

FY22 Annual Report

Leading the way





About this report

The 2022 Annual Report is a summary of AustralianSuper operations, activities and financial position for the 12-month period to 30 June 2022. It has been prepared and issued by AustralianSuper Pty Ltd ABN 94 006 457 987, AFSL 233788, the Trustee of AustralianSuper ABN 65 714 394 898 (together, 'AustralianSuper', 'the Fund', 'we', 'us', or 'our'). In this report, unless otherwise stated, references to the financial year ('FY22') refer to the period 1 July 2021 to 30 June 2022.

This annual report was issued in September 2022 and may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision consider if the information is right for you and read the relevant Product Disclosure Statement, available at australiansuper.com/pds or by calling **1300 300 273**. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd

This report references the Global Reporting Initiative standards, so that we can assess the potential impacts of a wide range of sustainability issues. It also provides greater transparency with respect to communicating our economic, environmental, social and governance performance. Further information can be found in our sustainability supplement.

In determining the content of this report, the internationally accepted, principles-based AccountAbility 5-part test was applied to perform materiality testing. This is a leading methodology used for sustainability-related reporting and assurance engagements and included a review of: AustralianSuper's risk register and framework, organisational policies and protocols, stated commitments and declarations regarding sustainability, a peer review, a media review and consideration of stakeholder views.

Internal and external stakeholder interviews were undertaken to determine what was considered material. This helped to prioritise the content of this report and to ensure that AustralianSuper proactively manages the expectations of key stakeholders.

Member statements

The member case studies linked to the online version of this report are of actual members. The statements made by AustralianSuper members are based on their particular circumstances and have been reproduced with the members' continuing consent.

Access

This report is available online through the AustralianSuper website. All care is taken to ensure this information is correct at the date of publication. Any errors or misprints will be corrected by the Trustee in later reports.



Acknowledgement of Country

AustralianSuper acknowledges the Traditional Custodians of the lands on which we work, and their ongoing connections to land, sea and Country. We pay respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples. Our head office is on the land of the Wurundjeri people of the Kulin Nation.

Traditional Custodians of the lands on which our offices are placed

Melbourne – the Wurundjeri people of the Kulin nation

Sydney – the Gadigal people of the Eora nation

Perth – the Whadjuk Nyoongar people

Adelaide – the Kaurna people

Brisbane – the Turrbal people from the north side of the river
and the Yuggera/Jagera people from the south side of the river

Hobart – the Muwinina people

Canberra – the Ngunnawal people

Darwin – the Larrakia people

Newcastle – the Awabakal and Worimi people

The Wurundjeri people take their name from the Woiwurrung language word ‘wurun’, meaning manna gum (*Eucalyptus viminalis*), which is common along ‘Birrarrung’ (Yarra River), and ‘djeri’, the grub which is found in or near the tree. Wurundjeri are the ‘Witchetty Grub People’ and their ancestors have lived on the land for millennia.¹

¹ Source: wurundjeri.com.au/our-story/ancestors-past



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Overview of AustralianSuper

We're focused on delivering strong long-term investment performance and low fees to help members like Tierra achieve their best financial position in retirement.

In this section

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Message from the Chair

Dr Don Russell

‘I’m proud of AustralianSuper’s industry leadership in delivering strong long-term investment performance and service to members.’

After another year characterised by global uncertainty, economic challenges and the ongoing impacts of the pandemic, I’m proud of AustralianSuper’s industry leadership in very challenging times. We’ve been able to continue delivering strong long-term investment performance¹ and service.

AustralianSuper members can be assured that the Fund is well placed to continue doing what we do best – delivering for members.

Leading the way

AustralianSuper has a long history of industry leadership and this has held us in good stead as we’ve been called on to navigate changes in the Australian market and the global economy. Indeed, we’ve found that periods of market volatility can create new investment opportunities, and that’s exactly what we’re focused on.

AustralianSuper was the first Australian superannuation fund to bring significant investment capability in-house and the first

to establish offices in global markets. We were the first superannuation fund to voluntarily publish extensive detail about our investment holdings and we use our strong voice to advocate for reforms to Australia’s superannuation system, so it can be the world’s best system for members.

Pleasingly, a record number of members joined the Fund in FY22, and our market share grew to 14.1% for accumulation and 5.0% for superannuation funded pensions.² We also welcomed new members from Club Plus Super and LUCRF Super. Our growth allows us to continue to achieve the ongoing benefits of scale.

During the year, the Fund expanded its on-the-ground presence in London and opened its New York office, enabling us to better diversify our investments across the world’s most important capital markets.

Monitoring and embedding the Fund’s members first culture is a top priority for the Board, particularly with the increase in hybrid working,

and as we welcome new colleagues in Australia and globally. This year, the Fund commenced a number of programs to enhance our understanding of members and our risk culture as part of the Board’s commitment to continuously enhancing accountability, transparency and best-practice risk management.

Long-term view

This year’s investment returns reflected challenging global conditions, with the Balanced investment option return of -2.73% being the first negative return since the global financial crisis and one year after the record high return of 20.43% in FY21.³

Superannuation is a long-term investment and there will be inevitable downturns along the way. We’ve found that times of market turbulence, when the behaviour of some investors is driven more by emotion than clear thinking, is a time when a patient and astute investor, like AustralianSuper, can build

real value. In these circumstances, I encourage members to take comfort in AustralianSuper’s long history of delivering strong performance, with the Fund’s Balanced option delivering members a 9.32% average annual return over the last ten years.⁴

¹ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index to 30 June 2022. Investment returns aren’t guaranteed. Past performance is not a reliable indicator of future returns.

² Based on AustralianSuper accounts data and Deloitte market projections to 30 June 2022.

^{3, 4} Investment returns aren’t guaranteed. Past performance is not a reliable indicator of future returns.





Message from the Chair, Dr Don Russell (continued)

Looking ahead

In the coming years, we're anticipating a shift from expansion to slowdown in the economy. The Fund has responded by moving to a more defensive investment strategy, while continuing to look for ways we can source and execute investments in unlisted assets across our offices in Australia, and globally. Sydney Airport, WestConnex and ATN, as well as Axicom and Canada Water in the UK, are recent examples of how the Fund has leveraged its size, scale and skill to provide members with the benefits of ownership in unique large-scale assets designed to provide long-term returns.

A new administration fee pricing structure will take effect from September 2022, which is designed to be more equitable, sustainable and competitive. This will deliver administration fee decreases to around 1.7 million members, and no fee change to a further 530,000 members,⁵ which is important for AustralianSuper as a profit-for-member organisation and for members at a time of rising inflation. As we achieve further scale, the Fund will continue to actively seek ways to extract benefits for members.

Looking ahead, we know more needs to be done to ensure all Australians live well in retirement. Women head into retirement with, on average, 20% less super than men,⁶ and there is more to be done to ensure fair superannuation treatment for First Nations Australians and those in vulnerable or non-traditional forms of work. Our advocacy efforts to ensure genuine universality and equity in the superannuation system will continue.

Our commitment to you

AustralianSuper remains committed to being Australia's leading superannuation fund by harnessing our size and scale to deliver top investment performance and low fees for members, and to advocate for a better system so members can achieve their best financial position in retirement.

Now, more than ever, it's important that the Fund has solid foundations, a clear path to achieve our strategy and a strong plan for ongoing and sustainable growth and performance. I believe the Fund has an exciting future ahead.

Longstanding Directors

This year the Fund recognised the service of a number of Directors who have demonstrated commitment to the Fund and to members over many years. On behalf of the Board and former Chairs, I want to thank those Directors for their service and dedication to members.

- Nixon Apple
- Geoff Ashton
- Lucio di Bartolomeo
- Peter Burn
- Brian Daley
- Bert Evans
- Bernie Fraser
- John Ingram
- Lydia Jerkovic
- Bill Kelty
- Mike Nicolaidis
- Dave Oliver
- Heather Ridout
- Elana Rubin
- Walter Ulenbruch
- Barry Watchorn
- Grahame Willis

Thank you

Everything AustralianSuper has achieved this year is the result of the unwavering commitment to our purpose by an outstanding team of people. Our members first culture is deeply ingrained and continues to be the inspiration for the 1,300 AustralianSuper colleagues globally, working to steer the Fund through times of change and uncertainty on behalf of members.

Paul Schroder was appointed Chief Executive of the Fund during FY22 and he has demonstrated exceptional leadership through a challenging period. On behalf of the Board, I would like to thank Paul and the Executive Committee for their leadership of the Fund.

Thank you also to my Board colleagues for their invaluable

contributions and considered insights as we navigated challenges and change throughout the year. During the year I was pleased to welcome Michele O'Neil as a Director and Deputy Chair, succeeding Innes Willox, as well as Philippa Kelly as an Independent Director and Investment Committee Chair.

On behalf of the Fund, I want to express my heartfelt thanks to Jim Craig, our former Investment Committee Chair, who retired from his role in November 2021.

Finally, I want to express my sincerest gratitude to members, both new and long-standing, for the trust you place in us. It's a privilege to support so many Australians to achieve their best financial position in retirement.

'Everything AustralianSuper has achieved this year is the result of the unwavering commitment to our purpose by an outstanding team of people. Our members first culture is deeply ingrained and continues to be the inspiration for the 1,300 AustralianSuper colleagues globally, working to steer the Fund through times of change and uncertainty on behalf of members.'

⁵ Based on member balances as at 30 April 2022 and a comparison of the new administration fee from September 2022 and the previous administration fee.

⁶ As at June, 2020 Source: ASFA Superannuation Statistics August 2022, superannuation.asn.au/resources/superannuation-statistics

Message from the Chief Executive

Paul Schroder

‘AustralianSuper is committed to using its size, scale, capability and global reach to provide great service and advice to members and access the best investment opportunities globally.’

It’s been a privilege to lead the Fund during what has been another challenging year for many members, employers, partners and colleagues. Amid the ongoing impacts of the pandemic, extreme weather events, geopolitical tensions and increases in the cost of living, Australians are living in a time of change and uncertainty. As Australia’s leading superannuation fund for members, we’re committed to leading the way through these challenging times to help members achieve their best financial position in retirement.

Superannuation is designed to withstand short-term movements in markets and economies. Through these ups and downs, AustralianSuper is committed to using its size, scale, capability and global reach to provide great

service and advice to members and access the best investment opportunities globally.

Investment performance

For the first time since the global financial crisis, the Balanced investment option had a financial year end return of -2.73%. This result was driven by falls in investment markets globally towards the end of the financial year, following a period of global supply chain blockages, the war in Ukraine, higher inflation globally and rising interest rates here in Australia. These factors led to high-growth sectors falling in value after performing strongly for several years and impacted the industry as a whole.

I know that many members find this period of volatility unsettling, so I want to reassure you that your

retirement savings are in good hands. AustralianSuper has proven experience actively managing the portfolio for members through market cycles. Over time, AustralianSuper’s Balanced option has delivered strong long-term performance, ranking in the top two funds over 7, 10 and 20 years.¹

Investment Committee Chair, Philippa Kelly and Chief Investment Officer, Mark Delaney, provide further detail on our investment strategy and outlook later in this report.

Delivering for members in uncertain times

AustralianSuper is the fund for all Australians. This means that our members come from all around Australia, have different occupations and diverse wants and needs.

We understand that each member’s financial journey is unique, so we’re continuously striving to ensure our products and services meet member needs now and in the future.

In uncertain and challenging times, getting the right help and advice can make a big difference for members and their families. Throughout the year, we saw members increase their demand for information and services across all channels. Member demand for investment choice advice jumped by over 40% since March, and by the end of the financial year, over 90% of the advice provided to members was investment related. We also saw an 11% increase in the number of members receiving a personalised Statement of Advice.

‘AustralianSuper has proven experience actively managing the portfolio through market cycles. Over time, AustralianSuper’s Balanced option has delivered strong long-term performance, ranking in the top two funds over 7, 10 and 20 years.’²

1, 2 AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 30 June 2022. Investment returns aren’t guaranteed. Past performance is not a reliable indicator of future returns. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006.





Message from the Chief Executive, Paul Schroder (continued)

Supporting the Australian economy

While AustralianSuper invests in more than 50 global share markets, the Fund is proud to be a significant investor in the Australian economy. We have around \$130 billion invested in Australian companies and assets on behalf of members. Each investment directly benefits members through the returns they generate, and indirectly through their contribution to the Australian economy and community, whether through job creation, essential infrastructure or economic growth.

Supporting AustralianSuper colleagues

AustralianSuper can only deliver on its commitment to members by ensuring the physical and psychological wellbeing of colleagues around the world. This has been a particular priority since the onset of the pandemic and in the transition to new ways of living and working that will be familiar to many members.

During the year, the Fund launched a new blended working policy, which was developed following extensive consultation with colleagues. Anchored in the principles of flexibility and accountability, the Fund is working to ensure we remain an employer of choice so we continue to attract and retain colleagues who share our commitment to deliver outstanding outcomes for members. AustralianSuper has always supported flexible working and it has been a privilege to witness the generosity of spirit from colleagues over the past couple of years.

AustralianSuper expects to have around 100 colleagues in London and New York by the end of 2024. This investment in people, capability and relationships goes to the heart of our commitment to deliver long-term market-leading investment performance for members.

Strong foundations for growth

This year marks the first year of the Fund's 2030 Strategy which is centred around our purpose of helping members achieve their best financial position in retirement. To continue delivering on our purpose and vision for members, growing sustainably and maintaining our competitive advantages is critical, and I'm pleased to share that we've made significant progress towards each of the five pillars of the 2030 Strategy in FY22, including:

- expanding our global footprint with the opening of our New York office and increasing our on-the-ground presence in London and Beijing to support continued delivery of market-leading long-term performance for members³
- welcoming more than 635,000 new members to the Fund, a record number; with the total number of AustralianSuper members now 2.87 million, we're the nation's largest superannuation fund and the 20th largest retirement fund globally⁴
- more than 186,000 of these new members came from successful mergers with Club Plus Super and LUCRF Super during FY22

- being ranked in the top ten for reputation among Australia's largest and most well-known companies⁵
- refreshing our brand, which continues to be the most trusted superannuation brand in Australia⁶
- achieving an Employee Engagement score of 85%, above the global average of 80%.⁷

Focusing on fees and costs

We know that net benefit matters to members – that is, the balance in your account once investment performance, contributions and fees are all accounted for.

In FY22, we lowered insurance fees for around 1.1 million members and announced a new administration fee structure to commence in September 2022. At this time, around 2.3 million members will pay the same or lower administration fees.⁸

The Fund is always looking for ways to better harness our size and scale so we can deliver more for members at lower cost. Over the past eight years, the internalisation of investments has delivered cost savings of almost \$1 billion.

Net Zero 2050

In November 2020, AustralianSuper committed to achieving net zero carbon emissions in our portfolio by 2050. We have long recognised the risk that climate change places on the Fund's long-term investment performance and remain focused on taking appropriate action to manage climate-related risk. For an update on our net zero progress, read the Responsible investment section of this report.

Thank you

Since commencing as Chief Executive in October 2021, I've been supported by AustralianSuper colleagues and an Executive who are all committed to ensuring AustralianSuper is Australia's leading superannuation fund for members. I want to thank colleagues for their ongoing commitment and drive to improve the retirement outcomes of AustralianSuper members and all Australians.

I thank Don Russell and Innes Willox as Chair and Deputy Chair of the AustralianSuper Board, and all Board Directors for their stewardship of the Fund during these challenging times.

Finally, and most importantly, I want to thank all AustralianSuper members. Thank you for choosing AustralianSuper. I and the entire team remain committed to ensuring we always remain members first and to helping you achieve your best financial position in retirement.

³ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 30 June 2022. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

⁴ Willis Towers Watson, Thinking Ahead Institute and Pensions & Investment joint study, *Global top 300 pension funds*, September 2022. AustralianSuper ranked 20th out of 300 global funds.

⁵ RepTrak®, April–June 2022 report prepared for AustralianSuper.

⁶ Reader's Digest Most Trusted Brands – Superannuation winner 2013–2022. Awards and ratings are only one factor to be taken into account when choosing a super fund.

⁷ AustralianSuper 2022 Employee Survey.

⁸ Based on member balances as at 30 April 2022 and a comparison of the new administration fee from September 2022 and the previous administration fee.



Key highlights

as at 30 June 2022

9.32%

Balanced investment option average annual return over the last ten years

Over 635,000

members joined in FY22 – including 186,000 from Club Plus Super and LUCRF Super mergers

Number 2

Our Balanced option ranked #2 over 7, 10 & 20 years¹

+39

Net Promoter Score²

¹ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 30 June 2022. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006.

² Strategic Member NPS Program.

³ Source: Australian Bureau of Statistics (Labour force) and AustralianSuper (super guarantee contributing members), June 2022.

2.87 million members

including 1 in 8 working Australians³

\$258 billion in member assets

actively invested for the long term

Over 412,000 businesses

partner with AustralianSuper

\$130 billion

invested in Australia

53%

of members' assets managed internally

⁴ Workplace Gender Equality Agency Employer of Choice for Gender Equality citation holders, wgea.gov.au/what-we-do/employer-of-choice-for-gender-equality/current-eocge-citation-holders

⁵ Reader's Digest Most Trusted Brands – Superannuation winner 2013–2022. Awards and ratings are only one factor to be taken into account when choosing a super fund.

WGEA employer of choice

Workplace Gender Equality Agency Employer of Choice for Gender Equality eleven years in a row⁴

Most trusted brand

Voted Australia's most trusted superannuation brand ten years in a row⁵

Reputation in top 10

among the top 60 Australian brands⁶

A+ rating

for our overarching approach to responsible investment in the PRI global assessment report⁷

85%

Our colleague engagement score is above the global average of 80%⁸

⁶ RepTrak®, April–June 2022 report prepared for AustralianSuper.

⁷ PRI assessment report 2020. There was no assessment published in 2021. A+ rating for overarching approach to responsible investment strategy and governance and listed equity-active ownership.

⁸ *AustralianSuper 2022 Employee Survey*.



About AustralianSuper

Australia’s leading superannuation fund for members.

2.87 million Australians rely on AustralianSuper to invest their retirement savings. We’re proudly a profit-for-member fund, which means we don’t pay profits or dividends to shareholders so the money we make is for members.

We’re the fund for all Australians, the largest superannuation fund in Australia and one of the largest retirement saving funds in the world.¹ AustralianSuper’s flagship Balanced investment option has consistently delivered strong long-term performance for members, ranking in the top two funds for performance over 7, 10 and 20 years.²

Our story began more than 30 years ago as one of Australia’s first superannuation funds. Today, we have more than 1,300 people focused on helping members create the future they want. We understand that everyone’s financial journey is unique, so we have a broad range of products and services supported by help, guidance and advice options to meet each individual need. With members’ best interests at the centre of everything we do, we use our size,

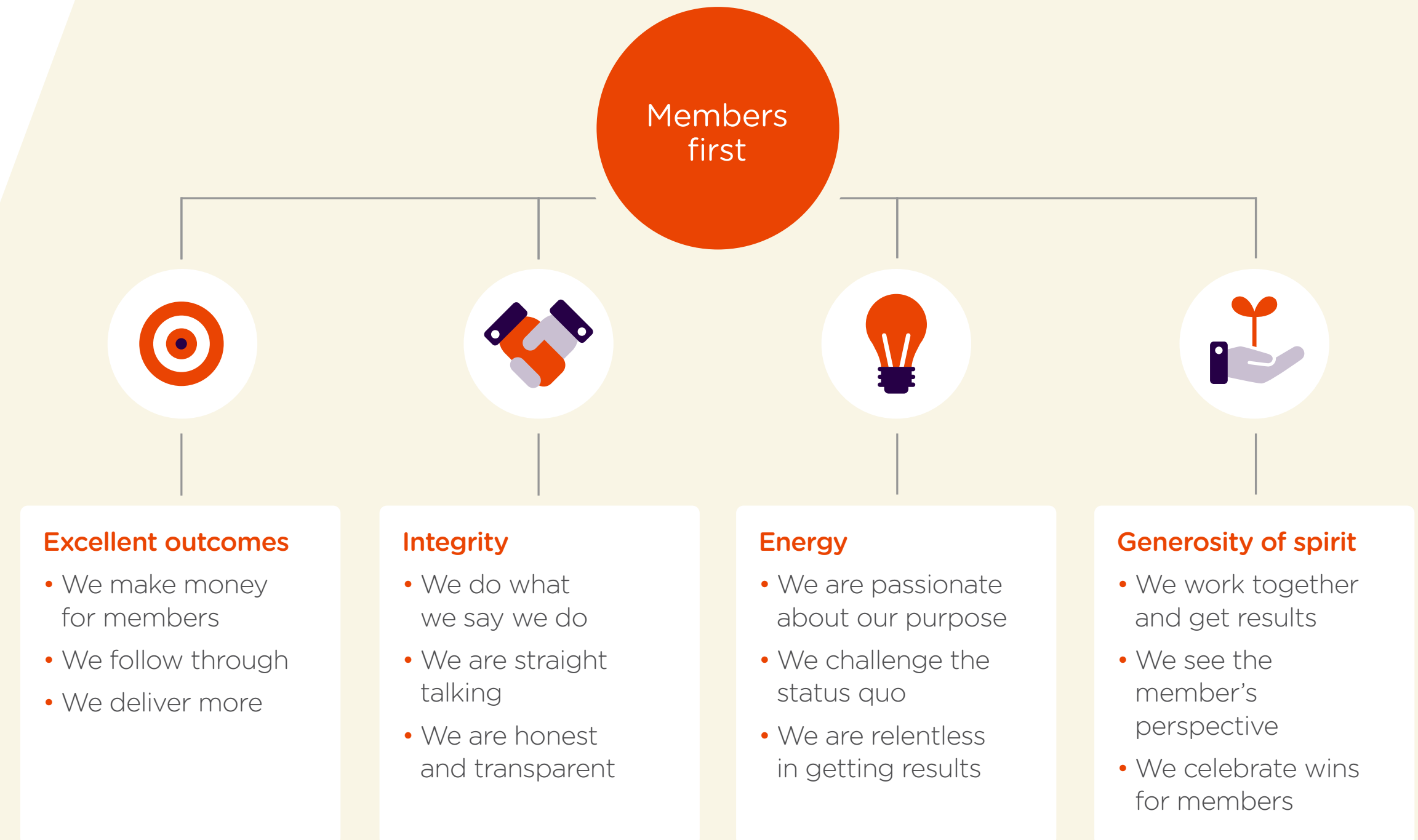
scale, investment expertise and long-term investment horizon to access the best investment opportunities for the benefit of members. We’re focused on delivering top-tier investment performance and low fees to help members achieve their best financial position in retirement.

Our purpose and values

AustralianSuper’s purpose is to help members achieve their best financial position in retirement. We’re a members first organisation and our commitment to members informs everything we do.

At AustralianSuper, our values reflect who we are and how we work. They underpin how we make decisions, how we work together and how we want members to experience AustralianSuper.

Our values



¹ Willis Towers Watson, Thinking Ahead Institute and Pensions & Investment joint study, *Global top 300 pension funds*, September 2022. AustralianSuper ranked 20th out of 300 global funds.

² SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60–76) Index to 30 June 2022. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren’t guaranteed. Past performance isn’t a reliable indicator of future returns.



Products and services

Top performance

Our flagship Balanced investment option, where most members invest, has consistently delivered strong long-term performance for members and is ranked in the top two funds over 7, 10 and 20 years.³ For the ten years to 30 June 2022, the Balanced option has delivered an average annual return of 9.32%.⁴ Over the last 20 years it has delivered an average annual return of 7.84%.⁵ Fifty thousand dollars invested in the Balanced option in 2002 would now, 20 years later, be worth \$226,629.⁶

› [READ MORE](#)

Accounts and options

We offer members super and pension accounts as well as transition to retirement options to help members achieve their best financial position in retirement. There are a range of investment options, from those designed for the hands-on investor, to options for members who are happy to leave investment decisions to experts.

