment Timeframe	Short term (no minimum)		Short to Medium term investors (usually three to five years)	
Actual Asset Allocation as at 30 June*		2014		2014
	Fixed Interest [^]	52.52%	Australian Equities	11.57%
	Cash [^]	47.48%	International Equities	11.57%
			Property	2.89%
			Fixed Interest [^]	28.52%
			Cash [^]	45.43%

* Asset allocation may vary from time to time due to market fluctuations and amounts held in cash pending investment.

[^]The QSCU Cash and QSCU Fixed Interest investments utilised in these options are cash and fixed interest deposits or products issued by Qantas Credit Union Ltd.

INVESTMENT OPTIONS

	BALANCED OPTION	GROWTH OPTION																								
Risk Level	Estimated number of negative annual returns over any 20 year period is two to less than 3.	Estimated number of negative annual returns over any 20 year period is three to less than 4.																								
Investment Return Objectives	To track the weighted average return of the various indices of the asset classes in which the option invests, in proportion to the strategic asset allocation as set out below before fees and expenses.	To track the weighted average return of the various indices of the asset classes in which the option invests, in proportion to the strategic asset allocation as set out below before fees and expenses.																								
Strategic Asset Allocation	<table border="0"> <tr><td>Australian Equities</td><td>22%</td></tr> <tr><td>International Equities</td><td>18%</td></tr> <tr><td>Property</td><td>5%</td></tr> <tr><td>Fixed Interest</td><td>25%</td></tr> <tr><td>Cash</td><td>30%</td></tr> </table>	Australian Equities	22%	International Equities	18%	Property	5%	Fixed Interest	25%	Cash	30%	<table border="0"> <tr><td>Australian Equities</td><td>31%</td></tr> <tr><td>International Equities</td><td>25%</td></tr> <tr><td>Property</td><td>7%</td></tr> <tr><td>Fixed Interest</td><td>27%</td></tr> <tr><td>Cash</td><td>10%</td></tr> </table>	Australian Equities	31%	International Equities	25%	Property	7%	Fixed Interest	27%	Cash	10%				
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Recommended Minimum Investment Timeframe	Medium to Long term investors (usually five years plus)	Long term investors (usually seven years plus)																								
Actual Asset Allocation as at 30 June*	<table border="1"> <thead> <tr> <th></th> <th>2014</th> </tr> </thead> <tbody> <tr><td>Australian Equities</td><td>21.74%</td></tr> <tr><td>International Equities</td><td>17.79%</td></tr> <tr><td>Property</td><td>4.94%</td></tr> <tr><td>Fixed Interest[^]</td><td>28.89%</td></tr> <tr><td>Cash[^]</td><td>26.64%</td></tr> </tbody> </table>		2014	Australian Equities	21.74%	International Equities	17.79%	Property	4.94%	Fixed Interest [^]	28.89%	Cash [^]	26.64%	<table border="1"> <thead> <tr> <th></th> <th>2014</th> </tr> </thead> <tbody> <tr><td>Australian Equities</td><td>28.31%</td></tr> <tr><td>International Equities</td><td>28.94%</td></tr> <tr><td>Property</td><td>7.08%</td></tr> <tr><td>Fixed Interest[^]</td><td>28.65%</td></tr> <tr><td>Cash[^]</td><td>7.66%</td></tr> </tbody> </table>		2014	Australian Equities	28.31%	International Equities	28.94%	Property	7.08%	Fixed Interest [^]	28.65%	Cash [^]	7.66%
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INVESTMENT OPTIONS

	TERM DEPOSIT OPTION[^]
Risk Level	Estimated number of negative annual returns over any 20 year period is less than 0.5.
Investment Return Objectives	To provide capital security and an income return before tax in line with Retail Term Banks' Deposit Rates as published by the RBA.
Strategic Asset Allocation	Available Terms 1 year 2 years 3 years
Recommended Minimum Investment Timeframe	Recommended Minimum Investment Timeframe (1 to 3 years, depending on the term of the deposit).

[^]This option allows you to choose from a range of Term Deposits which are products issued by Qantas Credit Union Ltd.

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 including the QSCU products). A copy of the audited financial statements and auditor's report is available on request from the Administrator.

	2014	2013
Net Assets Available to Pay Benefits At End of Previous Year	20,755,044	22,750,425
Revenue		
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
Total Revenue	19,342,354	1,622,053
Expenses		
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)
Total Expenses	(8,664,496)	(3,617,872)
Movement in Fund reserves	10,672	438
Net Assets Available To Pay Benefits At End of Year	31,443,574	20,755,044
Represented by		
Assets		
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

FINANCIAL AND OTHER STATUTORY INFORMATION

Total Assets	31,502,089	20,818,283
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
Total Liabilities	58,515	63,239
Net Assets Available to Pay Benefits	31,443,574	20,755,044

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 including QSCU products) 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 allocation of earnings to member accounts depends on the segment of the Fund that you participate in.

For members of QSCU products, net earnings (after the deduction of relevant fees, costs and taxes) for an Investment Option (other than the Term Deposit Option) are allocated to a

FINANCIAL AND OTHER STATUTORY INFORMATION

member's account through changes in the unit prices (Sell Prices) applicable to the Investment Option(s) in which a member is invested during the year. Unit prices are usually determined daily based on market valuations of the assets of each option. Changes in the unit prices from time to time determine the value of a member's investment in an Investment Option (other than the Term Deposit Option).

The Trustee's policy is to allow all investment returns (after taking into account relevant fees, costs and taxes) to flow through to members via increases (or decreases) in unit prices, where applicable.

The investment performance of a Term Deposit (available under the Term Deposit Option) is based on applicable rate of interest declared by the relevant financial institution and is allocated to a member's account.

For more information about unit prices or the allocation of earnings relating to Term Deposits, refer to the current factsheets applicable to your account.

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

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.

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, or refer to the relevant PDS.

IMPORTANT INFORMATION

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.

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 – QSCU Super and Pensions
PO Box 4344
MELBOURNE VIC 3001

Telephone 1300 721 720
Facsimile (03) 9654 2187
Email qscu@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.qantascu.com.au or you may call the Administrator on 1300 721 720 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
Website: www.FinancialSynergy.com.au

Insurer

TAL Life Limited

ABN 70 050 109 450

Level 8, 1 O'Connell Street
Sydney NSW 2000
GPO Box 5380
Sydney NSW 2001

Credit Union

Qantas Staff Credit Union Limited

ABN 53 087 650 557
AFS Licence No. 238305

420 Forest Road
Hurstville NSW 2220

Telephone: (03) 8624 5888
Facsimile: (02) 4889 2090
Email: enquiries@qantascu.com.au
Website: www.qantascu.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

Custodian

National Australia Bank

ABN 12 004 044 937

Level 2, 330 Collins Street
Melbourne VIC 3000

Auditor

UHY Haines Norton Chartered Accountants

ABN 85 140 758 156

Level 11, 1 York Street
Sydney NSW 2000

For Further Information

Email qscu@cupssuper.com.au

Website www.qantascu.com.au

Telephone 1300 721 720

Facsimile (03) 9654 2187

Postal Address CUBS Superannuation Fund – QSCU Super and Pensions
GPO Box 4344
Melbourne VIC 3001