› [READ MORE](#)

Insurance

Most members receive basic insurance cover with their super account. This cover provides a basic level of protection if they die or become ill or injured. Eligible members receive age-based Death, Total & Permanent Disablement (TPD) and Income Protection cover. Members can adjust the type and level of cover at any time.

› [READ MORE](#)

Staying in touch

To support a large and diverse membership with superannuation and retirement planning, AustralianSuper has a range of communication options for members to get in touch, including phone, email, letter, chat, Facebook Messenger and the AustralianSuper mobile app.

› [READ MORE](#)

Help, guidance and advice

Everyone's financial journey is unique, so we're here to help members approach their retirement with confidence. We offer a range of support and advice, including online information, articles, calculators and tools, education videos and webinars, simple over-the-phone advice from our experts, and comprehensive face-to-face financial advice.⁷

› [READ MORE](#)

Investment and performance

As a large, global investor we invest in a diverse mix of assets to grow members' savings over time. As the first super fund with offices in Beijing, London and New York, and with over 250 investment professionals here and overseas, the Fund is well positioned to continue to deliver strong long-term investment performance.

› [READ MORE](#)

Scale and long-term investment horizon

Last year, more people joined AustralianSuper than any other fund,⁸ and in FY22 our strong growth continued with more than 635,000 new members joining. This strong growth and size enables us to capture economies of scale to help reduce the overall cost of investing and providing services to members. It also allows us unique access to attractive, large-scale investment opportunities. Our scale, together with our long-term investment horizon, enables us to invest in illiquid assets, like infrastructure and property, which over time enhance the performance of the investment portfolio.

› [READ MORE](#)

Better outcomes

Positive impact

In delivering better outcomes for members, AustralianSuper's activities also have a positive impact on the superannuation industry, the economy and society. We're one of the largest super fund investors in Australia, with more than \$130 billion invested in the Australian economy.

Responsible investing

Investing responsibly means being active on environmental, social and governance (ESG) issues today, so we can deliver the best investment returns for members over the long term. Improved performance on ESG issues in companies and assets contributes to a more sustainable future.

AustralianSuper was the first Australian super fund to become a founding member of Climate Action 100+, a global initiative aimed at tackling climate change.

AustralianSuper has also been recognised as a Responsible Investment Leader in the RIAA *Responsible Investment Benchmark Report Australia 2022* and RIAA 2021 *Responsible Investment Super Study*.

› [READ MORE](#)

Advocacy

AustralianSuper advocates for sustainable and equitable public policy in superannuation and financial services. We engage in advocacy on behalf of members to help them achieve their best financial position in retirement. We write public submissions to government and regulators and work with industry associations and experts to advance the interests of members and improve the system for all Australians.

› [READ MORE](#)

^{3,4,5} SuperRatings Fund Crediting Rate Survey, SR50 Balanced (60-76) Index to 30 June 2022. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

⁶ AustralianSuper data: 1 July 2002-30 June 2022 returns. AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, the percentage-based administration fee deducted from returns from 1 April 2020 to 2 September 2022 and taxes. Returns from equivalent investment options of the ARF and STA super funds are used in calculating returns for periods that begin before 1 July 2006. Doesn't include all administration, insurance and other fees deducted from accounts. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

⁷ Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Fees may apply.

⁸ APRA Annual fund-level superannuation statistics June 2021, released December 2021. apra.gov.au/annual-fund-level-superannuation-statistics



AustralianSuper's journey over time

We have a history of innovation and industry leadership.

FY22

- 2.87 million members
- Over 412,000 partner businesses
- \$258 billion in members' assets
- New York office opened
- 53% of members' assets managed internally

Metal Unions Superannuation Trust (later known as STA) established

Merger of ARF & STA to form AustralianSuper

Pension product launched

Westscheme merger (210,000 members and \$3.4 billion in assets)

\$92 billion in members' assets
Technology services established to better serve members

Building foundational in-house capabilities

Internalisation of investment management

Global investment model established

Socially Aware option introduced

\$180 billion in members' assets

\$200 million in annual savings from internalised investment management

1985 1986 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Australian Retirement Fund (ARF) established

Strong relationships and network with unions/employers

Strategic decision to seek scale via mergers

AGEST merger (130,000 members and \$5.1 billion in assets)

Direct Australian equities established

Beijing office opened

\$78 billion in members' assets
2+ million members

London office opened

First fund to voluntarily publish Portfolio Holdings Disclosure

\$160+ billion in members' assets
40% of the portfolio is managed internally

Development of direct acquisition and digital capabilities

2.2 million members
\$140 billion in members' assets
\$100 million saved through in-house investment management

\$300 million saved through in-house investment management

Club Plus Super merger (60,000 members and \$3.2 billion in assets)

LUCRF Super merger (130,000 members and \$6.8 billion in assets)

15 years as AustralianSuper
2.4 million members
364,000 businesses
\$233 billion in members' assets

\$120+ billion in members' assets
22% of members' assets managed through in-house capability



Focusing on fees and costs

We know that low fees play a big part in helping Australians retire well. We're committed to doing what we can to deliver low fees for members, while still delivering strong long-term investment performance and a range of products and services that suit members' needs.

As the largest super fund in Australia, our goal is to harness our size and scale to drive efficiencies to deliver low fees and strong long-term investment performance, as well as service, help and guidance to help members grow their super. AustralianSuper is a profit-for-member fund, so we don't pay profits or dividends to shareholders. Profit we make is for members.

In June 2022, AustralianSuper announced a change to the administration fee structure from September 2022. At this time, more than 1.7 million members will pay a reduced fee, with a further 530,000 members seeing no change to their administration fees. Members with a Choice Income pension account will see an average decrease of 25% in their administration fees.¹

The change is part of a wider package delivering \$300 million in cost savings this year through changes to administration fees, reduced insurance costs and the cost savings from the internalisation of investment management.

AustralianSuper's focus on delivering low fees together with top long-term investment returns helps members achieve their best financial position in retirement.

Administration fee

At a time when many Australians are facing increasing cost-of-living pressures, we're doing what we can to deliver lower fees for members. The change in our administration fee structure in September 2022 will see the fixed part of the administration fee reduce to \$1 a week, less than half the previous fee of \$2.25 a week. The variable part of the fee increases from up to 0.04% to 0.10% of a member's balance, which is capped at \$350 a year for members with super accounts, and \$600 a year for members with a Choice Income pension or Transition to Retirement (TTR) Income account. It's estimated that fewer than 5% of members will pay the maximum capped fees.²

Members with a super account with less than \$50,000 will see a decrease in their administration fees by up to almost 60%.³ Before making this change, we modelled a wide range of fee options to determine the best one for all members. While this option delivers a fee reduction for over 1.7 million members, it does also mean some members will pay more. However, high balance members will not pay more than the cap each year.

Insurance costs

More than 1.13 million members saw the cost of their insurance decrease from May 2022. This is around 99% of all insured members and represents a collective saving of almost \$90 million for these members. Insurance is an important part of members' financial safety net and AustralianSuper uses its size to offer affordable cover coupled with strong support for members who claim. The Fund will continue to review its insurance offer every year to ensure members are getting the best value insurance.

Investment fees and costs

Investment fees and costs vary from year-to-year depending on our investment activities. In FY22, we invested in several new infrastructure and property assets, which incurred significant upfront costs, such as stamp duty. This resulted in higher transaction costs, which contributed to higher total investment option fees and costs for FY22 compared to FY21. Over the long term, we believe these investments will make a significant contribution to members' retirement savings.

Supporting our community

AustralianSuper colleagues in our Sustainability and Community Group volunteer their time to coordinate volunteering opportunities, organise community events and promote sustainability practices.

Events

During the pandemic period, many in-person events were conducted online, including:

- the annual McAuley morning tea fundraiser which was run as a Zoom morning tea to promote the important work of McAuley Community Services for Women
- AustralianSuper's Harmony Day virtual morning tea which celebrated the diversity of our team and included interviews with three colleagues from diverse backgrounds to learn about their cultures
- promoting a range of sustainability initiatives across the organisation, from Plastic Free July to publishing recycling statistics per floor.

Volunteering

AustralianSuper colleagues can take one day of community service leave per calendar year to perform duties for specific charities or community organisations. Highlighted below are some of the ways colleagues have contributed to communities.

Juno Consulting

Throughout the year, colleagues across Australia volunteered their time to support long-term unemployed people in preparing for job interviews through Juno Consulting. Colleagues displayed their generosity of spirit by conducting mock interviews over video to increase participants' interview skills and their comfort with the interview process.

Tree Planting Day

In a volunteer event facilitated by Tree Project, 15 colleagues undertook restorative planting of native trees in the Yarra Valley. The event proved to be a great way to both help the environment and meet colleagues from across the organisation.

Foodbank

Colleagues in our Perth and Sydney offices participated in volunteer events at Foodbank, supporting the operations of this important organisation.

Reconciliation

Innovate Reconciliation Action Plan

AustralianSuper aims to better understand First Nations members, people and cultures to ensure our services meet their needs. In July 2021, AustralianSuper launched its *Innovate Reconciliation Action Plan (RAP)*. The Fund's *Innovate RAP* builds upon our vision for reconciliation and details the actions we will take to contribute to it. Central to the *Innovate RAP* is building relationships, knowledge and understanding.

Reconciliation is important to the Fund as it contributes to our vision for all Australians to live well in retirement.

The *Innovate RAP* is delivered over a period of two years. Activities conducted in the first year of the *Innovate RAP* included:

- Increasing cultural knowledge within the organisation through structured and formal learning, as well as events and internal communications.
- Increasing the Fund's knowledge of Aboriginal and Torres Strait Islander people and communities to help us better understand Aboriginal and Torres Strait Islander members. This is particularly important when it relates to understanding money, kinship and history, providing insights to help deliver information that is more relevant to Aboriginal and Torres Strait Islander members. Internal events have included livestream presentations from Aboriginal and Torres Strait Islander people, increasing our understanding of culture and First Nations lived experiences.
- Increasing colleagues' understanding of the Acknowledgement of Country and support for its delivery at Fund events and meetings.
- Selection and promotion of The Australian Literacy & Numeracy Foundation to assist colleagues in personally supporting First Nations People.
- Development and launch of the Fund's First Nations Procurement Strategy to support the sourcing and appointment of First Nations businesses.

The Fund will continue to deliver on the *Innovate RAP* over the next 12 months via activities which will help make it easier for Aboriginal and Torres Strait Islander members to engage with the Fund.



Jacob
AustralianSuper member



Strategy

Shaping our future together

We've committed to ambitious goals as part of the 2030 Strategy to allow us to deliver more for members like Jeremy.

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Jeremy,
AustralianSuper member



2030 Strategy overview

AustralianSuper’s vision is to be Australia’s leading superannuation fund for members.

This year was the first year of AustralianSuper’s 2030 Strategy. The 2030 Strategy is centred on our purpose to help members achieve their best financial position in retirement.

Our 2030 Strategy

Ambition: All Australians live well in retirement

Purpose: To help members achieve their best financial position in retirement

2030 Vision: To be Australia’s leading superannuation fund for members

Strategic pillars

Sustainable Growth	Market Leading Performance	Distinct Member Proposition	Scale Benefits	Trust and Leadership
<p>Growth is crucial to the success of any organisation and has been a strategic driver of the Fund for many years. Continuing to grow will enable us to maintain our competitive advantages and leverage them in members’ best financial interests. Growing sustainably means we will grow in a way that doesn’t jeopardise the values of the Fund and ensures we make the right decisions as we continue to deliver for members.</p>	<p>Investment performance is central to achieving our strategic goals, as is ensuring we are a globally mature organisation, under-pinned by a high-performing workforce. We will implement investment strategies to maintain our position as a top decile performer versus Australian peers. We also aim to deliver a sustainable model to attract and retain diverse and global talent, grow leadership capabilities and promote an inclusive, safe and enabling work environment.</p>	<p>‘Member offer’ means the products we offer and the services, information, advice, help and guidance we provide to members. With changing member preferences, increasing engagement and access to new and improved digital services, it’s vital that we focus on improving and simplifying our offer and providing a more personalised experience to members to deliver a world-class member proposition.</p>	<p>One of the benefits of being a large and growing fund is the efficiencies and cost savings that can be achieved for members. As part of the 2030 Strategy we will evolve our internal processes and practices and focus on ways to optimise and modernise our business for the benefit of members and colleagues. We will make decisions now with the view to the future, so the Fund can continue to sustainably grow and mature over time.</p>	<p>We will continue to work to earn the trust placed in us by members, through good governance, clear accountabilities and a fully integrated risk management framework underpinning our members first culture. We will also act as Australia’s leading superannuation fund for members by maintaining a strong brand, supporting the Australian economy, our communities and advocating on behalf of members’ interests.</p>



FY22 Fund Scorecard

We track our progress towards 2030 against the following metrics:

Strategic pillar	Metric	Status
Sustainable Growth	Market share of accumulation accounts	Achieved
	Market share of pension accounts	Achieved
	IT Process and Operations maturity rating	Achieved
Market Leading Performance	Net investment outperformance vs peer median (+140bps) over rolling three years	Not Achieved*
	Average balance of a 55 year-old member	Not Achieved*
	Performance Enablement Index (PEI)	Achieved
Distinct Member Proposition	Brand Preference score	Achieved
	Customer Ease score	Not Achieved*
	Strategic Net Promoter Score	Achieved
Scale Benefits	Operating cost per member	Achieved
	Total fees on a \$50,000 account with the Balanced investment option	Achieved
	Insurance costs vs peer set	Achieved
Trust and Leadership	Reputation score	Achieved
	Members First Culture score	Achieved
	Enterprise Risk Culture Indicator	Achieved

FY22 highlights

- Welcomed more than 635,000 new members during the year, including more than 186,000 new members from Club Plus Super and LUCRF Super who merged with AustralianSuper
- opened a New York office and increased our presence in London to support continued delivery of market-leading performance for members
- refreshed the Fund's brand, including making sure our brand assets are accessible to all members, and that we continue to be the most trusted superannuation brand in Australia
- achieved a Net Promoter Score of +39
- announced changes to our administration fee structure, which will see administration fees for 2.3 million members unchanged or lowered
- reduced insurance costs for almost all insured members
- deployed a risk culture program to better measure and improve the Fund's risk culture
- ranked in the top ten for reputation among Australia's largest and most well-known companies¹
- achieved an Employee Engagement score of 85%, above the global average of 80%²
- exceeded our target Members First Culture score.

*The Fund sets high targets for all metrics on the Fund Scorecard so we can track our progress to achieving our 2030 ambitions. This means that in some years we may not achieve the yearly target set for each metric. In FY22, we did not achieve the target for Customer Ease or the targets for Net Investment Outperformance and Average Balance for a 55 year-old member. Where metrics on the Fund Scorecard are not achieved, the Fund takes action to investigate and remediate to get back on track.

Members first culture

From 1 July, the Fund introduced an industry-first program to ensure our members first culture is embedded throughout the organisation and is measured on the Fund Scorecard. All colleagues are required to undertake member-focused training and complete an assessment that measures their understanding of member demographics, needs and sentiments. In FY22, the Fund achieved its Members First Culture target.

¹ RepTrak®, April-June 2022 report prepared for AustralianSuper.
² AustralianSuper 2022 Employee Survey.



Looking ahead

As Australia's leading superannuation fund for members, AustralianSuper is committed to maintaining and leveraging our competitive advantages in the best financial interests of members. We will continue to evaluate our 2030 Strategy amidst changing external and internal environments as we strive to deliver more for members.

Investment in data

AustralianSuper continues to invest in improving its data capability so that we can enhance member experience, improve products and services, and deliver better value for money.

Investment in improved data governance, embedding automation and modernising analytics allows us to achieve operational efficiencies, better insights-led decision making, and reduce information security risk.

Benefits of scale

AustralianSuper is growing quickly with hundreds of thousands of members joining and assets under management increasing each year. Being the nation's largest superannuation fund enables us to harness our scale to deliver better outcomes for members, including, for example, investing in technology and innovation and supporting changes to our administration fee structure. As the Fund continues to grow and expand, we're working to improve our operational effectiveness so we're better able to leverage our size, scale and skill to deliver better outcomes for members, now and into the future.

Planning for the future

The Fund's FY23–25 business plan balances investment across the Fund's three-year priorities, including supporting leading long-term investment performance, delivering foundational activities, supporting ongoing membership growth, ensuring compliance with regulatory changes, investing in foundational data capabilities and improving member experience. Importantly, the Fund will maintain its financial stability with prudent reserves to manage market volatility and changes in our operating environment.



Supporting members

As life changes, members' needs change too. At AustralianSuper, we're focused on making it simpler and easier to get the right advice and information to help members plan for the future. We're improving our products and services to ensure they meet the diverse and dynamic needs of 2.87 million members.

Supporting more members in retirement

AustralianSuper's vision is that all Australians live well in retirement. With an ageing population, AustralianSuper will see many members transition to retirement over the next decade. We're committed to meeting their needs and being the fund for all Australians at every stage of life. AustralianSuper is currently refining its approach with the aim of making it easy for members to remain with the fund they trust as they transition to retirement.

AustralianSuper's Retirement Income Strategy sets out how we plan to assist members achieve and balance three important objectives:

- **maximise** retirement income
- provide **flexible access** to funds in retirement
- **manage** expected risks.

With a range of support services and information, we aim to help guide members through their retirement journey.

Member services

The Fund is improving service for members and delivering a more personalised experience with better service, help and guidance. We know that members want simple, easy, convenient and empathetic interactions, as well as more support preparing for retirement. To ensure we deliver the best possible experience for members, we will:

- extend self-service through our website, member portal and mobile app to ensure members can get what they want quickly, easily and conveniently
- increase straight-through/automatic processing to better show the status of any requests and reduce waiting times
- provide better 24/7 help by improving our virtual agent ASH (AustralianSuper Helper Bot) and our website's features and content
- more tightly combine our service channels so when members call, we can easily pick up just where we left off
- offer more proactive help and guidance during important moments, like times of hardship, insurance claims or in retirement planning.

+39

We're proud to have achieved a Net Promoter Score of +39 for member service.



Being there for members

AustralianSuper continues to deliver service at scale to a growing number of members who are increasingly active with their accounts. Over the year, we were able to maintain high levels of availability (99.94%) while experiencing:

- a 22% increase in website and mobile app sessions
- a 41% increase in self-service transactions by members on the member portal
- a 99% increase in members looking for other super accounts to consolidate into their AustralianSuper account
- a 131% increase in members looking for assistance from a financial planner.

In addition to enhancing accessibility of our digital tools and resources, AustralianSuper has improved transparency and usability of information to help members understand where their money is invested.

› [READ MORE](#)

As a result of these enhancements, AustralianSuper has been rated as having the leading digital experience for superannuation funds, following independent research into 12 major superannuation websites and member self-service channels conducted in 2022 by Global Reviews.

While digital channels are an increasingly popular way of accessing our services, AustralianSuper also provides a high level of consultant-assisted service. During the year, we had more than 1.27 million phone conversations and 174,000 messaging conversations with members. The convenience of our online messaging service delivered high levels of satisfaction and member take-up and we expanded our capacity to meet this demand.

Your trustworthy adviser

Everyone's financial journey is unique, so we're committed to helping members create the future they want with the right financial advice at the right time.

Members can access help and advice about super, investment choice, insurance and retirement planning over the phone, often at no additional cost, or they can choose to meet face-to-face, by phone or by video conference with a financial adviser for more comprehensive personal financial advice.¹ This year, approximately 50% of all comprehensive advice was delivered virtually by phone or by video conference.

All financial advisers who work with AustralianSuper members are guided by a set of principles to put members' interests first. The Fund does not pay advisers incentives or bonuses in any form.

In the year to 30 June 2022, just under 20,000 members contacted the Fund for help and advice. Over 90% of all advice provided towards the end of the financial year was investment-related, reflecting the continuing demand caused by the pandemic and more recently, movements in investment markets.

Of these members, more than 8,000 received a personalised Statement of Advice helping them towards their financial goals, an increase of 11% since the previous year. Similarly, just under 5,000 received written general advice guides on retirement options, account consolidation and super health checks.

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Unpaid super

While most employers pay their employees' superannuation, it's estimated that in the 2018-19 financial year, almost three million Australians missed out on up to \$5 billion of their super.²

When we identify instances of unpaid super, our goal is to work with the employer to help rectify the situation. Options include offering the employer a repayment plan if they're experiencing short-term cash flow issues or coming to an agreement that payment will be made when an asset is sold.

\$8.3 million
collected in
unpaid super

During the year, AustralianSuper collected \$8.3 million in unpaid super on behalf of 19,697 members while continuing to help educate and remind employers of their obligations.

¹ Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Fees may apply.

² Industry Super Australia: *Super Scandalous: How to fix the 5 billion scourge of unpaid super*, 28 October 2021.



Access to education services

In addition to financial advice, AustralianSuper members can access a range of member education services – from online interactive webinars through to workplace education.

The topics are determined based on member preferences and include:

- Setting up your super for success
- Tips to boost your super
- A brighter future for women
- Estate planning and your super
- Do you need \$1 million to retire?
- Preparing for your retirement journey.
- Understanding transition to retirement

Members can register for a live webinar, watch a video, or read an article. Throughout the year, the education team produced new presentations via digital channels in the form of pre-recorded videos, Facebook posts and webinars to enable access despite pandemic-related restrictions. AustralianSuper's range of education videos, **Supertalks**, are available to watch on demand.

More than 45,000 interactions were completed through these channels in FY22.

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Aboriginal and Torres Strait Islander members

AustralianSuper is aware that some Aboriginal and Torres Strait Islander members may have different requirements or, in the case of remote communities, less regular access to technology and telecommunications services.

To help meet these needs, we have a dedicated phone line for Aboriginal and Torres Strait Islander members which is answered by specialist colleagues with cultural training. In addition, with CAAMA radio, AustralianSuper produced a six-episode radio series translated into two First Nations languages to increase knowledge of the superannuation system.

AustralianSuper released its *Innovate Reconciliation Action Plan* in July 2021, which will further advance support for Aboriginal and Torres Strait Islander members.

› [LISTEN TO THE RADIO SERIES](#)

Risk management

AustralianSuper manages risk in the best interests of members. The Fund takes a best-practice approach to risk management, with investment in systems, processes and capabilities designed to ensure the Fund is well positioned to meet future challenges.

As we look to the future and an increasingly complex and dynamic operating environment, our risk team will continue to evolve.

For more information, please turn to the section on risk.

Cyber security

Cyber security is actively addressed by AustralianSuper, with robust security measures in place to ensure members' super and personal data is safe. Our systems and processes are designed to keep members' data and information safe and we provide information, tips and hints so members can do what they can to keep their information secure.

› [READ MORE](#)

What we invest in

At AustralianSuper, we never forget we invest on behalf of members. To help members understand what their super is invested in, we publish a list of investments twice a year as at 30 June and 31 December.

The investments are listed by investment option and can be sorted by asset class, name and amount of investment.

› [LEARN MORE](#)

Annual Member Meeting

Each year, AustralianSuper invites all members to attend its Annual Member Meeting (AMM) at which the Chair, Chief Executive and senior Executives provide an update on the performance of the Fund and outlook for the year ahead. Members have the opportunity to ask questions about the governance and operation of the Fund.

› [LEARN MORE](#)



Adriana,
AustralianSuper member



The right insurance

We recognise how important it is to have insurance and we use the benefits of scale to offer affordable cover to members. We review the Fund's insurance approach annually to ensure the needs of members are met.

- We provide a default level of cover to meet basic insurance needs without unduly eroding members' retirement balances.
- We ensure members only pay for what it costs us to provide their insurance.
- Members can tailor their insurance anytime by increasing, decreasing, or cancelling cover to meet their needs.
- Insurance costs (also called premiums) are deducted from members' super accounts each month, not their take-home pay.

In the 2022 financial year, AustralianSuper paid over \$426 million in insurance claims to members and their families, representing over 8,500 claims. We understand that making an insurance claim can be financially and emotionally challenging for claimants. We make claiming as easy as possible, with a dedicated claims manager to support members through the whole process.

Rehabilitation and grief support

Our personalised rehabilitation services will help get members back to work and doing the things they love as soon as possible. Members can also access a grief support service, which provides up to three counselling sessions free of charge to help individuals work through the struggles associated with the death of a loved one or a terminal illness diagnosis.

› [LEARN MORE](#)

Keeping your super safe

Identity theft occurs when your personal information is used to carry out fraudulent activity, like accessing your AustralianSuper online account and attempting a withdrawal.

We have security measures in place to ensure your super is safe. However, there are additional things you can do to reduce the risk of identity theft on your account:

- keep up to date with your account
- ensure your contact details (e.g. email, phone number) are up to date
- create a secure password and change it regularly
- beware of hoax emails and phishing
- beware of unsolicited phone calls and SMSs
- protect your device when browsing online.

AustralianSuper keeps members informed about online security and superannuation scams via our website:

Online security tips

Super scam alerts

If you come across any unusual activity on your super account, please report it to us via:

Phone: **1300 300 273**

Email [here](#)

AustralianSuper mobile app

If you've noticed unusual activity that's not in relation to your AustralianSuper account, you can still report it to **SCAMwatch**, run by the Australian Competition & Consumer Commission (ACCC).



Advocacy

As Australia's leading superannuation fund for members, we believe we have a role to play in advocating for an equitable and sustainable superannuation system that delivers for members and all Australians.

Our ambition is that all Australians will live well in retirement and this informs our advocacy approach on behalf of members.

Australia's superannuation system was created to improve the retirement outcomes of all Australians and contribute to our nation's prosperity. The key pillars of our system are:

- compulsory contributions with the superannuation guarantee rising to 12% to ensure adequacy in retirement
- preservation of superannuation for retirement, affording members the benefits of compounding returns
- appropriate taxation settings.

Superannuation has also contributed to building the economic capacity and social capital of our nation.

In FY22, AustralianSuper contributed to 14 government inquiries and reviews including:

- Superannuation Portfolio Holdings Disclosure – consultation on draft regulations
- APRA data – confidentiality consultation
- stapling and group life insurance policies in superannuation
- review of occupational exclusions in default insurance
- greater transparency of proxy advice
- implications of common ownership and capital concentration in Australia.

Over the longer term, we will continue to advocate for:

Super should be super for everyone

Unfortunately not all Australians enjoy a dignified retirement. Our advocacy seeks to ensure genuine universality and fairness in the superannuation system. Our priorities include closing the gender gap in super, fair treatment for First Nations Australians and superannuation for those in vulnerable or non-traditional forms of work.

World's best super system

Superannuation is a long-term savings vehicle, and this must be recognised in policy and regulation. We advocate for the importance of the superannuation guarantee continuing its legislated rise to 12% to help members achieve their best financial position in retirement, and legislating the purpose of superannuation to ensure our superannuation system can be the best in the world.

Retirement

As more Australians move into retirement, it's crucial that the policy settings support this transition. To help people move confidently into retirement, we believe they should have access to affordable, quality financial advice and products.



Ranveer,
AustralianSuper member



Highlights

Super for everyone

From 1 July 2022, eligible Australians will earn superannuation regardless of how much they're paid. Previously, there was a requirement to earn at least \$450 a month before earning superannuation, which meant up to 300,000 Australians were missing out¹ – the vast majority being women, low-income, casual and part-time workers. This threshold put them at a disadvantage when it came to saving for retirement. AustralianSuper has campaigned and advocated for this change for many years. This measure will have a positive impact on the retirement outcomes of many Australians.

Meaningful transparency

AustralianSuper strongly supports transparency and accountability in the superannuation system. Since 2016, the Fund has voluntarily and extensively disclosed investment portfolio holdings on its website. During consultations on changes to Australia's portfolio holdings disclosure rules, AustralianSuper advocated for an appropriate balance between:

- our obligation to act in members' best financial interests by ensuring we can create and extract value for members to achieve their best financial position in retirement saving; and
- ensuring members are provided with appropriate information about the investments and operations of the Fund.

We're pleased the final version of the Portfolio Holdings Disclosure regulations recognised the need to balance these important considerations to ensure the best outcomes for members.

› [READ MORE](#)

Your Future, Your Super reforms

The Government's Your Future, Your Super reforms came into effect on 1 July 2021. The stated intent of the reforms are to improve efficiency, transparency and accountability across the superannuation industry. As part of the reforms, an annual performance test for MySuper products is conducted by APRA. While AustralianSuper continues to advocate for improvements to the test, we support policy that protects Australians from underperforming funds. AustralianSuper passed the first MySuper performance test in FY21.

In the past financial year, the Fund has:

- made 14 submissions to government and regulators regarding legislative reforms to superannuation, issues around insurance, financial services regulation and investments
- met with people at all levels of government and regulators to discuss how best to implement reforms so that they improve retirement outcomes for members
- supported and contributed to policy submissions from the industry associations of which we're members
- listened to members to help determine what policy changes will further strengthen their retirement outcomes.



Roy,
AustralianSuper member

¹ Source: Industry Super Australia October 2021.



Partnering with Australian employers

AustralianSuper partners with more than 412,000 businesses across a diverse range of industries, from small and local, to medium and large national enterprises. Our relationship managers across Victoria, New South Wales, Queensland, Northern Territory, Western Australia and South Australia provide a personalised point of contact for employer partners. These relationships help develop and implement plans for engaging, educating and servicing all businesses and their employees.

Supporting employee engagement

During the year, AustralianSuper's education team supported employers with more than 750 opportunities for employees across Australia to access a wide range of learning resources to help them:

- learn about super, and
- get the most out of retirement through guidance in making better superannuation and financial choices.

This resulted in more than 45,000 member interactions throughout the financial year, including 26,769 people engaging in workplace activities with AustralianSuper. Employees of partner businesses also received education and advice by attending webinars, face-to-face *Planning for your retirement journey* seminars and viewing educational videos.

Self-serve access to advice is also available. Employees can engage and learn online or with superannuation industry experts through:

- interactive webinars
- projection tools and calculators
- articles, and
- online learning modules via *Money101*.

Members can also access simple, personal financial advice over-the-phone, or face-to-face for more tailored, comprehensive advice.¹

› [READ MORE](#)

Business Portal

Our Business Portal allows employers to access a range of features to make their working lives easier, including:

- self-service creation of new accounts for employees with instant new number allocation
- the ability to view contributions to individuals as well as by company, and
- exporting records and reports for business use and analysis.

This year, a new facility was enabled allowing employers to state whether they'll be making employee contributions for that particular month or quarter, avoiding any arrears notices.

In the year to 30 June 2022, creation of new members in the Portal rose by 68% on the previous year, while businesses registered increased by 295%, driven by improvements to and enhanced promotion of the Business Portal to all self-service businesses, as well as improved training for our contact centre team.

Caroline,
AustralianSuper colleague

¹ Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Fees may apply.



Supporting employers

During the year, AustralianSuper supported employers in several ways following the commencement of new legislative requirements, which included the 'stapling' of employees to funds to help reduce the number of super accounts people have. The Fund's support included:

- establishing employer webinars on stapling for serviced clients with almost 900 registrations
- providing access to a recording of the super stapling webinar for employers to view at any time via the *Super Business* update, which was issued in late November.

We also established a super stapling webpage, which went live at australiansuper.com/SuperStapling. The website supports businesses and members by providing:

- an overview of what stapling is
- a checklist for onboarding new starters with a link to the *Choice of Fund* form
- an infographic process map of changes pre and post-1 November 2021
- additional supporting information within FAQs.

A number of communications resources were produced and updated for businesses to include in their onboarding process, which included:

- a new, short video for employer websites on why join AustralianSuper
- updating the onboarding toolkit assets, such as the welcome letter, *Super checklist and next steps* and *Shaping your future together* brochure.

These resources have been updated to include with, and improve, our partners' onboarding communications, to help employees understand their super choice.

› [READ MORE](#)

A super partner

Throughout the year, AustralianSuper's relationship managers conducted 1,692 virtual and face-to-face appointments with employer partners.

The Fund also offers employer partners access to our in-house publication, *Super Business*, which provides access to important advice, tips and updates. The publication is emailed to employer partners quarterly and has more than 184,790 recipients registered.

Support for transitioning to retirement

We have a range of tools and support available to help businesses better support older workers as they approach retirement. Webinars, online tools and over-the-phone support are just some of the ways we help businesses help their employees with planning their retirement.

In addition to our own resources, AustralianSuper has collaborated with organisational psychologists, public transport companies, peak industry bodies and unions on the Ageing Workforce Ready project, developing initiatives to engage and support older workers as they transition to retirement.

› [READ MORE](#)

FY22 highlights

Over 412,000

active employer partners²

Dedicated service

Relationship manager presence across Victoria, New South Wales, Queensland, Northern Territory, Western Australia and South Australia

107 new employer partners

bringing 11,714 new members

\$593 million in member assets

from new employer partnerships

Over 26,000

employees engaged through workplace activity

1,692 appointments

1,692 employer partner appointments held

² As at 30 June 2022.



Insurance through your super

AustralianSuper provides most members with insurance cover with their super account. This cover provides protection if you die or become ill or injured.

Cost of insurance

As a result of its annual review of insurance pricing, AustralianSuper made changes to the cost of insurance effective from May 2022. This year, on average, members received an 11% decrease in the cost of their insurance cover. That's because over the previous year, we had fewer claims for Death, Total & Permanent Disablement (TPD) and Income Protection with a benefit payment period of up to two years, so the cost of these cover types decreased. However, the number of claims for Income Protection with a benefit payment period of up to five years and Income Protection with a benefit payment period of

up to age 65 has increased. This means the cost of these two cover types increased.

AustralianSuper is a profit-for-member fund, so members only pay what it costs us to administer and provide their insurance. Buying insurance through super is one of the most cost-effective ways for members to access the benefits of insurance.

AustralianSuper's insurer, TAL, has among the highest claims admittance rates, the quickest approval times and the lowest dispute rates in the industry for the year to December 2021, based on the ASIC Moneysmart claims comparison tool.

AustralianSuper is a profit-for-member fund so members only pay what it costs us to administer and provide their insurance. Buying insurance through super is one of the most cost-effective ways for members to access the benefits of insurance.

Member education on insurance

AustralianSuper continues to improve member education on insurance in superannuation. Throughout the year, the Fund hosted:

- workplace education programs
- livestream webinars
- on-demand videos available via the website.

Insurance topics included choosing the right insurance and the right level of cover for your needs; basics of insurance and costs; how to claim on your insurance; work ratings; and, how to change your insurance.

Individual circumstances and financial commitments can change, so there are times when members might want to change their cover. If members aren't sure how much (if any) cover is right for them, they can use our insurance calculator to work out how much cover they may need and what it might cost.

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Return to work and wellness support

Income Protection claims

We believe the best outcome for Income Protection claimants is to return to meaningful work. Research shows that returning to work not only allows members to get back to earning a regular income, but it's also the best outcome in terms of psychological wellbeing, self-esteem and longer-term health benefits.¹

The Fund's approach is to fully embed our rehabilitation program for Income Protection claims. This means all Income Protection claims are now reviewed at the start of the claim to identify suitability for rehabilitation support.

This year, the Fund assisted 2,048 members in lodging claims with return-to-work support. There were 1,267 Income Protection claimants who returned to work this year on a partial or full-time basis who had lodged claims this year and in the previous financial year.

Total & Permanent Disablement (TPD) claims

AustralianSuper's approach to TPD claims is to focus on returning members to good health. Members who are permanently disabled are unlikely to be in a position where they can return to work, which is why the focus is on returning to good health instead. This initiative leverages community organisations and support groups to assist members.

Compliance with Voluntary Code of Practice

AustralianSuper continues to operate according to the requirements of the Insurance in Superannuation Voluntary Code of Practice (the Code). The Code's owners – Association of Superannuation Funds of Australia (ASFA), Australian Institute of Superannuation Trustees (AIST) and the Financial Services Council (FSC) – have replaced the Code with Guidance Notes to assist consumers in the areas of claims handling and supporting vulnerable consumers. AustralianSuper's claims services are aligned with the claim handling guidance and the Fund continues to refer to both the Code and the new Guidance Notes as we continuously look for ways to improve our insurance offer to members.

¹ Waddell, G. and Burton, A.K., 2006. *Is work good for your health and well-being?* The Stationery Office.



Helping members in challenging times

When temporarily unable to work following her cancer diagnosis, Casey's income protection insurance – provided through her AustralianSuper account – helped to financially support her through a difficult time.

Casey is a member of AustralianSuper and had been enjoying her full-time role as a property manager when she was diagnosed with breast cancer at the age of 35. Casey's cancer treatment included surgical intervention, chemotherapy and radiotherapy. In May 2020, Casey contacted AustralianSuper to submit her Income Protection claim and, once approved, was financially supported with Income Protection payments.

An important aspect of AustralianSuper's Income Protection insurance is the rehabilitation program, run by the insurer TAL on behalf of AustralianSuper. Eligible members are offered support in rehabilitation to maximise their return to health and wellbeing. While Casey returned to work with her employer, she later moved on to a new role as a medical receptionist working part time. In December 2021, Casey was referred for vocational counselling services to help secure a role that offered flexibility and growth as well as full-time hours.

Through the support of an occupational rehabilitation consultant, Casey identified a desire to work in community service. She was supported with:

- enrolment in a Certificate III in Community Services
- practical job search skills training
- coaching around managing fatigue while balancing part-time employment and study.

In February, 2022 Casey was looking forward to her new career.

'I'm excited to take the first steps into my new career path to assist others in need as well as have some form of normality and purpose back into my world. It's been a hard road, and this has indeed given me some hope and a very bright light towards the end of the tunnel. Please send my thanks onto TAL.'

As you have seen, I am very driven, and this assistance means the world to me. I will make the most out of it to succeed and fulfil my desire to give back to the community and assist others that are in need of a helping hand, that are going through hard times, like I have experienced. Thank you for your assistance and hard work, it has been gratefully appreciated."

Casey returned to full-time work in May 2022 as a support coordinator, working with a National Disability Insurance Scheme (NDIS)-registered provider. Casey is loving the new role, which allows her to assist others to build their independence and achieve their NDIS goals.



Investments

Pursuing global excellence

By building our internal investment capability, we can now invest at a lower cost, access high-quality investment opportunities and make more informed investment decisions that benefit members like Stinoj.

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Stinoj, AustralianSuper member



Message from the Investment Committee Chair, Philippa Kelly

Investing today for a brighter future

‘Our resilient long-term investment strategy and sound governance framework were purpose-built to effectively navigate through market cycles, from a position of strength and leadership.’

When I was appointed Chair of the Investment Committee in November 2021, investment markets were trending higher, buoyed by the economic recovery following the COVID-19 downturn. Just months later, amidst an environment of persistently high inflation, rising interest rates and a weakening outlook for the global economy, equity and bond markets gave back their gains – demonstrating just how quickly markets can change.

While market ups and downs can be unsettling for members, this current downturn is unfortunately not unprecedented, nor was it unexpected. We’ve been anticipating and preparing for an economic slowdown for some time. Our resilient long-term investment strategy and sound governance

framework were purpose-built to effectively navigate through market cycles, from a position of strength and leadership.

Through decades of experience, we’ve learnt the importance of successfully balancing the active management of present-day challenges, without losing sight of our long-term purpose. Investment markets naturally move up and down in the short term, which is why our continued focus on the long term is critical to delivering the best outcomes for members.

The long-term performance of the Fund remains strong. At 30 June, the Balanced investment option has delivered an average annual return of 9.32% over the last ten years and 7.84% over the last 20 years.¹

The role of the Investment Committee

The Board has delegated to the Investment Committee responsibility for overseeing and monitoring the performance of the Fund’s investment options against their objectives. The Investment Committee plays a crucial role in the investment governance for members by approving the Fund’s investment strategy and providing oversight of the investments program.

The Investment Committee also plays an integral role in overseeing the Fund’s Investment Governance Framework, while managing risk across the portfolio. The Investment Committee reviews investment policies, approves large direct investments, oversees performance and investment risk and overlays

a strong governance and decision-making framework to our investment process.

When it comes to investing, there are many risks. In an environment of increased uncertainty, investment risk – the possibility that an investment may fall in value or not meet return expectations – is particularly tangible. By challenging investment rationales, approving significant investment decisions, providing oversight and a clear decision-making framework, the Investment Committee serves to protect and enhance member interests.

The importance of sound governance and risk management is amplified in volatile investment markets and will continue to be a focus for the Investment Committee over the years to come.

‘Through decades of experience, we’ve learnt the importance of successfully balancing the active management of present-day challenges, without losing sight of our long-term purpose.’

¹ Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren’t guaranteed. Past performance isn’t a reliable indicator of future returns.



Continuing to evolve our long-term investment strategy

Upon taking on the role of Chair, I was both impressed and reassured by the Fund's long-term investment strategy and implementation plan. This year, we advanced our strategy to deliver strong long-term investment returns for members by continuing to build our global presence, enhancing our internal investment capabilities and increasing the Fund's exposure to private market assets.

Expanding our global footprint

Our on-the-ground presence in key financial markets, such as London, New York and Beijing, allows us to better understand local markets, be more agile in our investment decisions and build upon the networks and strategic relationships needed to identify and act on attractive investment opportunities. The Fund's recent property investment in Canada Water, one of the largest regeneration projects in London's history, is just one example of how members are able to benefit from the Fund's strategic international presence.

Today, our team has grown to more than 60 colleagues across our London and New York offices. These offices are expected to grow much larger in the coming years as we continue to focus on building our global investment capabilities.

Internalising our investment capability

The Fund now has 53% of the investment portfolio managed by internal teams. We expect this to grow to over 60% over the medium term.

Our internal investment management capability generated over \$300 million in cost savings in FY22. The ongoing internalisation of the Fund's investment program not only contributes to member returns by reducing investment costs, it also improves our ability to oversee and efficiently manage the portfolio. In the face of volatile markets, AustralianSuper can quickly leverage the knowledge and experience of a diverse 250-person global investment team to deliver on our strategy.

Increasing our investment in unlisted assets

Investing in private markets allows us to leverage our long-term investment horizon, scale, global execution capabilities and strong track record as a responsible investor and owner, to pursue attractive investment opportunities. In FY22, positive returns across our unlisted infrastructure, unlisted property, private equity and private credit portfolios helped to cushion the fall in global share and bond markets, demonstrating the benefit of investing in a diversified portfolio as we move through market cycles.

In FY22, the Fund deployed close to \$13 billion into unlisted assets. This includes investments in key strategic assets that are integral to the Australian economy, such as the WestConnex motorway network, Sydney Airport and Moorebank Logistics Park. These investments are expected to contribute to member returns and the Australian economy for many years to come.

Thank you

The achievements of the past year could not have been reached without the dedication and leadership of the outgoing Investment Committee Chair, Jim Craig. As an AustralianSuper Director and Investment Committee Chair since 2017, Jim oversaw an extraordinary period of growth at AustralianSuper. Jim's pivotal role in stewarding the development of our long-term investment strategy will be integral to the success of the Fund for years to come, and on behalf of the Investment Committee, I thank Jim for his commitment and contribution over the past five years.

In what has been a difficult year in investment markets, I also want to thank the AustralianSuper investment team for their hard work and dedication. Remote work for a growing team across global offices has the potential to be challenging. Yet, under the leadership of CIO, Mark Delaney, the AustralianSuper investment team has continued to build its execution capabilities and effectively collaborate to deliver the best long-term outcomes for members.

Pursuing investment opportunities today to generate value for members for years to come

Looking ahead, the outlook for investment markets will likely continue to be challenging given uncertainties around global growth, persistently high inflation and rising interest rates. We'll continue to navigate this uncertainty with a dual lens – actively managing the portfolio through the present-day environment, while implementing a strategy and building an investment portfolio that we believe will deliver the best outcome for members over the long term.

We're patient investors, but that doesn't mean we sit passively on the sidelines. Periods of market volatility also create compelling investment opportunities for long-term investors. Through our size, scale and global investment capability, we're uniquely positioned to take advantage of investment opportunities to capture growth and maximise long-term returns for members.

While market cycles move up and down, we remain anchored in our purpose and values, as we continue to position the Fund to deliver benefits for members for years to come.

In FY22, the Fund deployed close to \$13 billion into unlisted assets. This includes investments in key strategic assets that are integral to the Australian economy, such as the WestConnex motorway network, Sydney Airport and Moorebank Logistics Park. These investments are expected to contribute to member returns and the Australian economy for many years to come.



Message from the Deputy Chief Executive & Chief Investment Officer, Mark Delaney

Investment perspectives

‘Market ups and downs are a normal part of investing and the AustralianSuper investment team is well prepared to invest through these market conditions.’

It’s been a volatile year for investment markets, as high inflation and rising interest rates contributed to negative returns in members’ retirement savings. While this may be unsettling to see, it’s important for members to stay calm and focus on their long-term retirement goals. Market ups and downs are a normal part of investing and the AustralianSuper investment team is well prepared to invest through these market conditions.

Super is a long-term investment for members in the accumulation phase, and even members in or close to retirement could still be invested for another 20 years. Members should be reassured that our long-term investment performance has been consistently strong. At 30 June, the Balanced investment option has delivered an average annual return of 9.32% over the last ten years and 7.84% over the last 20 years.¹

To deliver long-term investment performance for members, the Balanced option invests in a diversified portfolio with exposure to different asset classes, sectors and geographies. This diversification offers some protection during market downturns and enables members’ balances to grow over the long term.

Investment option performance

Balanced option returns were impacted by challenging market conditions affecting listed shares and fixed interest markets during FY22. The Balanced option’s annual return was -2.73%,² while the Balanced option for Choice Income accounts’ annual return was -3.02%.³ To put these results in perspective, this was the Balanced option’s first negative financial year return since 2009 and only one of four negative financial year returns since its inception in August 1985.⁴

While negative returns are disappointing to see, they can be expected over a lifetime of superannuation investing. For example, we estimate that the Balanced option could have about five negative annual returns over any 20-year period.⁵

Members can be reassured by the knowledge that the Balanced option remains positioned to achieve its long-term investment objectives and has historically recovered from market downturns.

Fifty thousand dollars invested in the Balanced option in 2002 would now, 20 years later, be worth \$226,629 as at 30 June 2022.⁶ This demonstrates how the Balanced option has performed through events such as the global financial crisis and the COVID-19 downturn, and how the option has grown members’ balances over the long term (refer to page 35 for Balanced option returns and growth charts).

Each of the PreMixed options had negative returns over FY22. The more growth-oriented options, such as High Growth, Balanced, Socially Aware and Indexed Diversified were negatively impacted by lower international shares performance. Even the more conservative investment options, which have historically provided more capital stability, such as the Conservative Balanced and Stable options, also experienced negative returns, as fixed interest investments performed poorly. While this year’s returns are disappointing, long-term results continue to provide favourable financial outcomes for members. The PreMixed options have outperformed their peer median benchmark and/or CPI objective over the past ten years to 30 June 2022.⁷

¹ As at 30 June 2022. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren’t guaranteed. Past performance isn’t a reliable indicator of future returns.

^{2, 3} As at 30 June 2022. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

⁴ Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006.

⁵ This estimate is calculated by simulating the probability of an investment option delivering a negative annual return in any one year and simulating this over 20 years. This provides an estimate of how often you can expect to receive a negative annual return in any 20-year period. Also known as the Standard Risk Measure.

⁶ AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, the percentage-based administration fee deducted from returns from 1 April 2020 to 2 September 2022 and taxes. Returns don’t include all administration, insurance and other fees and costs that are deducted from account balances. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren’t guaranteed. Past performance isn’t a reliable indicator of future returns.

⁷ SuperRatings Fund Crediting Rate Survey to 30 June 2022. Investment returns aren’t guaranteed. Past performance is not a reliable indicator of future returns.



Year in review

After a strong first half of FY22, the global economy and investment markets were impacted by several factors in the second half of the financial year – including inflationary pressures, heightened geopolitical tensions and rising interest rates. These factors have contributed to market uncertainty – both in Australia and throughout the world. Pent-up demand from consumers and supply chain blockages contributed to inflationary pressures, particularly across food, energy and other commodities.

Central banks responded by raising interest rates, causing falls in investment markets as investors became cautious about the impact of higher prices and interest rates on consumer spending and business profitability. As a result, high-growth

sectors, including technology and consumer discretionary companies, have fallen in value after performing strongly for several years. The rise in interest rates also put downward pressure on fixed interest values causing negative returns within that asset class.

The Russian invasion of Ukraine was deeply concerning from a humanitarian perspective, and quickly led to the Russian market becoming uninvestible. The Fund

had a small exposure to Russian holdings, which it has exited where possible. Any remaining Russian holdings are valued at zero in the portfolio and will be divested as markets permit.

Investments in private market assets provided a ballast to the return of a diversified portfolio. Our private equity, unlisted infrastructure, unlisted property and private credit portfolios all had positive returns for the year.

The Balanced option's long-term results demonstrate the benefits of AustralianSuper's active management approach and the positive contribution of investing in private market assets to maximising investment outcomes for members.

Performance highlights

The benefits of owning and actively managing a diversified portfolio are demonstrated by how different parts of the portfolio have responded to changing economic and market conditions this year.

- While listed share markets globally were heavily impacted by rising interest rates, our Australian shares portfolio outperformed its benchmark, the S&P/ASX 200 Index, over the year. A key driver has been the Fund's strategy to invest more into a smaller number of quality companies.
- In the international shares portfolio, rising interest rates and concerns over economic growth slowing in the future contributed to a reversal of the strong performance from many technology and consumer discretionary companies over the past few years. This negatively impacted returns from our international shares portfolio.
- Unlisted assets, including private equity, property, infrastructure and credit portfolios contributed positive returns this year.
 - Private equity, which benefited from strong operating performance from a number of portfolio companies, had strong returns over the year, exceeding 20%.⁸
 - In property, favourable performance from mixed-use/development assets and industrial properties supported returns.
 - In infrastructure, performance from transport, regulated utilities, energy transition and telecommunications sectors were positive contributors to returns.
 - Private credit, which includes commercial real estate and infrastructure loans, also performed strongly.
- Fixed interest performance was negatively impacted by the rising interest rate environment.
- Cash returns remained at historically low levels in line with short-term market interest rates.

⁸ Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.



Outlook and portfolio positioning

After more than a decade of strong growth, our outlook suggests we're entering a period of weaker economic growth and may continue to see lower returns than in previous years. As the economic cycle progresses and markets respond, the investment team will continue to adjust the portfolio to manage risk and take advantage of long-term investment opportunities. By adjusting the allocation to different asset classes, we can control the level of risk in the portfolio and reduce the impact of volatility on returns, while positioning the portfolio to participate in market recoveries.

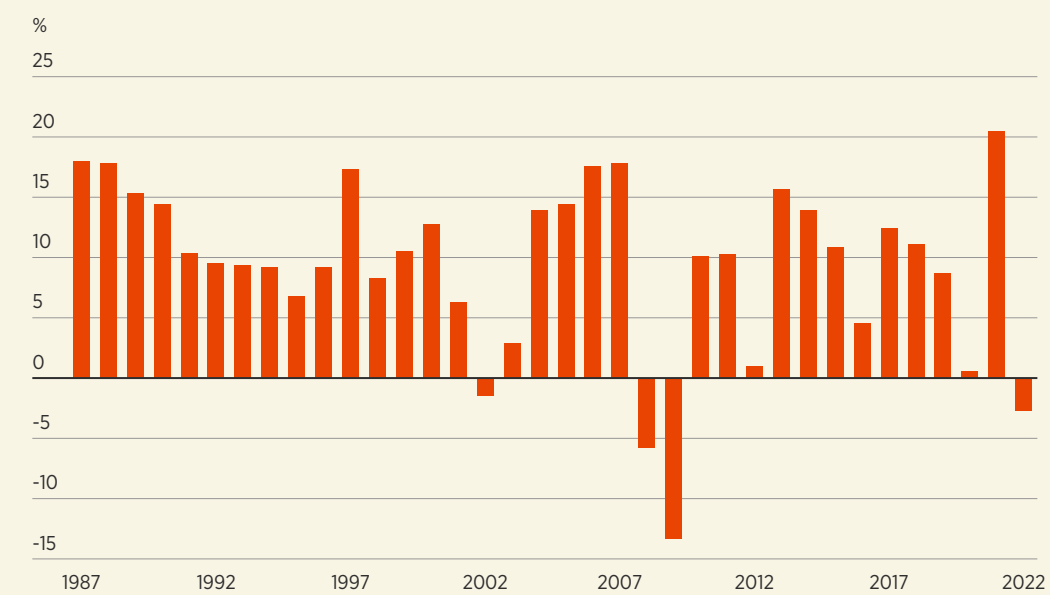
Our investment team has been anticipating an economic slowdown for some time. We've already started to shift to a more defensive strategy and prepare the portfolio for a lower growth environment by reducing our weighting to growth assets, like listed shares, in favour of more defensive assets, like fixed interest. The potential for an economic downturn in the years ahead makes fixed interest assets more attractive at current yields. We know from experience that periods of market volatility can create new investment opportunities. We actively look for assets that may have been mispriced by the market in the short term and to make investments where we see long-term value.

Looking to the future

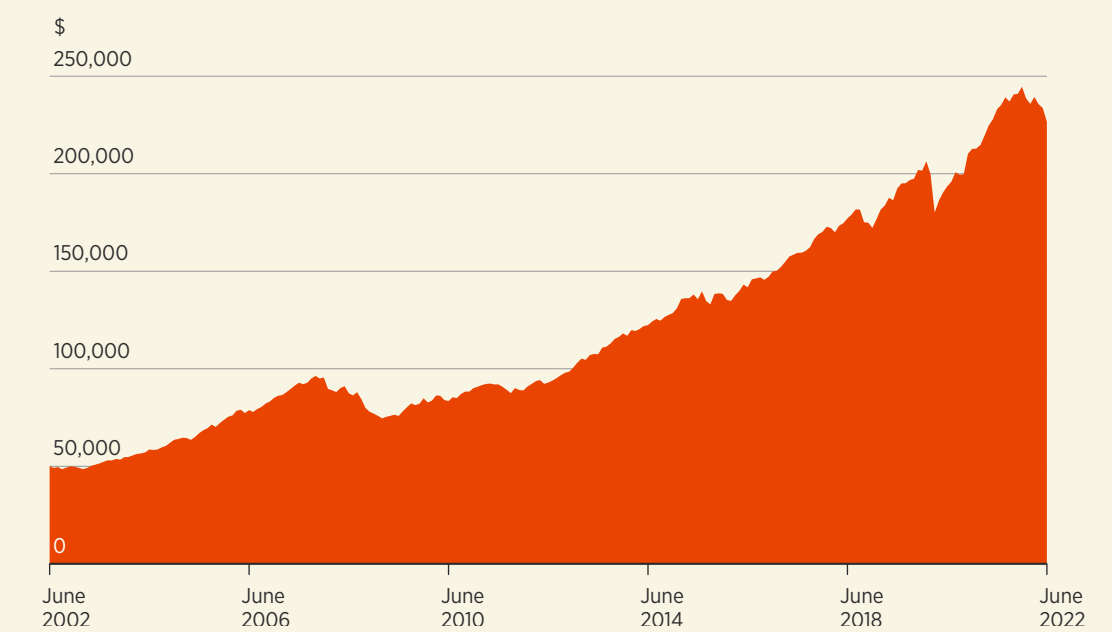
As a long-term investor, we're focused not only on managing the portfolio through the current market cycle, but also taking time to identify and research the long-term trends that we believe will impact our investment strategy and program into the future.

This includes understanding the potential impacts on the economic environment and different investment markets of longer-term trends, such as technological disruption, climate change and the carbon transition, geopolitics and increased government intervention. This research helps inform our thinking about the risks and opportunities that lie ahead as we build a robust portfolio for the future that is well positioned to meet our investment objectives and build the retirement savings of members.

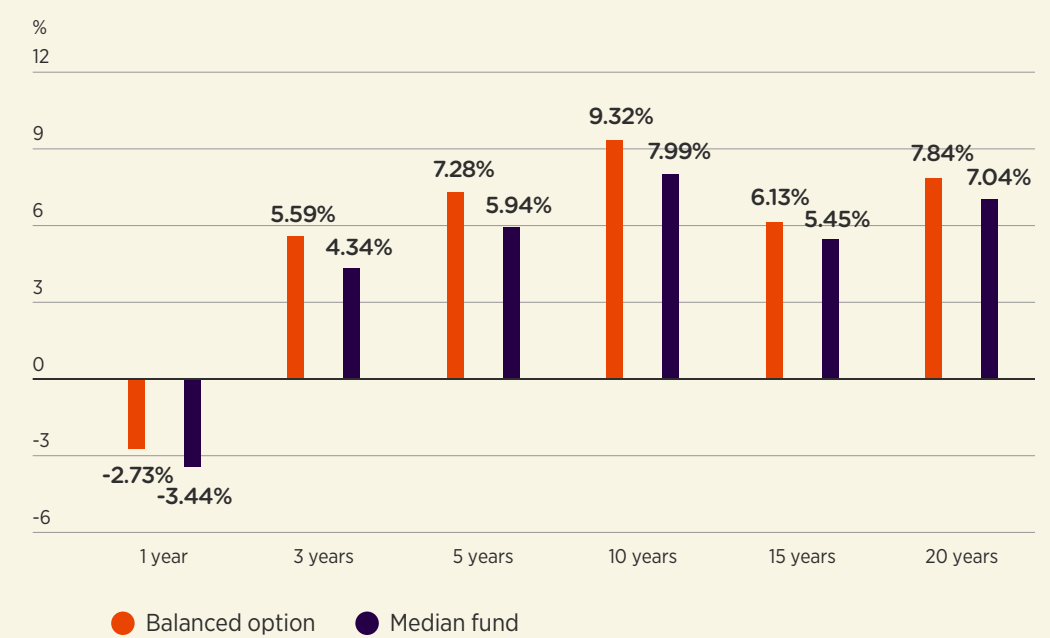
Balanced option
Financial year returns



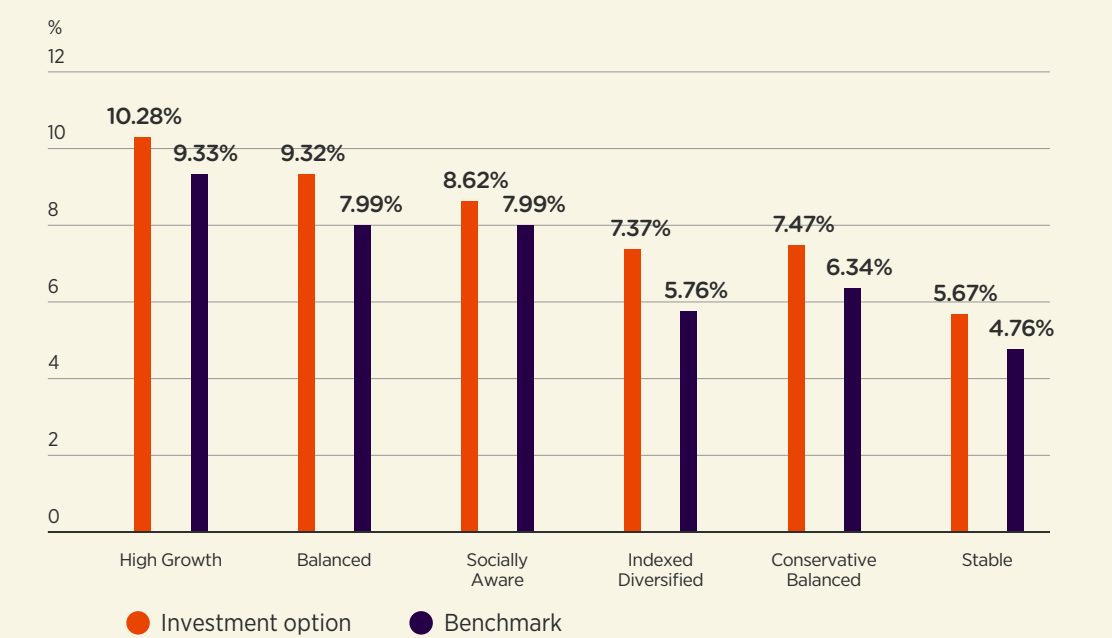
Balanced option
Growth of \$50,000 over 20 years



Balanced option
Average annual returns to 30 June 2022⁹



PreMixed options
Ten year average annual returns to 30 June 2022



⁹ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2022. AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, the percentage-based administration fee deducted from returns from 1 April 2020 to 2 September 2022 and taxes. Returns don't include all administration, insurance and other fees and costs that are deducted from account balances. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns. Sources: AustralianSuper and SuperRatings Fund Crediting Rate Survey June 2022.

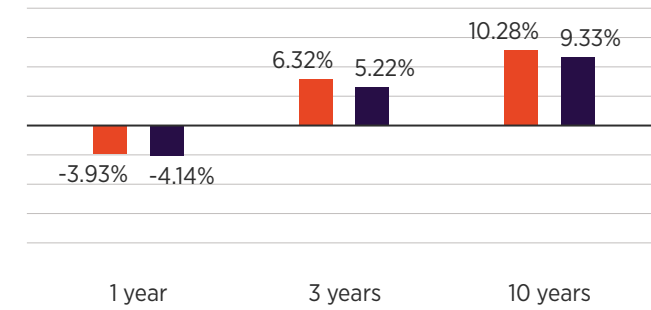


Investment option performance

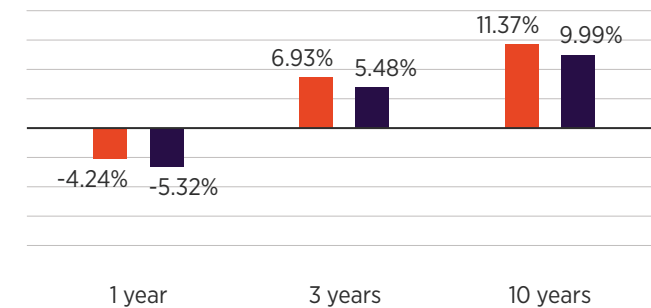
Performance and asset allocations as at 30 June 2022

High Growth

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

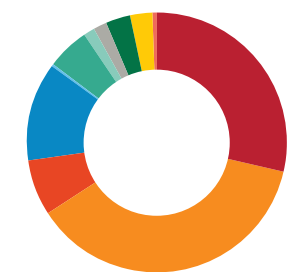
Investment objective

- To beat CPI by more than 4.5% p.a. over the medium to longer term
- To beat the median growth fund over the medium to longer term

Minimum investment timeframe

At least 12 years

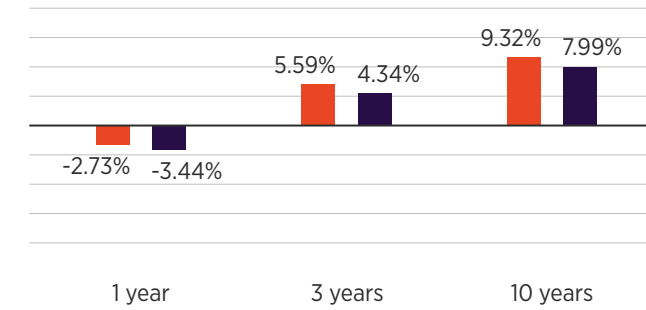
Asset allocation as at 30 June 2022



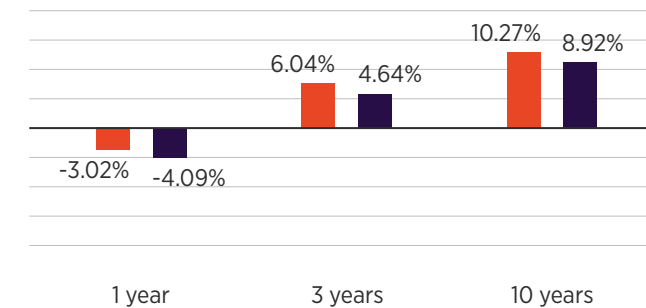
- Australian shares 28.8%
- International shares 37.1%
- Private equity 6.9%
- Unlisted infrastructure 12.5%
- Listed infrastructure 0.2%
- Unlisted property 5.3%
- Listed property 1.3%
- Credit 1.6%
- Fixed interest 3.2%
- Cash 2.7%
- Other assets 0.4%

Balanced

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

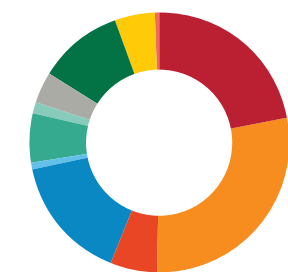
Investment objective

- To beat CPI by more than 4% p.a. over the medium to longer term
- To beat the median balanced fund over the medium to longer term

Minimum investment timeframe

At least 10 years

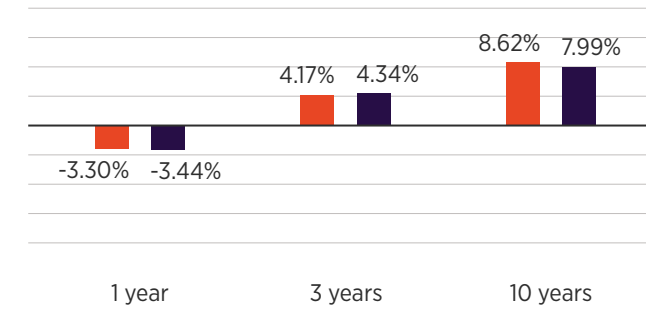
Asset allocation as at 30 June 2022



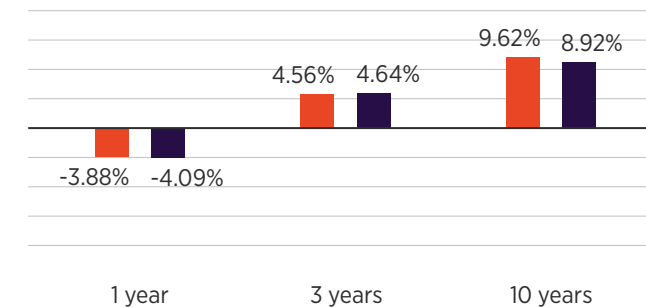
- Australian shares 22.1%
- International shares 28.4%
- Private equity 5.8%
- Unlisted infrastructure 15.5%
- Listed infrastructure 0.9%
- Unlisted property 5.9%
- Listed property 1.5%
- Credit 3.8%
- Fixed interest 10.7%
- Cash 4.8%
- Other assets 0.5%

Socially Aware

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

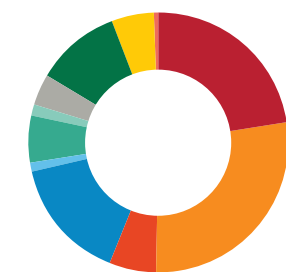
Investment objective

- To beat CPI by more than 4% p.a. over the medium to longer term
- To beat the median balanced fund over the medium to longer term

Minimum investment timeframe

At least 10 years

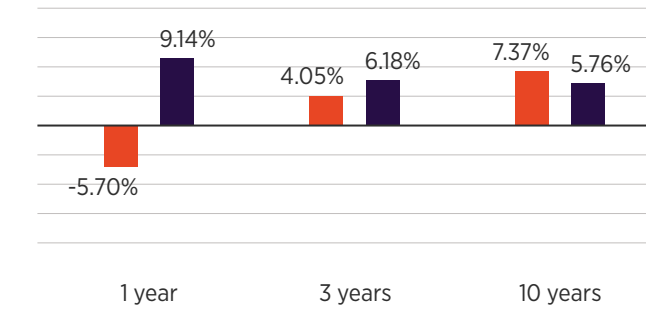
Asset allocation as at 30 June 2022



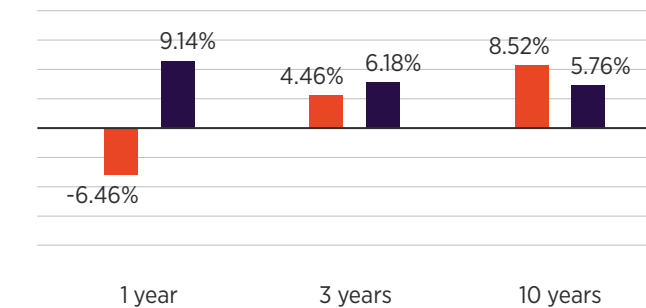
- Australian shares 22.5%
- International shares 27.8%
- Private equity 5.9%
- Unlisted infrastructure 15.5%
- Listed infrastructure 0.9%
- Unlisted property 6.0%
- Listed property 1.5%
- Credit 3.8%
- Fixed interest 10.6%
- Cash 5.2%
- Other assets 0.5%

Indexed Diversified

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

Investment objective

- To achieve a return of CPI + 3% p.a. over the medium to longer term

Minimum investment timeframe

At least 10 years

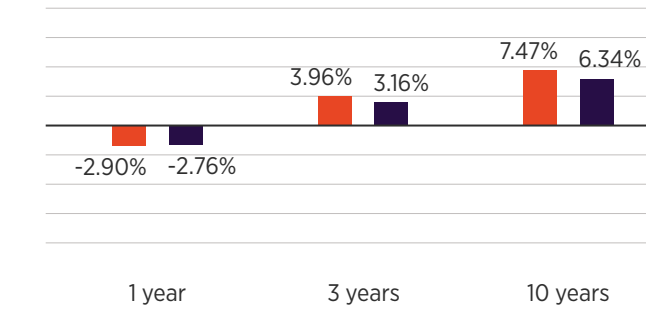
Asset allocation as at 30 June 2022



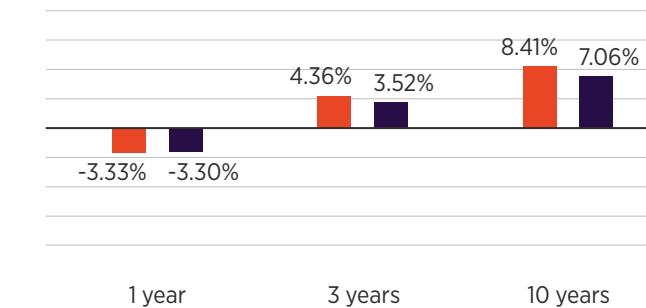
- Australian shares 28.4%
- International shares 41.5%
- Listed infrastructure 0.0%
- Listed property 0.0%
- Fixed interest 25.1%
- Cash 5.0%

Conservative Balanced

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

Investment objective

- To beat CPI by more than 2.5% p.a. over the medium term
- To beat the median conservative balanced fund over the medium term

Minimum investment timeframe

At least 7 years

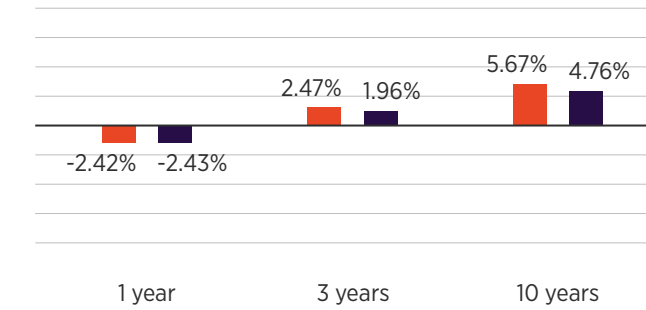
Asset allocation as at 30 June 2022



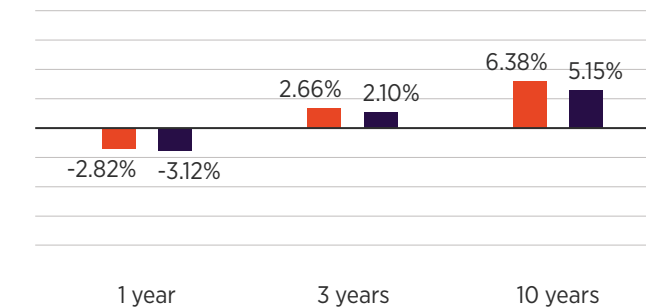
- Australian shares 15.4%
- International shares 19.7%
- Private equity 5.0%
- Unlisted infrastructure 12.9%
- Listed infrastructure 0.7%
- Unlisted property 6.1%
- Listed property 1.1%
- Credit 5.7%
- Fixed interest 25.1%
- Cash 8.3%
- Other assets 0.0%

Stable

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

Investment objective

- To beat CPI by more than 1.5% p.a. over the medium term
- To beat the median capital stable fund over the medium term

Minimum investment timeframe

At least 5 years

Asset allocation as at 30 June 2022



- Australian shares 8.3%
- International shares 10.5%
- Private equity 2.0%
- Unlisted infrastructure 12.3%
- Listed infrastructure 0.7%
- Unlisted property 6.4%
- Listed property 0.4%
- Credit 5.5%
- Fixed interest 31.1%
- Cash 22.8%
- Other assets 0.0%

Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

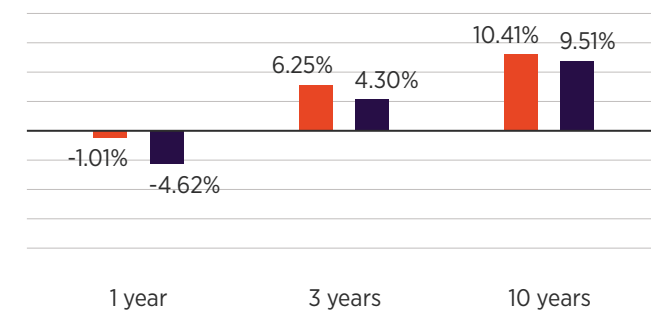


Investment option performance

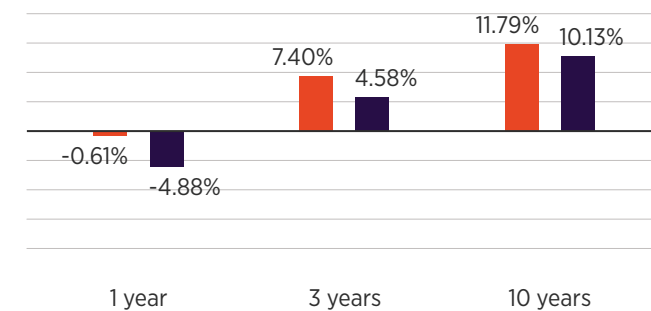
Performance and asset allocations as at 30 June 2022

Australian Shares

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

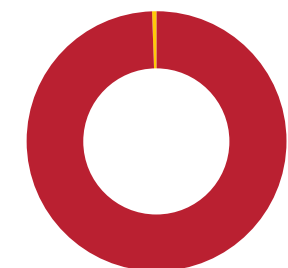
Investment objective

- To beat the S&P/ASX 200 Accumulation Index¹ over the medium to longer term²

Minimum investment timeframe

At least 12 years

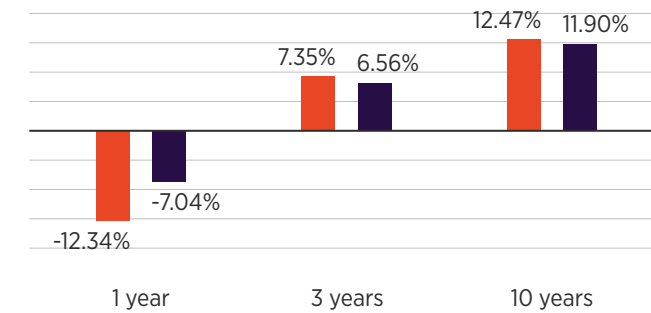
Asset allocation as at 30 June 2022



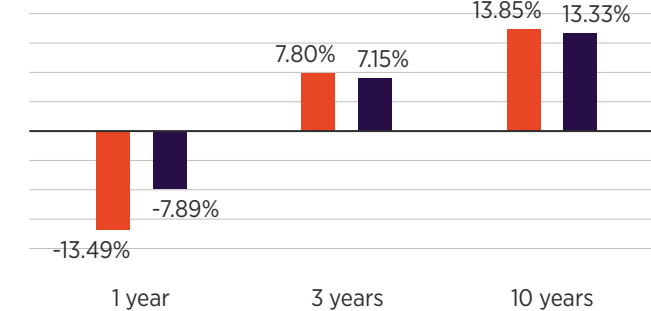
● Australian shares 99.5%
● Cash 0.5%

International Shares

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

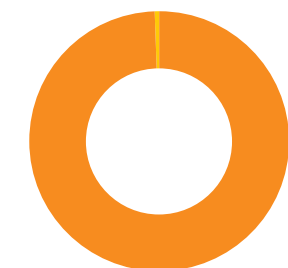
Investment objective

- To beat the MSCI All Country World ex Australia Index (unhedged) over the medium to long term¹

Minimum investment timeframe

At least 12 years

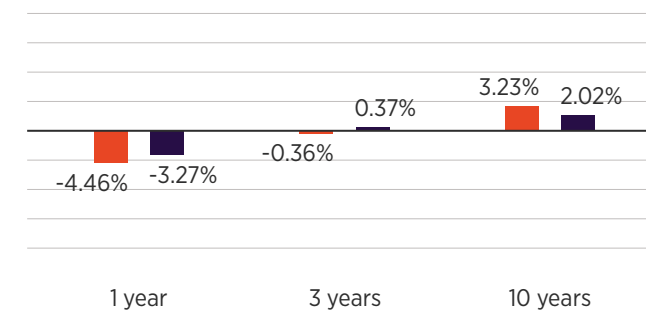
Asset allocation as at 30 June 2022



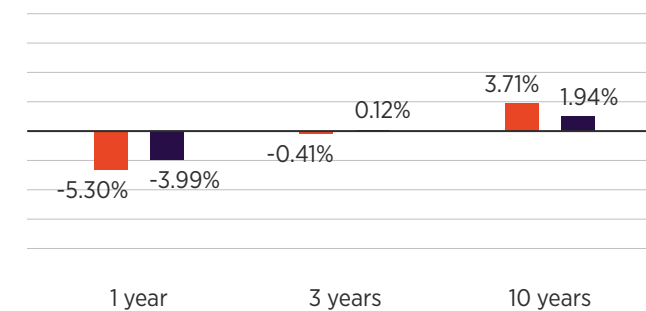
● International shares 99.5%
● Cash 0.5%

Diversified Fixed Interest

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

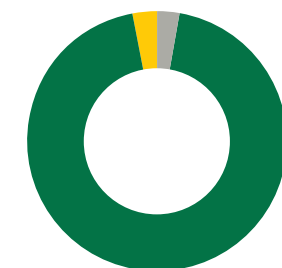
Investment objective

- To beat a composite of Australian and International Fixed Interest Indices over the short to medium term^{1,3}

Minimum investment timeframe

At least 3 years

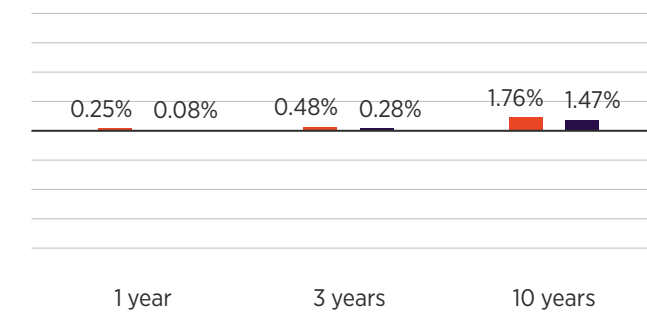
Asset allocation as at 30 June 2022



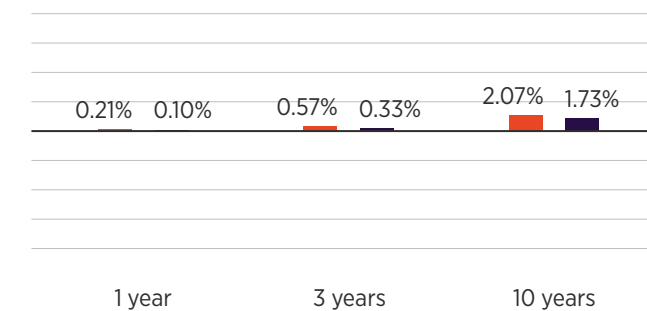
● Credit 2.9%
● Fixed Interest 94.3%
● Cash 2.8%

Cash

Superannuation returns p.a.



Choice Income returns p.a.



● AustralianSuper ● Benchmark

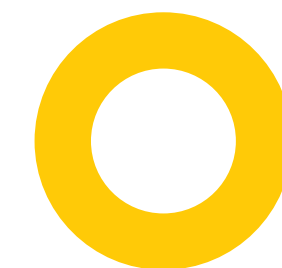
Investment objective

- To beat the return of the Bloomberg AusBond Bank Bill Index over one year¹

Minimum investment timeframe

At least 1 year

Asset allocation as at 30 June 2022



● Cash 100%

¹ Index level returns, adjusted for implied superannuation tax (where applicable).

² S&P/ASX 200 Accumulation Index since 1 July 2020, prior S&P/ASX 300 Accumulation Index.

³ The composite consists of 50% Bloomberg Global Aggregate 1-5 Year Total Return Index hedged to AUD and 50% Bloomberg AusBond Composite 0-5 Year Index, prior to 1 October 2021 CPI + 0.5% p.a., prior to 1 July 2015 CPI + 1% p.a., prior to 1 July 2013 CPI + 1-2% p.a.

Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.



Growing your retirement savings – growing the Australian economy

AustralianSuper is the fund for all Australians, with over \$130 billion invested in Australian companies and assets. Through these investments, we're growing members' retirement savings and contributing to Australia's economic growth and prosperity.

Through their super, members invest in ASX-listed companies, unlisted Australian companies, large infrastructure projects and assets, commercial property assets, government and corporate bonds, and direct loans. Each of these investments contributes to long-term returns for members. They also have the benefit of contributing to a resilient Australian economy.

In times of market volatility, our role in helping Australian companies successfully navigate through uncertainty, advancing local innovation and investing in assets that underpin members' everyday life, is important.

Supporting Australian companies navigate uncertainty

AustralianSuper has a long and proud history of helping Australian companies to grow. The Fund currently has almost \$60 billion invested in Australian listed companies. These include some of Australia's largest businesses that together employ hundreds of thousands of Australians.

As a long-term investor, our focus is on investing in companies that generate value for members over long periods of time. Taking a long-term view means we can support companies through the ups and downs of economic cycles.

Since the onset of COVID-19, we've supported 80 Australian companies with approximately \$2.7 billion in new equity. As a long-term capital partner with a large pool of stable capital, our support is particularly valuable in periods of market volatility, as our investment often means companies can better plan and invest for the future.

Advancing Australian innovation

AustralianSuper believes in supporting companies that are innovating for a better future. Early-stage investing can provide significant value for members as the company grows. By supporting Australia's growing start-up and scale-up community, the Fund is also helping to foster an environment of entrepreneurship that encourages further local innovation. Investment in advanced manufacturing and specialist chemistry businesses, as well as software companies aiding digital transformation, can help create new jobs, valuable intellectual property and productivity gains.

To date, the Fund has committed to invest more than \$2 billion to support emerging industries and promising Australian companies, including:

- a commitment of approximately \$1 billion to Australian venture capital funds – to date, the Fund has invested with leading Australian venture capital managers AirTree, Blackbird, Brandon Capital and Square Peg
- continuing to build our dedicated in-house investment capability focused on identifying and investing in small and/or early stage ASX-listed companies to support their growth plans
- ongoing investment in property developments that target the challenge of housing affordability to help fast-track the development of new housing solutions for median income earners in our cities.

Investing in assets that underpin the everyday lives of Australians

AustralianSuper is one of Australia's largest infrastructure investors, with a portfolio of over \$20 billion invested in local infrastructure assets. In FY22, the Fund invested more than \$7.5 billion in Australian infrastructure and property assets including WestConnex (motorway networks and tunnels), Australia Tower Network and Axicom (which together form Australia's largest independent wireless site operator), Sydney Airport, Moorebank Logistics Park and Sydney Airport Precinct Park. These assets will contribute to long-term returns for members and the efficient functioning and growth of the Australian economy for years to come.

Infrastructure investments are well suited to the long investment horizon of superannuation funds. In committing to these large, long-term investments, members have been rewarded with attractive and

relatively stable returns through market cycles. In FY22, positive returns across our unlisted infrastructure assets helped to cushion the fall in listed share and bond market investments for members.

Investing today for Australia's future prosperity

The connection between a resilient Australian economy and good retirement outcomes for members is clear, which is why our role in supporting the Australian economy to grow and prosper is so important. As Australia's largest superannuation fund, we will continue to use our size and scale, deep sector knowledge and experience across a range of asset classes to help members achieve their best financial position in retirement.



Responsible investment

AustralianSuper believes investing in well-governed investments with good environmental and social management leads to better long-term investment outcomes for members.

We actively steward our capital and use our influence to create sustainable long-term value for members. We have a long-standing position of embedding environmental, social and governance (ESG) considerations into our investment decision-making and stewardship activities to meet this aim.

Strategic ESG themes

AustralianSuper considers a broad range of ESG impacts but prioritises those which we believe present the greatest risks and opportunities to members' investment returns. We integrate these 'strategic themes' into our investment decision-making and stewardship activities, identifying which ESG issues are most material for each asset or company.

We operate in a fast-changing world and assess our strategic themes in light of ESG developments, trends and emerging risks and opportunities. We're currently exploring topics, such as biodiversity and social inequality, assessing their potential impact on investment value and how they interplay with our established strategic themes. Our strategic themes and priority topics in FY22 and FY23 are shown in the table to the right.

Our materiality assessments are based on three elements:

- ownership duration
- financial impact magnitude
- potential impacts on strategy, business operations, operating costs and capital expenditures.

	Strategic theme	Priority topics
Environment	Climate change	<ul style="list-style-type: none"> • Net zero 2050 alignment: commitments and targets, business strategies, transition pathways and forward-looking emissions reduction trajectories • Transition risk: risks and opportunities from the transition to, and strategies to generate value in, a low-carbon economy • Just transition: supporting a smooth and just transition to a net zero economy • Physical risk (chronic and acute): adaptation and resilience strategies • Governance and disclosure: climate change management and TCFD-aligned reporting
	Circular economy	<ul style="list-style-type: none"> • Approaches to recycling and waste management
Social	Workforce	<ul style="list-style-type: none"> • Occupational health and safety, workforce wellbeing (including workplace harassment and culture) and labour standards • Modern slavery: approaches to identifying, mitigating and remediating modern slavery risks in supply chains and supplier relationships; and increased transparency in disclosures
	Diversity	<ul style="list-style-type: none"> • Policies and strategies to improve diversity and inclusion including gender, culture, age, disability, sexual orientation and gender identity
	First Nations/cultural heritage	<ul style="list-style-type: none"> • Relationship building, constructive engagement and ongoing agreements with First Nations Peoples and community stakeholders • Appropriate governance and oversight of First Nations/cultural heritage issues and transparent disclosure • Effective risk assessment, management policies and processes
	Sustainable digitalisation	<ul style="list-style-type: none"> • Robust governance and management of cyber risks and data • Responsible, ethical and sustainable use of technology and data collection
Governance	Board effectiveness	<ul style="list-style-type: none"> • Board structure, skills, experience, tenure and diversity • Successful appointment of CEO and oversight of strategy and risk • ASX 200 Board gender diversity voting approach
	Remuneration	<ul style="list-style-type: none"> • Frameworks that deliver appropriate pay-for-performance outcomes and alignment to long-term shareholder value creation • Transparent disclosure of remuneration structures and pay outcomes



Climate change and Net Zero 2050

Meeting our Net Zero 2050 goal requires the incorporation of the net zero transition into the business strategies of the companies and assets we invest in. AustralianSuper advocates for near-term actions aligned to this goal, credible transition strategies and demonstrable progress against company targets.

Significant work has been undertaken to understand the emissions profile of the Fund's investment portfolio and its future trajectory towards net zero. During FY22, we expanded our internal carbon footprinting analysis across our Australian and international equities, property and infrastructure portfolios.

As part of this, we've identified the largest contributors to portfolio emissions based on the proportion of emissions we own of each company (apportioned emissions; which is calculated based on our ownership level and the company's scope 1 and 2 emissions). We believe a focus on apportioned emissions is an effective way of measuring our progress towards Net Zero 2050 and impact on real-world outcomes, as it enables us to focus our stewardship actions

on the highest contributors to portfolio emissions.

As an example, this analysis shows that investee companies responsible for 85% of our actively managed Australian equities portfolio emissions have made net zero commitments.¹

AustralianSuper undertakes targeted and comprehensive direct company engagement to actively manage the risks and opportunities of climate change. We've developed ownership plans and engagement strategies for companies in our actively managed Australian equities portfolio, which includes an assessment of climate management, net zero business strategies and emissions reduction trajectories.

Our internal carbon footprinting analysis identified that five

companies in our actively managed Australian equities portfolio are responsible for 84% of portfolio emissions.² AustralianSuper has engaged with all top five emitters on their climate action plans over the last 12 months. We've also engaged with all of our listed equity managers on their alignment and transition to Net Zero 2050 and Taskforce on Climate-related Financial Disclosures (TCFD) disclosures.

AustralianSuper actively considers climate change-related shareholder resolutions on which we vote, supporting those we believe are effective in achieving a net zero business transition and/or will result in improved disclosures on climate change. We advocate for improved consistency and transparency of company climate change reporting through the adoption of 'Say on climate' advisory votes.

In FY22, AustralianSuper voted on 122 climate change-related resolutions globally, including support for 84 shareholder resolutions.

AustralianSuper's engagement with companies via Climate Action 100+ is helping to improve the consistency and transparency of company climate change reporting and has contributed to the adoption of 'Say on climate' resolutions by 18 focus companies.³

AustralianSuper will be publishing its third annual *Climate Change Report* aligned to the TCFD framework in 2022.

Find out more about our approach to climate change on **our website**.

Recognised as a Responsible Investment Leader

Responsible Investment Association Australasia

AustralianSuper has been recognised as a Responsible Investment Leader in the RIAA *Responsible Investment Benchmark Report Australia 2022* and RIAA 2021 *Responsible Investment Super Study*.

¹ As at 31 December 2021.
^{2,3} Data as at 31 December 2021.



Modern slavery

Modern slavery is a significant global issue, impacting an estimated 50 million of the world's most vulnerable people.⁴ AustralianSuper recognises the responsibility we have to address modern slavery across our investments and operations, through our direct actions and collaborations with other investors and civil society.

AustralianSuper has a long-standing program of integrating modern slavery and labour force considerations into our investment decision-making process and stewardship activities. In addition to the severe risk they present to vulnerable people, modern slavery and poor workplace practices can lead to unsustainable earnings in the companies we invest in and negatively impact investment performance.

AustralianSuper has built on the foundational initiatives implemented in recent years, operationalising our processes and procedures to identify and address modern slavery risks. In FY22, we continued to expand and refine our modern slavery approach within our investment program in the following ways:

Company engagement

Continuing our comprehensive company engagement program, which prioritises increased disclosure of how companies are addressing modern slavery risks and gaining an in-depth understanding of company supply chains and supplier relationships. In FY22, we held 75 direct engagement meetings with ASX 300 companies and have addressed modern slavery in 21% of our direct engagements.

Supply chain assessment

Expanding modern slavery assessment by independent service provider FairSupply to include the Fund's property and infrastructure assets in the investment portfolio. This assessment identifies the countries, companies and industries that pose the highest modern slavery risks through an in-depth examination of their supply chains.

Asset integration

Enhancing our asset-level integration framework for unlisted assets in relation to modern slavery and commencement of an ESG training program, that includes modern slavery for non-executive directors on our larger, directly-held unlisted assets.

Best practice

Continuing our membership of Investors Against Slavery and Trafficking Asia-Pacific (IAST APAC), which is creating a consistent framework and coordinated engagement program to encourage companies to adopt best-practice approaches to identifying and mitigating modern slavery risk in company supply chains.

Advocacy

Continuing involvement in, and Board membership of, the Cleaning Accountability Framework (CAF) to improve labour practices for workers in the high-risk cleaning industry.

Collaboration

Our continued membership of the Australian Council of Superannuation Investors (ACSI) and the Responsible Investment Association Australasia (RIAA) Human Rights Working Group.

Ongoing assessment

Ongoing assessment and benchmarking of modern slavery policies and approaches of the Fund's external investment managers. AustralianSuper's third *Modern Slavery Statement* will be published later in 2022, detailing our approach to managing modern slavery risks within our organisation, investments and their supply chains.

› [READ MORE](#)

⁴ Global Estimates of Modern Slavery: Forced Labour and Forced Marriage International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022.

Collaborating for better outcomes

AustralianSuper holds strategic leadership positions on collaborative investor initiatives to amplify its voice on ESG issues, influence global change on systemic issues and advocate for improved industry standards.

Climate Action 100+

AustralianSuper is a founding member, global steering committee member and previous Chair of Climate Action 100+. Climate Action 100+ has more than 700 investor signatories globally, representing US \$68 trillion in assets under management. The initiative is promoting change in 166 of the world's largest carbon emitters, who are collectively responsible for up to 80% of global industrial greenhouse gas emissions. The initiative released its second round of company assessments based on its Net Zero Company Benchmark this year, which found 72% of companies had aligned disclosures with TCFD recommendations.⁵ In its progress report, Climate Action 100+ highlighted the results of BNEF analysis from September 2021,⁶ which found that 111 focus companies had set net zero targets for 2050 or before, compared to just five when the initiative launched in 2018. It's estimated that these net zero targets – which Climate Action 100+ investors have played a significant role in securing – will reduce greenhouse gas emissions by 9.8 billion metric tons annually by 2050.⁷

Australian Industry Energy Transitions Initiative (ETI)

AustralianSuper is a founding investor partner of the ETI, supporting Australian industry in hard-to-abate sectors to accelerate action towards achieving net zero emissions supply chains by 2050. Through this initiative, we're working with industry to develop pathways for emissions reductions across five supply chains: steel, aluminium, liquified natural gas, other metals and chemicals, which collectively contribute more than a quarter of Australia's annual greenhouse gas emissions and generate exports worth around \$160 billion. The ETI's report *Setting up industrial regions for net zero* highlights how Australia's key industrial regions can contribute to reaching net zero emissions targets by 2050 while driving employment growth and building Australia's climate change resilience.

Investors Against Slavery and Trafficking Asia Pacific (IAST APAC)

AustralianSuper is a founding member and Steering Committee member of IAST APAC. IAST APAC is creating a consistent framework and coordinated engagement program to allow for best-practice approaches to identifying and mitigating modern slavery risk in company supply chains across Asia Pacific. AustralianSuper co-chairs the collaborative engagements workstream, which has developed engagement plans with specific objectives and milestone targets for 24 focus companies across four sectors: consumer discretionary, consumer staples, technology and healthcare.

⁵ Net Zero Company Benchmark Summary of company assessments, published March 2022, Climate Action 100+.

⁶ BNEF analysis, published September 2021: about.bnef.com/blog/two-thirds-of-the-worlds-heaviest-emitters-have-set-a-net-zero-target

⁷ climateaction100.org/wp-content/uploads/2022/03/Climate-Action-100-2021-Progress-Update-Final.pdf



Measuring our SDG impact

AustralianSuper jointly established the Sustainable Development Investments Asset Owners Platform (SDI-AOP) with leading global asset owners APG, British Columbia Investment Management Corporation (BCI) and PGGM in 2020. The aim of the SDI-AOP is to help investors worldwide evaluate companies on their contribution to the UN Sustainable Development Goals (SDGs) and invest in a more sustainable future.

The SDI-AOP sets a global standard on SDG contributions for all investors and brings consistency and comparability to company-level data. For AustralianSuper, this data is important for understanding and tracking the progress our investee companies are making towards the SDGs and the contribution our portfolios are making to sustainable investment outcomes. Behind the platform sits a unique taxonomy that specifically maps investments to the SDGs and their

sub-goals on sustainability issues such as climate change, world hunger, water scarcity, healthcare access and social inequality. By quantifying each company’s contribution to the SDGs, the platform assigns a Sustainable Development Investment rating, which enables us to identify companies exposed or well-placed to particular SDGs. It includes data for more than 8,000 listed companies and 26,000 corporate fixed interest securities.

We use the data to supplement our ESG analysis as a research input into our investment stewardship process and to report how much our portfolio is contributing to the sustainable development goals. As at 30 June 2022, our aggregate equities and fixed interest portfolio contributed \$15.3 billion to the SDGs. The contribution to each SDG is shown in the graph below to the left.

Stewardship update

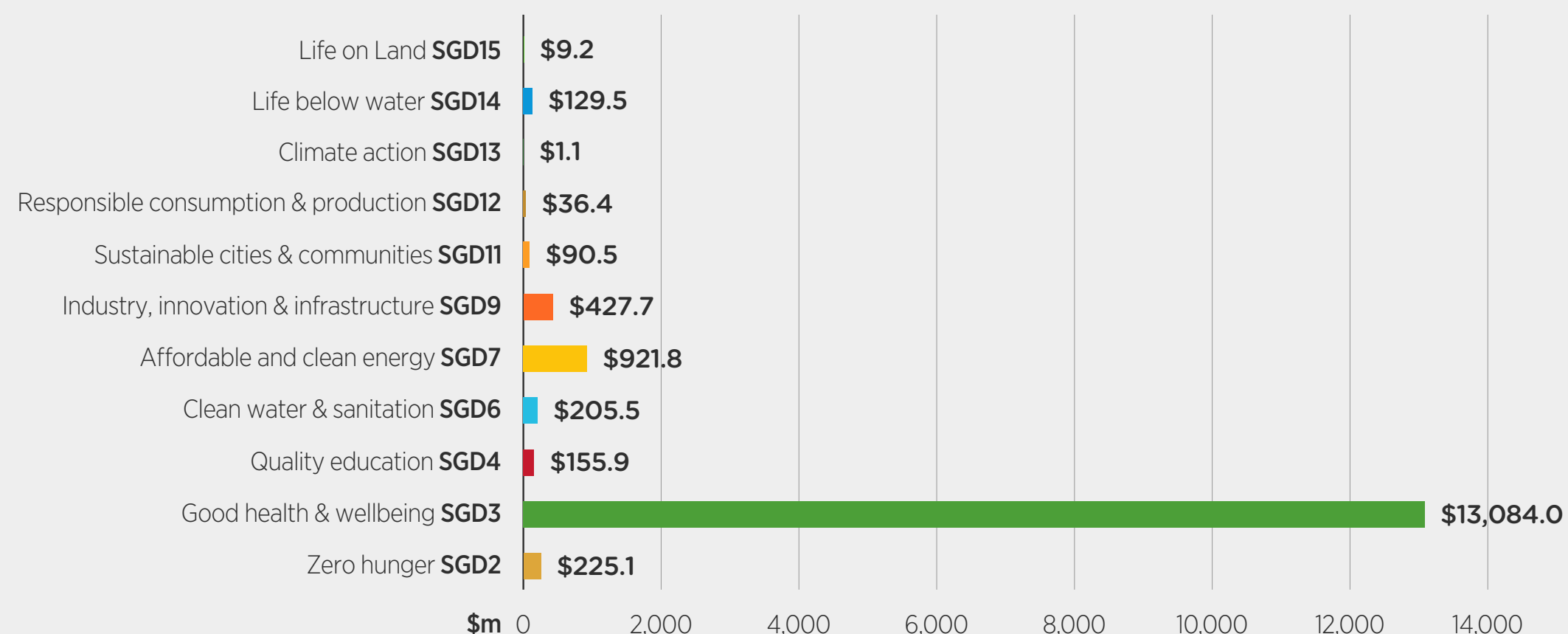
As a large, direct investor in some of Australia’s largest companies, we have access to the key decision-makers in the companies we invest in. We regularly meet directly with the chairs, Board members and senior executives of major ASX companies on ESG issues that can impact long-term value. Our ownership enables us to conduct deeper, more specific engagement with company directors and senior management in each company on ESG topics. As a long-term investor, companies are interested in our views and expectations as they can impact long-term value creation. AustralianSuper also meets with the Boards, management and investment managers of our unlisted

assets. We have commenced an ESG training program for non-executive Directors on our larger, directly held unlisted assets. The program includes sessions on our ESG strategic themes, including intensive sessions on climate change and modern slavery. We use our influence to encourage companies to appoint well-functioning and diverse Boards, deliver better environmental and social outcomes and provide appropriate executive pay. We also use our significant shareholder rights to vote on company and shareholder resolutions in a way that is consistent with maximising long-term value for members. FY22 stewardship activities included:

- Voted on around 40,000 resolutions globally, including over 770 shareholder resolutions, and 1,100 resolutions in Australia.
- Supported 88% of company resolutions globally.
- Voted in favour of 53% of shareholder resolutions globally, including 69% of climate-related resolutions.
- Voted on 37 ‘Say on climate’ resolutions globally, including four in Australia, supporting 73% of all resolutions.

- Voted against 6.4% of ASX remuneration reports.
- Voted against four directors based on our Board gender diversity policy. Since writing to the 37 ASX 200 companies with fewer than two women on their boards in 2020, 23 (more than 60%) have appointed additional women.⁸
- Held 75 direct engagement meetings with 41 ASX 300 companies, and 314 engagement meetings with 193 ASX 300 companies via the Australian Council of Superannuation Investors (ACSI). In addition, our subscription to EOS at Federated Hermes grants us access to insights and opportunities regarding engagements with over 1,000 international companies annually.
- Held 27 engagement meetings directly with assets or the external managers of our property and infrastructure assets.

Portfolio contributions to SDGs Australian and international equities and fixed interest



Assumptions: Data as at 30 June 2022. Contribution is based on % of company revenue aligned to an SDG multiplied by the value of AustralianSuper’s holding (\$million invested). Only companies with SDI status of Majority or Decisive with confidence levels of 3 or above (out of 5) have been included. SDGs 5, 8, 10, 16 are conducted based SDGs and are not covered by the SDI AOP data although these SDGs are considered as part of our broader ESG & Stewardship program.

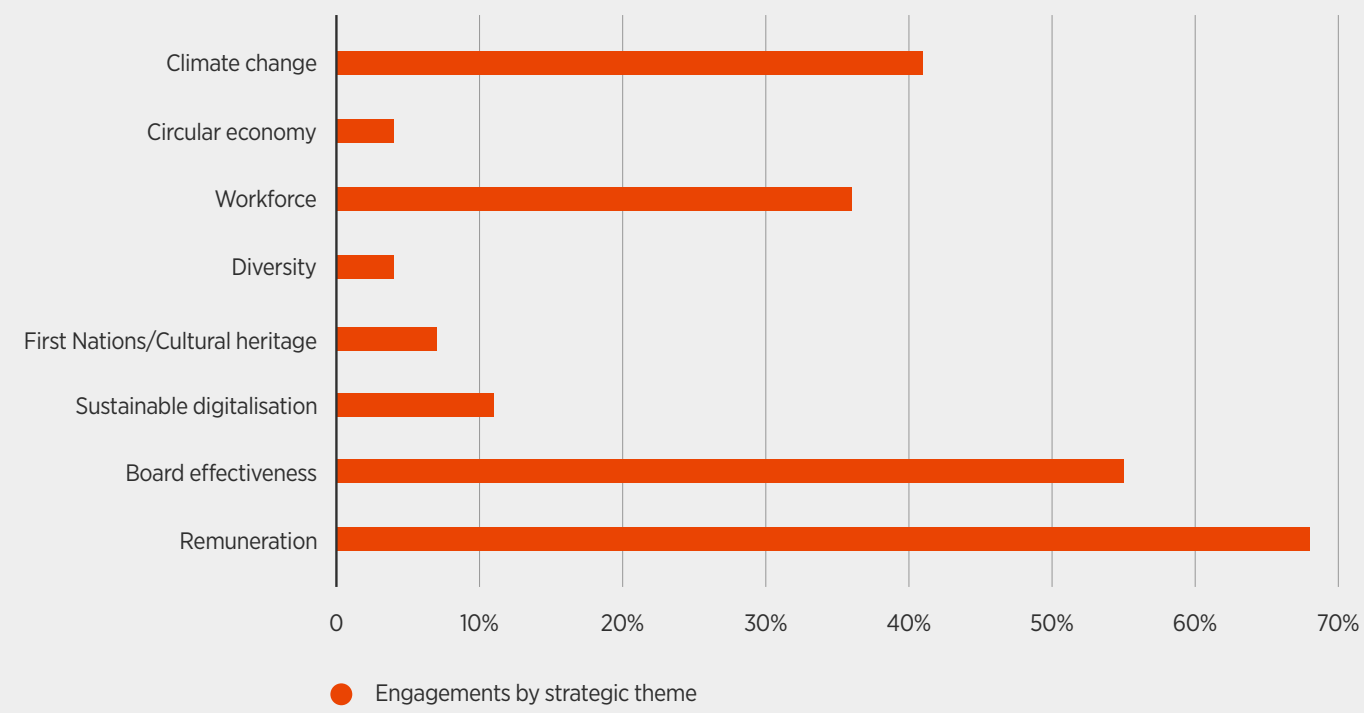
8 As at 1 July 2022. Of these 23 companies, seven are no longer in the S&P/ASX 200.



Engagement snapshot

AustralianSuper held 75 direct engagement meetings with 41 ASX 300 companies in FY22. During these engagements, we often discussed multiple strategic themes. The chart below shows the percentage of engagements where we have addressed each theme.

Direct engagement meetings addressing strategic themes FY22

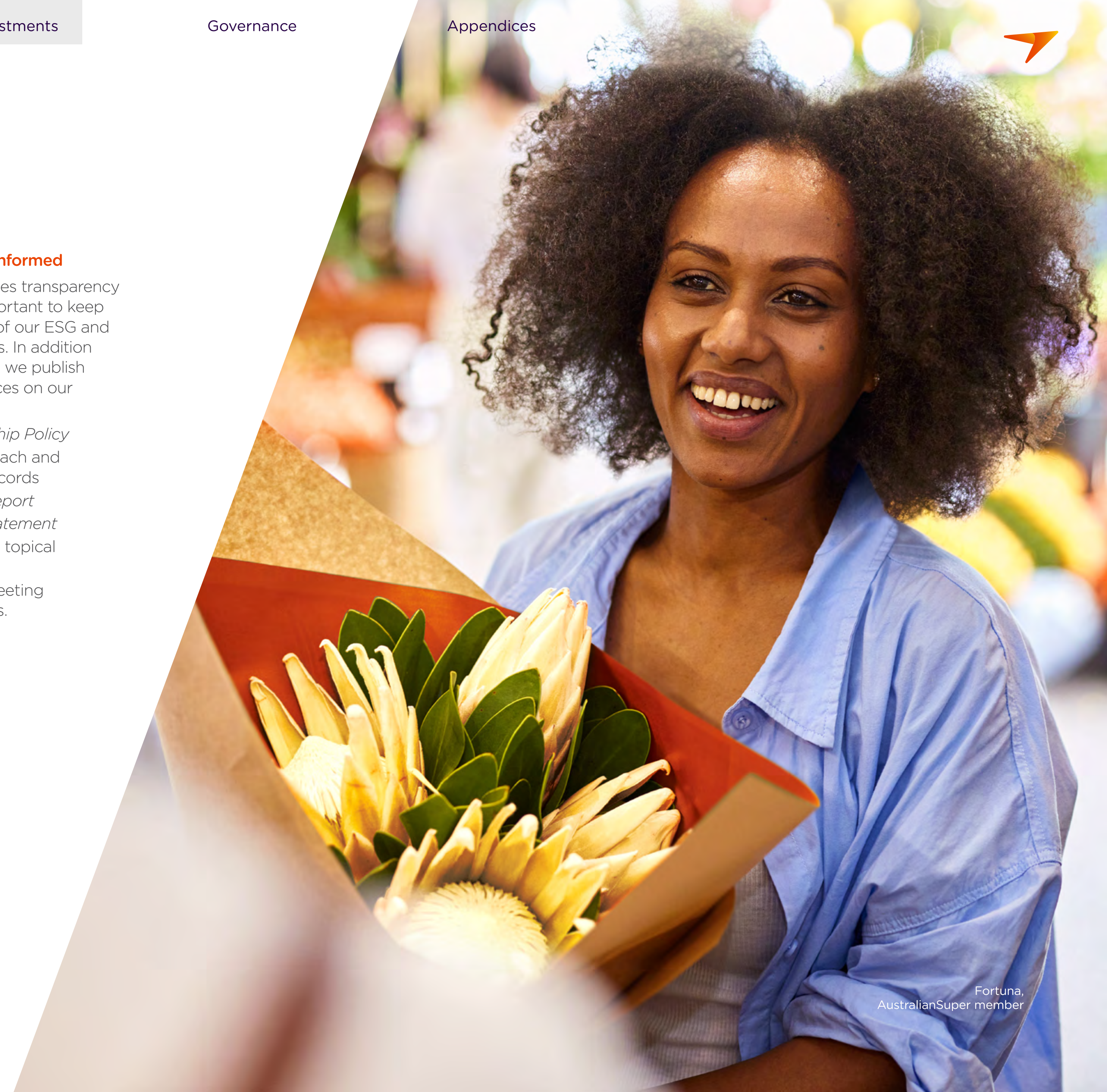


Keeping members informed

AustralianSuper values transparency and believes it's important to keep members informed of our ESG and stewardship activities. In addition to our annual report, we publish the following resources on our website:

- *ESG and Stewardship Policy*
- share voting approach and quarterly voting records
- *Climate Change Report*
- *Modern Slavery Statement*
- editorial articles on topical ESG issues
- Annual Member Meeting Q&A on ESG issues.

› [VISIT OUR WEBSITE](#)



Fortuna, AustralianSuper member



Canada Water Masterplan

In March 2022, AustralianSuper purchased a 50% stake in the Canada Water Masterplan, forming a joint venture with British Land to deliver this significant urban regeneration project over the next decade.

Canada Water is a 53-acre, major urban regeneration project in central London. It's the first new town centre in central London for 50 years and will provide up to 3,000 net zero homes, highly sustainable workspaces for 20,000 workers and one million square feet of retail, leisure, entertainment and community space. It will also create extensive open spaces protecting historical wetlands and woodlands, all within easy access to the other amenities central London has to offer.

AustralianSuper has a well-established program of ESG integration, with specialist expertise in unlisted assets and the sustainable built environment. The Fund has an ESG representative on the transaction team for every major unlisted asset acquisition. As part of due diligence and ongoing ownership planning, AustralianSuper applies its internally developed framework to identify ESG risks and mitigation measures associated with each asset. The framework ensures factors, such as business transition to a net zero 2050 economy as well as climate change physical risks, are considered throughout the lifecycle of the asset. It also incorporates social and governance factors, including health

and safety, diversity, modern slavery, cultural heritage and community factors. As a result of the due diligence, AustralianSuper included ESG commitments when developing and approving the Canada Water Business Plan for FY23.

Canada Water is regarded as one of the most sustainable large-scale regeneration projects in the UK and is strongly aligned to our commitment to achieving net zero emissions by 2050. Canada Water is structured to deliver a net zero development and to reach this target by 2030. This will see a 50% reduction in embodied carbon, combined with a 75% reduction in operational carbon alongside an accredited off-setting strategy for residual greenhouse gas emissions. We'll continue to work with British Land, our investment and development partner, to drive better ESG outcomes and deliver long-term value to members.

The Canada Water investment follows AustralianSuper's successful investment in the King's Cross Estate urban regeneration development of which the Fund is a 70% owner.

Sustainability credentials

- Canada Water is structured to deliver a net zero development and to reach this target by 2030.
- British Land has a net zero by 2030 commitment.
- Fifty-three acres of mixed-use space with around 50% dedicated to public use.
- Three thousand net-zero homes, 35% of which will be affordable with the majority available at social rent.
- Sixteen acres of new public space, including parks, revitalised wetlands and a town square.
- The development aims to commit to high levels of industry standards, including BREEAM, HQM and NABERS and WELL certifications.
- Improved pedestrian and cycle infrastructure.
- Inclusive community with local educational, training and employment initiatives.



Governance

Guided by members' best financial interests

AustralianSuper seeks to maintain the highest standards of governance and control to ensure the Fund meets its obligations to members and employers.

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Board of Directors

Key responsibilities of the Board are the strategic direction of the Fund and to ensure that an appropriate governance framework is in place and well maintained.

Governance

As at 30 June 2022, the Board comprised five member representative directors, five employer representative directors and two independent directors.

The Trustee of the Fund is AustralianSuper Pty Ltd, which is governed by a Board of Directors. All Directors are non-executive and independent of management. Directors are appointed by the Trustee's shareholders – Member Directors are appointed by ACTU Super Shareholding Pty Ltd and Employer Directors are appointed by the Australian Industry Group. The Trustee shareholders jointly appoint Independent Directors. All Director appointments are subject to ratification by the Board.

The Board is covered by indemnity insurance. Many matters are delegated to committees for decision and oversight. Membership of these committees is outlined in the Board and committee attendance table, and the objectives of each committee include:

Finance & Audit Committee

Oversees the financial management and financial reporting requirements; adequate and accurate accounting and financial reporting processes; compliance with all applicable financial statutory reporting requirements and taxation obligations; effective and independent external audit program; effective assurance program including an independent internal audit function.

Risk & Compliance Committee

Oversees the maintenance of an effective Risk Management Framework; Compliance Management Framework; Governance Framework; Conflicts Management Framework; governing the enterprise risks impacting the Trustee and its overseas corporate subsidiary companies; the Trustee's Whistleblower program; promoting a risk and compliance-aware culture.

Investment Committee

Oversees the investment policy and strategy of the Trustee; the desired investment outcomes set by the Board or specified in the product guidelines for investing the members' funds are delivered.

Member & Employer Services Committee

Oversees the membership growth strategy and relationship management program with employers and industry organisations; delivery of services; insurance; product and service performance; monitoring risk and compliance issues relevant to members and employer services.

People & Culture Committee

Oversees performance and remuneration policy and outcomes; employment and enterprise agreement negotiation; succession planning for the Board, Committees and Executive Management; nominations to the Board and Committees; nominations to external boards; People & Culture risk and compliance management.

Technology Committee

Oversees the management of technology assets including data, applications, security, platforms and infrastructure, and the people and processes relevant to those assets; developing, implementing and maintaining effective technology plans; maintenance of effective technology and information security risk management and compliance. The Technology Committee was disbanded effective 10 September 2021. Since the Technology Committee was disbanded, the Board has direct oversight of the management of technology assets, with a report on the state of technology presented at each Board meeting.



Trustee Deed changes

In response to a change in laws that govern super funds, AustralianSuper’s Trust Deed has been amended to include a right for the Trustee of the fund to be paid a limited Trustee Risk Reserve Fee (TRRF). The law change, known as the ‘Section 56’ amendment, came into effect on 1 January 2022 and makes it clear that fund assets cannot be used to pay for fines and penalties that may be imposed under Commonwealth laws. The TRRF will be paid for out of AustralianSuper’s administration reserve and AustralianSuper won’t be increasing fees charged to member accounts because of the change.

Strengthening our switching policy for Board members

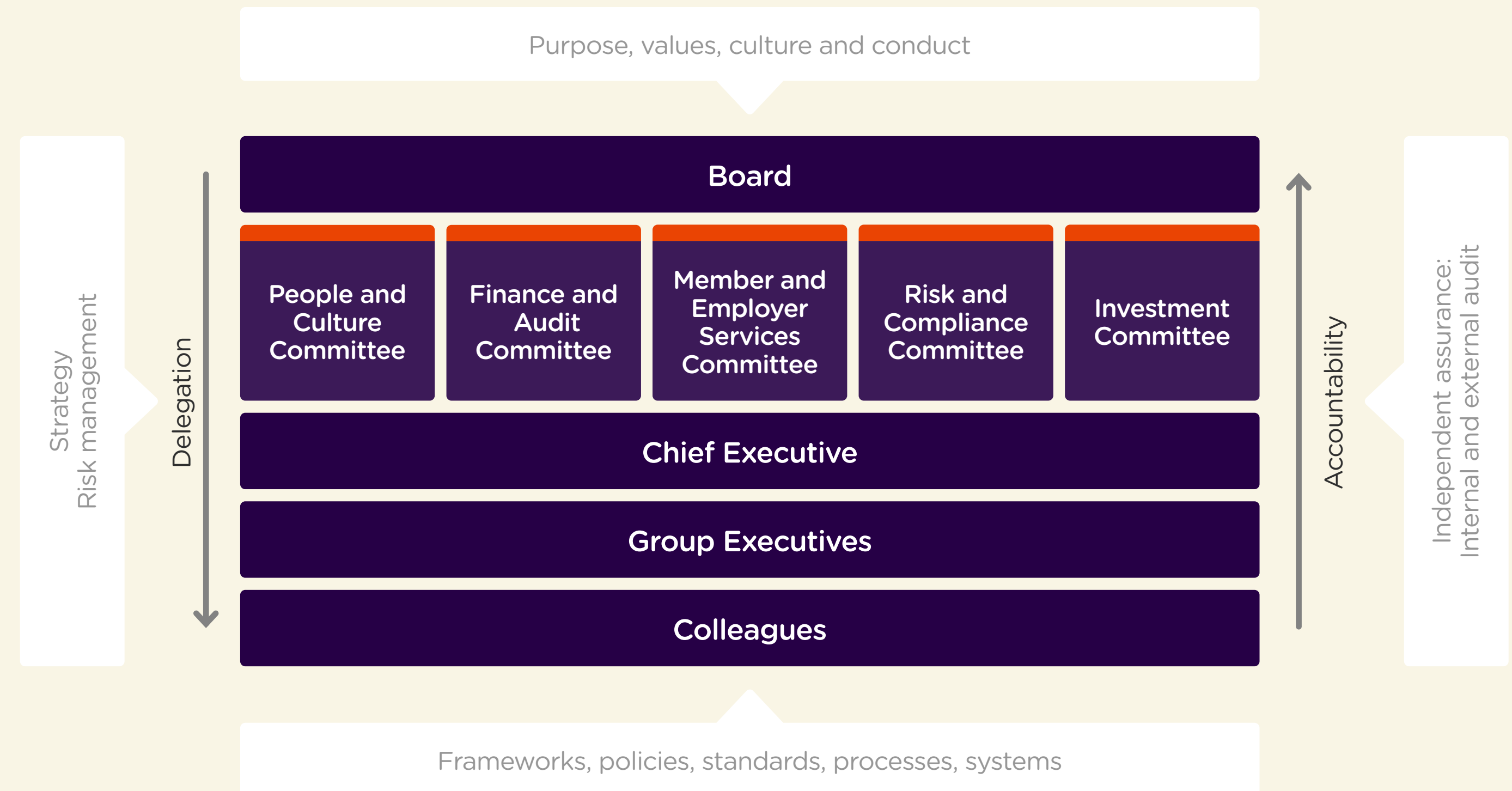
In November 2021, AustralianSuper strengthened its Personal Trading & Switching Policy for Directors and Board committee members to ensure the highest standards of conduct continue to be maintained at the Fund.

The policy clarifies the rules around when it is appropriate for switching to occur and to ensure reviews are undertaken regularly. Directors and Board committee members will only be allowed to switch their superannuation investment options during a specified period of time. This will be overseen by the Chair of the Finance and Audit Committee. All switching activity continues to be reviewed on a regular basis and members should have confidence that AustralianSuper has and will always act in their best financial interests.

Management

The Board appoints the Chief Executive. Day-to-day management of the Fund’s affairs and the implementation of the corporate strategy and policy initiatives are formally delegated to the Chief Executive. The Chief Executive, Paul Schroder, has seven direct Group Executive reports. Head of Internal Audit also reports to the Chief Executive, but is not part of the Executive Committee.

Governance framework



Find out more about our Board of Directors and Executive team at australiansuper.com/about-us



Meet our Board

The Board provides the overall strategic direction of AustralianSuper, oversight of management and guidance around governance, performance goals, culture and the Fund’s response to changing industry dynamics. It’s their role to ensure that we meet our obligations to members, employers and shareholders – and comply with super legislation.

AustralianSuper’s Board as at 30 June 2022:

- Dr Don Russell** – Independent Chair
(since May 2019; term expires May 2025)
- Innes Willox** – Deputy Chair
(since December 2014; term expires December 2023)
- Julia Angrisano** – Director
(since August 2017; term expires August 2023)
- Gabrielle Coyne** – Director
(since August 2017; term expires August 2023)
- Brian Daley** – Director
(since July 2006; term expires September 2022)
- John Dixon** – Director
(since September 2019; term expires September 2022)
- Claire Keating** – Director
(since January 2020; term expires January 2023)
- Philippa Kelly** – Independent Director
(since November 2021; term expires November 2024)
- Michele O’Neil** – Director
(since September 2021; term expires September 2024)
- Glenn Thompson** – Director
(since January 2020; term expires January 2023)
- Janice van Reyk** – Director
(since April 2022; term expires April 2025)
- Daniel Walton** – Director
(since December 2016; term expires December 2022)

From left to right: Dr Don Russell, John Dixon, Claire Keating, Michele O’Neil, Daniel Walton, Julia Angrisano, Glenn Thompson, Innes Willox, Philippa Kelly, Brian Daley. Absent: Gabrielle Coyne, Janice van Reyk.



Board tenure at 30 June 2022	Gender diversity of our Board at 30 June 2022
0–3 years: 50%	50% female
4–7 years: 40%	50% male
8–10 years: 0%	
10+ years: 10%	



Executive Committee



Paul Schroder
Chief Executive

'We're focused on being Australia's leading superannuation fund for members.'

Paul was appointed Chief Executive of AustralianSuper from 1 October 2021 and is responsible for the leadership and strategic development of the Fund as well as provision of advice to the Board.



Mark Delaney
Deputy Chief Executive & Chief Investment Officer

'Delivering strong long-term returns to members is our goal.'

Mark is the Deputy Chief Executive and Chief Investment Officer of AustralianSuper, acting as an advisor to the Board, and responsible for the strategic direction of the Fund's investment program.



Sarah Adams
Group Executive Strategy, Reputation & Corporate Affairs

'We're focused on being Australia's leading superannuation fund, delivering meaningful outcomes for members and building community confidence in AustralianSuper.'

Sarah is responsible for leading a number of functions that set the strategic direction of AustralianSuper, communicate our purpose, support the investments program, enhance our understanding of members and the Fund's reputation, and advocate to improve member outcomes.



Shawn Blackmore
Group Executive Member Experience

'Delivering a world-class member proposition to help members achieve their best financial position in retirement is our goal.'

Shawn leads the Fund's product, administration and member services, across super, retirement and insurance.



Peter Curtis
Chief Operating Officer

'We use our scale to enhance simplicity, drive efficiency and reduce costs, leading to better outcomes for members.'

Peter is responsible for the management of Finance, Legal, Technology Services, Investment Operations, Investment Compliance and Operational Risk.



Michele Glover
Group Executive People & Culture

'To deliver top performance for members, our aim is to have an engaged and elite high-performing global workforce.'

Michele is responsible for the leadership of the People & Culture Group and for designing and executing people and culture initiatives to support the Fund's 2030 Strategy. Key areas of focus include talent acquisition, development and management; succession planning and leadership development; colleague engagement; health and wellbeing; diversity and inclusion; workforce planning; remuneration design and people analytics.



Rose Kerlin
Group Executive Membership & Brand

'Our brand is one of our most important assets, by helping the Fund to grow and delivering on the trust members place in us.'

Rose is responsible for AustralianSuper's Membership and Brand Group, which ensures the right strategies and relationships are in place to effectively attract and retain members. The team's remit includes brand, marketing, business and stakeholder partnerships, and providing quality education and advice offerings to guide members.



Andrew Mantello
Chief Risk Officer

'To deliver trusted leadership, we must continue to embed a best-practice approach to managing risk for the benefit of members.'

Andrew is the Chief Risk Officer of AustralianSuper and is responsible for ensuring the Fund's processes, controls and systems remain robust as we grow. He also takes the lead in providing advice to the Board about how to balance risk and reward in members' best financial interests.



Managing risk in members' best financial interests

AustralianSuper adopts a balanced risk management approach that aligns to good industry practice and regulator expectations, while seeking a balance of risk and reward to the benefit of members.

Against the backdrop of increased regulatory focus and the ongoing need to position the Fund for future growth, the Board and the Executive continue initiatives to elevate and strengthen the AustralianSuper Enterprise Risk management framework (ERmf) and risk and compliance capabilities. These initiatives will ensure our people, systems, processes and controls meet future challenges so we can continue to help all members achieve their best financial position in retirement.

Our approach to managing risk

AustralianSuper acts in a controlled and deliberate manner within a strongly-managed risk environment. We do this within boundaries defined by the Board's risk appetite and the best financial interests of members.

Our business naturally exposes us to financial and non-financial risks. Understanding this risk environment and managing the associated risks is a crucial part our strategic decision-making and tactical planning.

The AustralianSuper ERmf formally outlines the way we consider, assess, identify, manage and monitor risk. We focus on the following nine enterprise-wide risk areas to ensure we have the right approach and processes in place:

- governance
- culture and conduct
- strategy
- compliance
- investment objective
- member offer
- liquidity
- operational
- security.

Good governance and frameworks are critical to risk management. It's equally important to embed risk and compliance awareness in our management processes across the organisation. We train all colleagues to understand that it's everyone's responsibility to ensure decisions are always made with our members' best financial interests front of mind.

To support this, we have Fund-wide processes, protocols, controls and reporting platforms. Colleagues undergo regular training to ensure they're well equipped to appropriately manage risk. During FY22, we deployed a stand-alone risk culture survey to measure organisational qualities across seven domains. This survey provides the base to measure and improve risk culture across the Fund.

As the digital economy expands, keeping confidential member data secure is crucial to earning and maintaining trust. AustralianSuper remains vigilant in the face of the ongoing challenges of increasingly sophisticated technology that gives more and more power to personal devices, and the security threat to data transmitted in real-time to members and to and from third parties.



Risk influences during the year

The influences on risk and risk-related events during the year included continued pandemic health impacts, geopolitical tensions and elevated investment market volatility.

Decisions this year were shaped around a range of factors, including:

- communicating with and servicing members during a time of continued disruption
- the health and wellbeing of 1,321 AustralianSuper colleagues, particularly in the context of hybrid working arrangements
- significant market volatility
- managing fraud
- meeting significant and changing regulatory requirements aimed at providing greater protection and transparency for stakeholders and members
- the global pandemic.

With the appropriate culture, structure and practices in place, the Fund was well positioned to deal with the events of this year. We started the financial year with strong risk frameworks, systems and a commitment to further improvement.

We remain committed to continuously improving our risk management to meet today's ever-evolving challenges. This commitment is best underlined by the Fund's dedicated Risk and Compliance Board Committee.

While our risk management approach doesn't seek to eliminate risk, it provides the guidelines to best operate and invest on our members' behalf, in a deliberate and controlled way, within acceptable levels of risk that maximise growth in our members' long-term super balance.

Risk Management Declaration

At the end of each financial year, we're required to provide a declaration to APRA, signed by two Directors on behalf of the Board, that the AustralianSuper Enterprise Risk management framework (ERmf) framework has operated effectively, in all material respects, over the previous year. This is called the Risk Management Declaration (RMD). For FY22, the Chair of the Board and Chair of the Risk and Compliance Committee signed an unqualified RMD on behalf of the AustralianSuper Board.

Key highlights

- All colleagues across all levels of the Fund completed risk and compliance training.
- The Board and Executive have received training on:
 - conflicts of interest
 - ransomware
 - ethical decision-making.
- Under the Enterprise Risk management framework, the Board also reviewed and approved updates to the:
 - Risk Management Strategy
 - Risk Appetite Statement
 - Governance Framework
 - Personal Trading and Switching Policy
 - Incident Management and Breach Reporting Policy
 - Conflicts Management Policy
- The Fund Scorecard has a new Enterprise Risk Culture Indicator this year.



Our people

At AustralianSuper, a positive, inclusive and member-centric culture is at the heart of everything we do. Our four values of Integrity, Excellent outcomes, Generosity of spirit and Energy, form an integral part of our culture and are central to who we are and how we work together. Actively keeping our values front of mind and embedding them in everything we do helps us when we're faced with challenges that come our way.

Our values



Culture and conduct

Living the Fund's values helps us meet our purpose to help members achieve their best financial position in retirement.

The Fund's Culture and Conduct Framework includes the principles to make informed and ethical decisions, as well as avenues for speaking up and respectfully challenging something that doesn't feel right. AustralianSuper is committed to a workplace where colleagues feel safe to share opinions, challenge decision-making and feel supported when speaking up. Every concern matters.

See something, say something, do something is a statement for colleagues to embrace daily. By providing clarity on these expectations, the Fund encourages a culture of respectful challenge from colleagues, including openness and collaboration.

The Fund's expectations regarding ethical decision making are outlined in the *Ethical PLACE* guide, which reminds colleagues to consider the following:

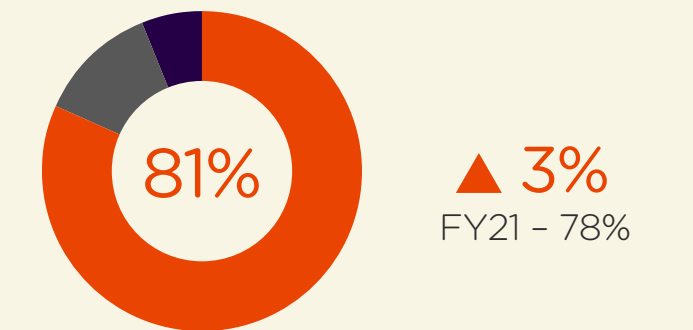
- Does it fit with our Purpose?
- Is it consistent with the Law?
- Have I considered the impact on All members?
- Would it meet Community Expectations?
- Have I considered what is Expected of me by the Fund?

A great place to work

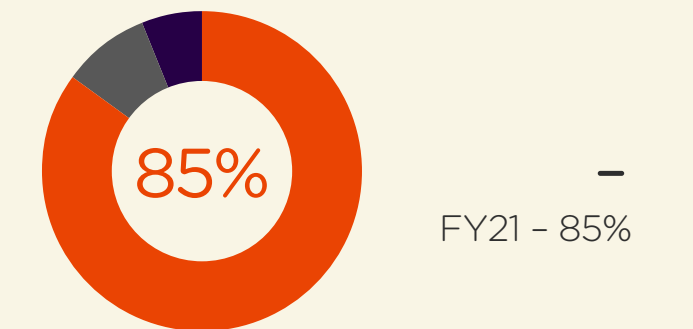
Over 1,070 colleagues provided feedback to the Fund in our annual colleague survey (94% participation rate), a rise of 204 on last year and including 48 colleagues globally. The survey results to the right are a testament to how we all work together and remain aligned to our values and culture, in the best interests of members. Ninety-five percent of colleagues confirmed they are proud to work for AustralianSuper and our four key engagement indices were all above Australian and global benchmarks.

FY22 annual colleague survey results

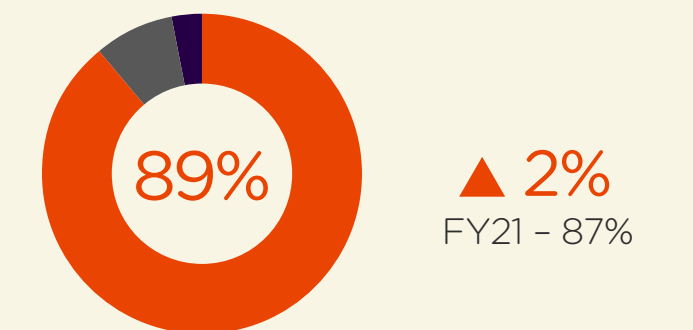
Performance Enablement Index



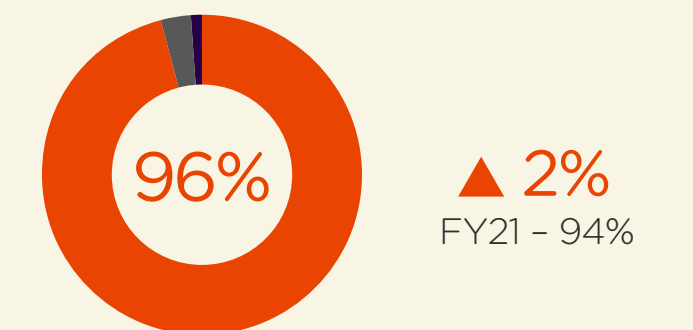
Employee Engagement Index



Manager Effectiveness Index



Diversity Index



● Favourable ● Neutral ● Unfavourable



Our new way of working

The COVID-19 pandemic continued to impact colleagues across all locations throughout the year, with many colleagues continuing to work remotely for much of the year. The Fund continued to provide support to colleagues via regular people leader forums, workplace health and safety check-ins and reminders, financial support to purchase office equipment to ensure home set-ups were ergonomically appropriate and the continuation of paid pandemic leave.

In June 2022, the Fund launched our Blended Working Policy (with effect from 1 July 2022). In developing the policy, the Fund's People & Culture team undertook significant consultation with all colleagues, the Workplace Health and Safety Committee, the Finance Sector Union and workplace delegates. The policy is focused on balancing productivity, safety, risk, performance and outputs, rather than presenteeism, so colleagues can be supported to do their best work for members. A key aspect of the policy is that the Fund doesn't mandate when colleagues are to attend their office in terms of a percentage of time or number of working hours each week.

Rather, colleagues are expected to maintain regular access and attendance at the office, particularly for the purposes of connection, collaboration, and coaching.

The blended work policy has been recognised by the Finance Sector Union as the leading example of a blended working approach across the finance industry.

Welcoming new colleagues through mergers

In the past 12 months there has been ongoing merger activity in the superannuation industry. AustralianSuper merged with Club Plus Super (CPS) in December 2021 and Labour Union Co-operative Retirement Fund (LUCRF) in June 2022. In addition to welcoming more than 186,000 new members and approximately \$10 billion in member assets through these mergers, we've also welcomed 48 new colleagues to the Fund. These mergers have given us a great opportunity to retain skilled and experienced talent in a challenging labour market. To help our new colleagues become part of the AustralianSuper team, we're

supporting them and their new people leaders through the integration process. This will assist with the transfer of knowledge, maintain the established client relationships and will ultimately help integrate the transferring of members to AustralianSuper.

Engaging leading talent

AustralianSuper is committed to developing a high-performance workforce in order to deliver on our 2030 Strategy and fulfil our vision to be Australia's leading superannuation fund for members. Attracting and retaining leading talent is central to this objective and is a key priority of the People & Culture team.

This year we established our Employee Value Proposition (EVP), *Progress powered by Purpose*, to provide prospective colleagues with crucial insight into life working at AustralianSuper and highlight the competitive strengths of our members first culture and values, as well as the exciting career opportunities and benefits we have to offer. To existing colleagues, the EVP serves to reaffirm their continued choice of AustralianSuper as their career destination; the best place to progress in their profession and reach their true potential.

A great demonstration of the EVP and career progression in action was the promotion of several colleagues into senior leadership roles this year, at the head of department, group executive and chief executive level. Our focus remains on the continued identification and development of successors, as both a core component of our talent program as well as a risk management tool.

Recruitment activity in FY22 was at an all-time high across the Fund as we accelerated the internalisation of our investments platform, in particular in private markets, and bolstered resourcing for our priority strategic projects. Despite challenging talent market conditions, we were delighted to welcome many outstanding professionals to the Fund, mostly sourced via our internal recruitment model.

Enhancing investment performance through global expansion

As AustralianSuper's member assets continue to grow, performance of the global investment portfolio has continued to be a strategic focus. With the build out of our London office established in 2016 and the opening of our New York office in August 2021, we've bolstered a 'follow the sun' model through physical presence in key global investment markets. As at 30 June 2022, there were 55 colleagues based in London and seven colleagues based in New York, managing and overseeing investment portfolios directly as well as transacting on new investment opportunities.



Diversity, equity and inclusion

AustralianSuper continues to value diversity, equity and inclusion to reflect the members we serve and provide a workplace where colleagues can be their authentic selves. Our 2022 colleague survey told us that 91% of colleagues can bring their true selves to work, and 95% of colleagues believe they're treated with respect regardless of age, race, gender, sexual orientation or physical capabilities. Diversity, equity and inclusion actions increase engagement and drive positive business outcomes, which ultimately benefit AustralianSuper members' retirement outcomes.

Our diversity, equity and inclusion actions and achievements in FY22 include:

- Being named a Workplace Gender Equality Agency (WGEA) Employer of Choice for the 11th consecutive year. Participation in this voluntary program supports work the Fund is doing to reduce the gender pay gap, guiding our actions and targets.
- Chief Executive, Paul Schroder, is a member of the Champions of Change Coalition.

- Established in 2021, the Pride@ AustralianSuper network boasts 100 members from the LGBTQ+ community and allies. Work completed by the network includes events hosted for Wear It Purple Day and International Day against Homophobia, Biphobia and Transphobia (IDAHOBIT), LGBTQ+ Ally Training, submission of our second Australian Workplace Equality Index and creation of gender affirmation guidelines for colleagues and people leaders.
- We continue to partner with CareerTrackers, who link Indigenous university students with AustralianSuper for paid internships.
- Following consultation across the Fund to harness ideas and hear what is valued in respect of our diversity, equity and inclusion (DEI) actions, we've developed our FY23-FY25 DEI Plan. The Plan includes four key focus areas: driving equity; fostering a culture of inclusion; growing diversity; and belonging and connections.
- AustralianSuper is a member of Pride in Diversity, Diversity Council Australia, Australian Network on Disability and an endorsed employer of Work180.

Supporting mental health and wellbeing

The mental health and wellbeing of colleagues continues to be a key focus to ensure that colleagues are connected and have ongoing access to support forums where needed, including the Fund's Employee Assistance Program.

During the year, in partnership with SuperFriend, all colleagues, people leaders and the executive completed mental health awareness training.

Our annual health and wellness program helps to foster connectedness and social inclusiveness through initiatives such as the GO Challenge, R U OK? Day and Movember.

Mental Health First Aid

AustralianSuper has introduced a network of Mental Health First Aiders across all locations who are trained to provide initial support to colleagues who are experiencing a mental health problem or a mental health crisis.

Developing leadership

With a fast-growing population of new leaders, we ran more leadership development programs this year than in any other, involving multiple cohorts successfully progressing through our Management Excellence and Thrive to Lead programs. Additionally, all leaders at the Fund have ready access to a variety of tools and development options such as our Leadership online portal, Developing Leaders program and people leader forums.

All leadership development at AustralianSuper is delivered in alignment with our leadership capability framework, ensuring leaders know what the Fund expects of them as leaders and what it takes to be successful.

Management team by gender as at 30 June 2022

	Female	Male	Total
Board	6	6	12
Chief Executive	0	1	1
Executive	3	4	7
Management	96	115	211

Management team by age as at 30 June 2022

	Age under 30	Age 30-50	Age 50+
Board	0	2	10
Chief Executive	0	0	1
Executive	0	3	4
Management	2	150	59

Workforce by gender and location as at 30 June 2022

		Female	Male	Total
Asia	Beijing	2	0	2
UK	London	28	27	55
USA	New York	3	4	7
Australia	Sydney	50	55	105
	Newcastle	1	1	2
	Darwin	0	1	1
	Brisbane	10	11	21
	Adelaide	4	5	9
	Hobart	1	2	3
	Melbourne	551	548	1,099
	Perth	11	6	17
Total		661	660	1321*

* Includes 16 day rate contract and 128 maximum term contract colleagues. Management includes colleagues as Chief Executive -3 reporting tiers (CE-3).



Remuneration

AustralianSuper engages qualified and experienced colleagues to deliver benefits and services to members.

The information included in this annual report is a summary of the remuneration practices for AustralianSuper. The Fund's remuneration practices are designed to help AustralianSuper to:

- ensure the members first orientation of the Fund
- attract and retain colleagues with the skills required to manage the operations and growth of the Fund
- drive the Fund's strategy of achieving a higher performing workforce.

AustralianSuper's People and Culture Committee monitors the remuneration practices of the Fund and is responsible for the development, implementation and review of remuneration policies and frameworks for the Board, management and colleagues.

The People and Culture Committee is primarily responsible for making recommendations to the Board on:

- fees to be paid to Board Directors (including the Chair, Committee Chairs and Committee members)
- the remuneration framework for management and colleagues as well as determining the remuneration for the Chief Executive and other responsible persons and material risk takers
- payments under the Fund's variable reward program, the Investment Performance Payment Plan (IPPP) for eligible investment colleagues
- major changes to conditions of employment for colleagues (including Enterprise Agreement negotiations).

Directors' remuneration

Directors are remunerated for their work, having regard to their specific responsibilities and the nature and objectives of the Fund. The fees are reviewed with effect from 1 July each year.

Fees as at 30 June 2022	Chair \$	Member \$	Board Deputy Chair \$
Board	169,500	42,500	62,500
Finance and Audit Committee [†]	65,300	25,500	
Risk and Compliance Committee [†]	65,300	25,500	
Investment Committee [‡]	158,800	63,500	
Member and Employer Services Committee	46,200	26,400	
People and Culture Committee	21,700	12,600	
Technology Committee [#]	36,900	21,100	

A per meeting fee of \$2,030 is paid for attendance at meetings of any sub-committees formed by the Board, and not for the above Committees, and to Alternate Directors who attend Board and Committee meetings in that capacity. Directors are not entitled to annual leave, long service leave or performance payments. Directors receive superannuation contributions in accordance with the legislated superannuation guarantee contribution in addition to the listed fees.

[†] Independent Finance and Audit member fee, Independent Risk and Compliance Committee member fee and Technology Committee member fee is \$45,200 per annum.

[‡] Independent Investment Committee member fee is \$83,200 per annum.

[#] Technology Committee was retired from with effect from 10 September 2021.



Directors' remuneration

Directors and alternate directors	Gender	Ref	2022			2021		
			Cash fees \$	Superannuation \$	Total \$	Cash fees \$	Superannuation \$	Total \$
D. Russell	Male		271,100	27,223	298,323	238,190	22,628	260,818
B. Daley	Male		176,538	17,733	194,271	141,240	13,418	154,658
I. Willox	Male	1	147,700	14,770	162,470	122,120	11,601	133,721
D. Walton	Male	2	138,768	13,877	152,645	108,097	10,269	118,366
C. Keating	Female		133,300	13,385	146,685	117,090	11,124	128,214
P. Kelly	Female	3	131,150	13,199	144,349	0	0	0
L. Di Bartolomeo	Male	4	99,975	9,998	109,973	95,555	9,078	104,633
R. Maddox	Male		87,356	8,770	96,126	91,680	8,710	100,390
G. Coyne	Female		85,656	8,600	94,256	88,110	8,370	96,480
J. Dixon	Male	5	85,225	8,578	93,803	58,510	5,558	64,068
J. Angrisano	Female	6	85,050	8,505	93,555	58,510	5,558	64,068
P. Downes	Female		83,200	8,355	91,555	31,091	2,954	34,045
H. Ridout	Female	7	83,200	8,355	91,555	73,120	6,946	80,066
G. Thompson	Male	8	83,119	8,312	91,431	59,740	5,675	65,415
J. Craig	Male	9	70,913	7,091	78,004	176,920	16,807	193,727
N. Apple	Male	10	47,625	4,763	52,388	55,820	5,303	61,123
M. O'Neil	Female	11	45,291	4,529	49,820	0	0	0
J. Van Reyk	Female	12	28,518	2,880	31,399	0	0	0
G. Stamas	Male	13	26,400	2,651	29,051	21,160	2,010	23,170
J. Schofield	Female	14	26,400	2,640	29,040	21,160	2,010	23,170
S. Kay	Female	15	15,067	1,507	16,573	39,690	3,771	43,461
D. Oliver	Male	16	14,721	1,472	16,193	74,670	7,094	81,764
B. Crofts	Male	17	12,750	1,275	14,025	57,343	5,448	62,791
D. Taylor	Female	18	8,903	890	9,793	24,398	2,318	26,716
C. Rosenberg	Male	19	8,903	890	9,793	39,690	3,771	43,461
P. Cozens	Male	20	5,216	522	5,737	0	2,127	2,127
B. Davison	Male	21	3,187	319	3,506	16,054	1,525	17,579
A. Flanagan	Female	22	0	0	0	23,003	2,009	25,012
C. Pace	Female	23	0	0	0	6,560	623	7,183

1 These fees are paid to the Australian Industry Group.

2 These fees are paid to the Australian Workers' Union.

3 Appointed as Independent Director and IC Chair on 5 November 2021.

4 Ceased as a Director, RCC Chair and FAC member on 31 March 2022.

5 Appointed as Chair of RCC and a member of the MESC from 1 April 2022.

6 These fees are paid to Financial Services Union. Appointed as RCC member on 18 November 2021.

7 Alternate Director for J. Dixon and IC member.

8 These fees are paid to the Australian Manufacturing Workers' Union. Appointed as IC member on 6 April 2022.

9 Ceased as a Director and IC Chair on 5 November 2021.

10 These fees are paid to the Australian Manufacturing Workers' Union. Ceased as an Alternate Director for G. Thompson and IC member on 5 April 2022.

11 These fees are paid to the Australian Council of Trade Unions. Appointed as Director and PCC member on 10 September 2021.

12 Appointed as FAC Committee observer on 25 August 2021. Appointed as a Director and FAC member on 1 April 2022.

13 Alternate Director for I. Willox and MESC member.

14 These fees are paid to United Workers Union. Alternate Director for B. Daley and MESC member.

15 Ceased as an Alternate Director for G. Coyne and FAC member on 31 October 2021.

16 Ceased as a Director, PCC and TC member on 9 September 2021.

17 These fees are paid to Eureka Economics Pty Ltd. Cash Fees are inclusive of GST. Ceased as an Alternate Director for D. Walton and FAC member on 31 December 2021.

18 Ceased as TC member on 10 September 2021. TC was retired with effect from 10 September 2021.

19 These fees are paid to Rosenberg Trading Pty Ltd. Ceased as TC member on 10 September 2021. TC was retired with effect from 10 September 2021.

20 These fees are paid to the Australian Manufacturing Workers' Union. Ceased as an Alternate Director for G. Thompson and RCC member on 14 September 2021.

21 Ceased as an Alternate Director for J. Angrisano and FAC member on 16 August 2021.

22 Ceased as an Alternate Director for L. Di Bartolomeo and FAC member on 14 February 2021.

23 Ceased as an Alternate Director for J. Angrisano and FAC member on 28 October 2020.



Executive remuneration

This section of the report provides disclosure for the Fund’s top five remunerated executives in FY22, in keeping with the Fund’s tradition to disclose to members the remuneration levels for the highest paid colleagues. In addition, in alignment with section 29QB of Superannuation Industry (Supervision) (SIS) Act 1993 and regulation 2.37 of the SIS Regulations 1994, the Fund discloses the remuneration arrangements for the Chief Executive and direct reports that are Group Executives.

Fixed annual remuneration

Fixed annual remuneration for colleagues is determined with reference to levels necessary to recruit and retain colleagues with the relevant skills and experience, and to remuneration levels across the Fund and the relevant market. External remuneration advice is sought to ensure that the fixed annual remuneration is in line with industry standards while recognising that remuneration is consistent with the Fund’s core tenet of being a members first fund. Fixed annual remuneration is comprised of base salary and superannuation guarantee contributions.

All AustralianSuper colleagues are employed under the AustralianSuper Enterprise Agreement 2019-2023. Colleagues whose salaries are set under the Agreement received annual increases to their remuneration in accordance with the Agreement.

Investment Performance Payment Plan (IPPP)

AustralianSuper operates a collective investment performance payment plan which applies to frontline investment colleagues. The level of variable remuneration is set with reference to levels necessary to recruit and retain colleagues with the relevant skills and experience, and to remuneration levels in the Fund and the relevant market. The variable remuneration component for the participants is intended to reflect:

- the investment performance of the Balanced investment option (accumulation) and, where relevant, the internally managed sector or asset class over a rolling three-year period
- the management of costs (RG97) of the Balanced option (accumulation) over a rolling three-year period

- the improvement of female gender representation in the Fund’s investment management team
- an individual’s performance with respect to personal objectives in their role in the Fund.

Payments under the plan only occur when all of the following targets are met in a financial year:

- investment performance of AustralianSuper’s Balanced option is positive over a rolling three-year period
- investment performance of the Balanced option is above inflation over a rolling three-year period
- investment performance of the Balanced option is above the median performance of the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index over a rolling three-year period
- the participant achieves individual performance, risk and behaviours assessment ratings of at least ‘meets expectations’ in their annual performance assessment.

The Investment Performance Payment Plan is based on:

Role	Fund performance (Balanced option) measure weighting	Portfolio performance measure weighting	Diversity measure weighting	Cost management measure weighting
CIO and non-asset portfolio roles	80%	0%	10%	10%
All other people leaders	65%	15%	10%	10%
All other team members	70%	15%	0%	15%

Participants may be awarded a payment of between 10-125% of their fixed annual remuneration, dependent on their role. Payments under the payment plan are made in cash with the Chief Investment Officer and the Heads of Asset Classes having deferred components. The Chief Executive and the People and Culture Committee may revise the performance conditions and weightings in order to better meet the objectives of the remuneration policy.

Performance of the Fund in 2021-2022 in relation to the Investment Performance Payment Plan

Role	Benchmark	Performance	Result
Investment performance of the Balanced option is positive over a rolling three-year period	Positive	Positive	Achieved
Investment performance of the Balanced option is above inflation over a rolling three-year period*	3.18%	5.59%	Achieved
Investment performance of the Balanced option is above that of the median Balanced fund in the relevant SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index over a rolling three-year period	4.34%	5.59%	Achieved

* As of 30 June 2022, inflation calculated on a rolling three-year basis (annualised) is 4.9% p.a. Annual rates: 2019-20: -0.35%, 2020-21: 3.85%, 2021-22: 6.1% Source: Consumer Price Index, Australia, June 2020, 2021 and 2022.



FY22 and FY21 remuneration for the highest paid (top 5) colleagues

Executive	Gender	Date commenced in executive role	Date ceased in role	Financial year	Salary (A) \$	Termination payments (B) \$	Non-monetary benefit (C) \$	Superannuation \$	Short-term incentive (D) \$	Deferred incentive (E) \$	Total remuneration \$	Movement in annual leave accrual \$	Movement in long service leave entitlement (F) \$	Notes & assumptions
M. Delaney	Male	14/09/2013		21/22	885,795	-	-	27,500	629,948	419,964	1,963,207	67,326	40,867	21/22 IPPP outcome equals 99.4% of possible maximum
				20/21	776,992	-	-	25,000	558,870	372,580	1,733,442	38,267	25,303	20/21 IPPP outcome equals 97.8% of possible maximum
J. Peasley	Male	14/04/2011		21/22	779,480	-	-	27,500	385,200	256,800	1,448,980	-43,913	37,203	21/22 IPPP outcome equals 85.6% of possible maximum
				20/21	695,559	-	-	25,000	347,837	231,892	1,300,288	-17,387	32,033	20/21 IPPP outcome equals 85.0% of possible maximum
J. Pascoe	Male	3/05/2021		21/22	692,256	-	-	27,500	577,745	90,168	1,387,669	22,924	22,800	21/22 IPPP outcome equals 99.0% of possible maximum 1/3rd of standard deferral applied due to phasing into deferral arrangement
				20/21	569,109	-	-	25,000	461,421	0	1,055,530	-11,953	11,483	20/21 IPPP outcome equals 97.7% of possible maximum IPPP not subject to deferral in 20/21
I. Silk	Male	2/05/1994	30/09/2021	21/22	300,275	952,500	3,667	13,750	0	0	1,270,192	34,997	65,238	Termination payment limited to payment of salary in lieu of notice
				20/21	1,075,505	-	18,729	25,000	0	0	1,119,234	52,473	29,729	
P. Schroder	Male	28/10/2019 & 1/10/2021		21/22	1,110,577	-	-	27,500	-	-	1,138,077	31,937	204,612	Appointed as CEO on 01/10/2021
		28/10/2019		20/21	675,290	-	-	25,000	-	-	700,290	21,208	11,652	

In accordance with changes made to the Investment Performance Payment Plan on 1 July 2020 Material Risk Takers have 40% of the FY22 and FY21 Performance Payment deferred over 3 years, with equal vesting in years 1, 2 and 3. The Chief Investments Officer has 40% of the FY21 Performance Payment deferred over 4 years, with equal portions vesting in year 1, 2, 3 and 4.

(A) Represent cash remuneration paid during the financial year before superannuation and investment performance payments. This amount does not include any accrual for annual leave or long service leave.

(B) Includes termination payment limited to the payout of notice.

(C) Includes motor vehicle benefits including parking and any associated fringe benefits tax.

(D) Represents the cash component of the performance payment made in respect of the relevant financial year. The amount is not inclusive of the deferred performance payment.

(E) Represents the deferred component of the performance payment made in respect of the relevant financial year. Material Risk Takers have 40% of the relevant financial year Performance Payment deferred over 3 years, with equal vesting in years 1, 2 and 3. The Chief Investments Officer has 40% of the FY22 Performance Payment deferred over 4 years, with equal portions vesting in year 1, 2, 3, and 4.

(F) Represents the movement in long service leave entitlements accrued but not taken during the relevant financial year.



FY22 and FY21 remuneration for the Group Executives

Executive	Gender	Date commenced in executive role	Date ceased in role	Financial year	Salary (A) \$	Termination payments (B) \$	Non-monetary benefit (C) \$	Superannuation \$	Short-term incentive (D) \$	Deferred incentive (E) \$	Total remuneration \$	Movement in annual leave accrual \$	Movement in long service leave entitlement (F) \$	Notes & assumptions
P. Curtis	Male	5/08/2019		21/22	965,946	-	-	27,500	-	-	993,446	-23,662	40,446	
				20/21	873,724	-	-	25,000	-	-	898,724	-12,942	19,334	
R. Kerlin	Female	5/12/2016		21/22	719,922	-	-	27,500	-	-	747,422	-6,930	25,662	
				20/21	629,175	-	-	25,000	-	-	654,175	29,817	27,231	
S. Blackmore	Male	22/04/2015		21/22	716,459	-	-	27,500	-	-	743,959	16,273	32,479	
				20/21	635,520	-	-	25,000	-	-	660,520	5,364	32,834	
S. Adams	Female	1/06/2020		21/22	640,429	-	-	27,500	-	-	667,929	48,767	11,677	
				20/21	514,651	-	-	25,000	-	-	539,652	51,602	4,785	
M. Glover	Female	25/07/2018		21/22	623,263	-	-	27,500	-	-	650,763	-2,808	23,836	
				20/21	543,703	-	-	25,000	-	-	568,703	9,778	16,099	
F. Trewin	Female	23/04/2018	22/02/2022	21/22	431,336	-	3,692	20,625	-	-	455,653	-4,873	-	
				20/21	573,777	-	8,395	25,000	-	-	607,172	11,116	16,983	
A. Mantello	Male	1/10/2021		21/22	426,135	-	-	19,458	-	-	445,593	31,774	67,054	Appointed to CRO on 1/10/2021
				20/21	-	-	-	-	-	-	-	-	-	-

(A) Represent cash remuneration paid during the financial year before superannuation and investment performance payments. This amount does not include any accrual for annual leave or long service leave.

(B) Includes termination payment limited to the payout of notice.

(C) Includes motor vehicle benefits including parking and any associated fringe benefits tax.

(D) Represents the cash component of the performance payment made in respect of the relevant financial year. The amount is not inclusive of the deferred performance payment. The Group Executive team does not participate in a variable reward program.

(E) Represents the deferred component of the performance payment made in respect of the relevant financial year. The Group Executive team does not participate in a variable reward program, and therefore has no deferred remuneration.

(F) Represents the movement in long service leave entitlements accrued but not taken during the relevant financial year.



Board and committee attendance

Director	Committees													
	Board		Finance & Audit Committee		Risk & Compliance		Investment		Member & Employer Services		People & Culture		Technology	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Directors														
Angrisano	6	6			3	4			4	5				
Coyne	5	6							4	5	3	4	1	1
Craig	2	2					2	2						
Daley	6	6	4	4			6	6	5	5	4	4		
Di Bartolomeo	4	4	2	3	4	4								
Dixon	6	6			2	2			5	5				
Keating	6	6	6	6	6	6								
Kelly	4	4					4	4						
Oliver											1	1	1	1
O'Neil	5	6									3	3		
Russell	6	6			6	6	6	6			4	4		
Thompson	6	6	6	6			2	2						
van Reyk	2	2	3	3										
Walton	6	6			6	6	5	6					1	1
Willox	6	6					6	6			4	4		
Alternate Directors														
Apple							4	4						
Cozens					0	1								
Crofts			2	2										
Kay			1	1										
Ridout							6	6						
Schofield									5	5				
Stamas									4	5				
Committee Members														
Downes							6	6						
Maddox							6	6					1	1
Rosenberg													1	1
Taylor													1	1
Total number of meetings held	6	6	6	6	6	6	6	6	5	5	4	4	1	1



Financial statements

The Fund's audited financial statements will be available in September, along with the auditor's report, at australiansuper.com/about-us or by calling **1300 300 273**.

Statement of financial position

as at 30 June 2022

	2022 \$m	2021 \$m
Assets		
Investments	265,964	239,973
Other assets	5,784	2,206
Total assets	271,748	242,179
Liabilities		
Tax liabilities	3,070	6,175
Other payables	9,694	3,242
Total liabilities	12,764	9,417
Net assets available for members' benefits	258,984	232,762
Members' benefits	258,000	231,870
Net assets	984	892
Equity – Reserves		
Operational risk financial reserve	670	566
Other reserves	314	326
Total reserves	984	892

Income statement

for the year ended 30 June 2022

	2022 \$m	2021 \$m
Revenue		
Investment income	(10,436)	40,107
Sundry income	222	88
Total revenue	(10,214)	40,195
Expenses		
Investment expenses	(664)	(523)
Administration expenses	(320)	-
Trustee service fees	(144)	(348)
Trustee risk service fee	(32)	-
Total expenses	(1,160)	(871)
Operating result before income tax	(11,374)	39,324
Income tax (expense)/benefit	2,528	(3,260)
Operating result after income tax	(8,846)	36,064
Net losses/(benefits) allocated to members	8,889	(35,862)
Net operating result	43	202

Statement of changes in members' benefits

for the year ended 30 June 2022

	2022 \$m	2021 \$m
Opening balance of members' benefits	231,870	181,688
Contributions received	18,302	14,110
Transfers from other superannuation plans	19,244	12,489
Transfers in from merged funds	9,951	-
Income tax on contributions	(2,028)	(1,606)
After tax contributions	45,469	24,993
Benefits paid and payable	(9,923)	(10,261)
Insurance premiums charged to members	(823)	(725)
Death and disability benefits credited to members	296	313
Net benefits/(losses) allocated to members	(8,889)	35,862
Closing balance of members' benefits	258,000	231,870

Statement of changes in reserves

for the year ended 30 June 2022

	Operational risk financial reserve \$m	Investment reserve \$m	Administration reserve \$m	Insurance reserve \$m	Total reserves \$m
Balance as at 1 July 2020	460	90	74	66	690
Balance as at 1 July 2021	566	90	134	102	892
Net transfers to/(from) reserve	87	(134)	(9)	56	-
Transfers in from merged funds	25	16	8	-	49
Operating result	(8)	(42)	6	87	43
Balance as at 30 June 2022	670	(70)	139	245	984

The level of the reserves is determined by the Board annually based on an assessment of the risks faced by AustralianSuper and with regard to industry best practice. The policy sets out how the level of the reserves is maintained and replenished through investment earnings and operational surplus. It also outlines under what circumstances payments are made from the reserves.

The purpose of the Operational risk financial reserve is to provide funding for incidents where material losses may arise from operational risks (as opposed to investment risks). The level of the reserve is determined by the Board annually based on an assessment of the risks faced by the Fund and the requirements of the APRA Superannuation Prudential Standards SPS 114. The Board has assessed an Operational risk financial reserve of 0.25% (2021: 0.25%) of net assets as appropriate for the Fund.

The Investment reserve is used to accumulate investment income prior to it being allocated to members' accounts. The investment reserve comprises the difference between the cumulative amount of investment income earned (net of expenses and tax) and the cumulative amount of investment income allocated to members' accounts. During the financial year, the reserve funded the variable administration fee and increases in the Operational risk financial reserve.

The purpose of the Administration reserve is to fund the operations of the Trustee office and enhance member services, extend the product range of the Fund and fund changes to achieve operational efficiencies. Administration fees charged to members and the Investment reserve fund the reserve.

The Insurance reserve is operated in accordance with the Insurance Reserve Policy. The purpose of the reserve is to cover timing differences between the charging of insurance premiums to members' accounts and premiums becoming due to the insurer under insurance contracts, noting that premiums due to the insurer may be adjusted upwards or downwards under the Fund's Premium Adjustment Model (incorporated in the Fund's insurance contract) depending upon claims experience.



Appendices

We're committed to leading the industry when it comes to transparent and honest communication – to give members like Ally reassurance that their super is in good hands.

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Ally,
AustralianSuper member

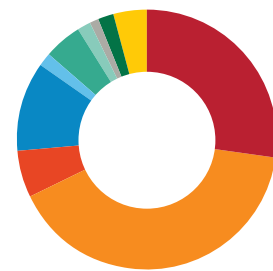


Strategic asset allocation and major shareholdings

Strategic asset allocation 2022-23

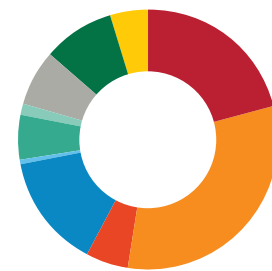
Effective from 1 July 2022

High Growth



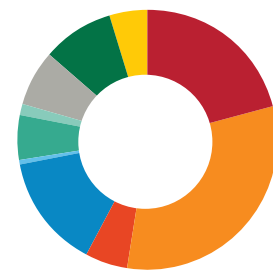
- Australian shares 27.25% (20-50%)
- International shares 40.75% (20-50%)
- Private equity 5.75% (0-15%)
- Unlisted infrastructure 11.00% (0-30%)
- Listed infrastructure 1.75% (0-10%)
- Unlisted property 4.75% (0-30%)
- Listed property 1.75% (0-10%)
- Credit 1.00% (0-20%)
- Fixed interest 2.00% (0-20%)
- Cash 4.00% (0-15%)
- Other assets 0.00% (0-5%)

Balanced



- Australian shares 21.00% (10-45%)
- International shares 31.50% (10-45%)
- Private equity 5.50% (0-15%)
- Unlisted infrastructure 14.00% (0-30%)
- Listed infrastructure 0.75% (0-10%)
- Unlisted property 5.50% (0-30%)
- Listed property 1.25% (0-10%)
- Credit 7.00% (0-20%)
- Fixed interest 9.00% (0-25%)
- Cash 4.50% (0-20%)
- Other assets 0.00% (0-5%)

Socially Aware



- Australian shares 21.00% (10-45%)
- International shares 31.50% (10-45%)
- Private equity 5.50% (0-15%)
- Unlisted infrastructure 14.00% (0-30%)
- Listed infrastructure 0.75% (0-10%)
- Unlisted property 5.50% (0-30%)
- Listed property 1.25% (0-10%)
- Credit 7.00% (0-20%)
- Fixed interest 9.00% (0-25%)
- Cash 4.50% (0-20%)
- Other assets 0.00% (0-5%)

Indexed Diversified



- Australian shares 28.00% (20-50%)
- International shares 42.00% (20-50%)
- Listed infrastructure 0.00% (0-10%)
- Listed property 0.00% (0-10%)
- Fixed interest 25.00% (0-30%)
- Cash 5.00% (0-30%)

Conservative Balanced



- Australian shares 14.50% (5-35%)
- International shares 22.00% (5-35%)
- Private equity 4.50% (0-10%)
- Unlisted infrastructure 11.75% (0-25%)
- Listed infrastructure 0.50% (0-10%)
- Unlisted property 5.75% (0-25%)
- Listed property 1.25% (0-10%)
- Credit 7.75% (0-25%)
- Fixed interest 24.50% (0-40%)
- Cash 7.50% (0-30%)
- Other assets 0.00% (0-5%)

Stable



- Australian shares 8.00% (0-20%)
- International shares 12.00% (0-20%)
- Private equity 1.50% (0-10%)
- Unlisted infrastructure 11.75% (0-20%)
- Listed infrastructure 0.25% (0-10%)
- Unlisted property 5.75% (0-15%)
- Listed property 0.75% (0-10%)
- Credit 8.25% (0-25%)
- Fixed interest 31.25% (0-45%)
- Cash 20.50% (0-50%)
- Other assets 0.00% (0-5%)

Major shareholdings

Top 20 Australian shareholdings as at 30 June 2022

Holding	Sector %
BHP Group Ltd	12.02
Commonwealth Bank of Australia	8.76
CSL Ltd	7.71
National Australia Bank Ltd	5.13
Macquarie Group Ltd	4.19
Woodside Energy Group Ltd	3.83
Transurban Group	3.80
Westpac Banking Corp	3.72
Woolworths Group Ltd	3.54
Wesfarmers Ltd	3.43
Australia & New Zealand Banking Group Ltd	3.39
Computershare Ltd	3.09
QBE Insurance Group Ltd	2.81
Aristocrat Leisure Ltd	2.66
Origin Energy Ltd	2.37
Ampol Ltd	1.96
ASX Ltd	1.96
The Lottery Corp Ltd	1.91
Orica Ltd	1.82
James Hardie Industries PLC	1.81

Top 20 International shareholdings as at 30 June 2022

Holding	Sector %
Alphabet Inc	2.90
Microsoft Corp	2.59
Amazon.com Inc	2.17
Visa Inc	1.89
UnitedHealth Group Inc	1.53
LVMH Moët Hennessy Louis Vuitton SE	1.49
American Tower Corp	1.12
Accenture PLC	1.08
Nestle SA	1.07
Diageo PLC	1.05
Thermo Fisher Scientific Inc	0.96
ASML Holding NV	0.94
Danaher Corp	0.92
Meta Platforms Inc	0.92
Apple Inc	0.91
ResMed Inc	0.90
McDonald's Corp	0.89
Taiwan Semiconductor Manufacturing Co Ltd	0.88
Roche Holding AG	0.79
American International Group Inc	0.76



International shares

AustralianSuper invests in more than 50 global share markets. The table below provides information on the locations in the AustralianSuper international shares portfolio and their weighting.

International shares locations as at 30 June 2022

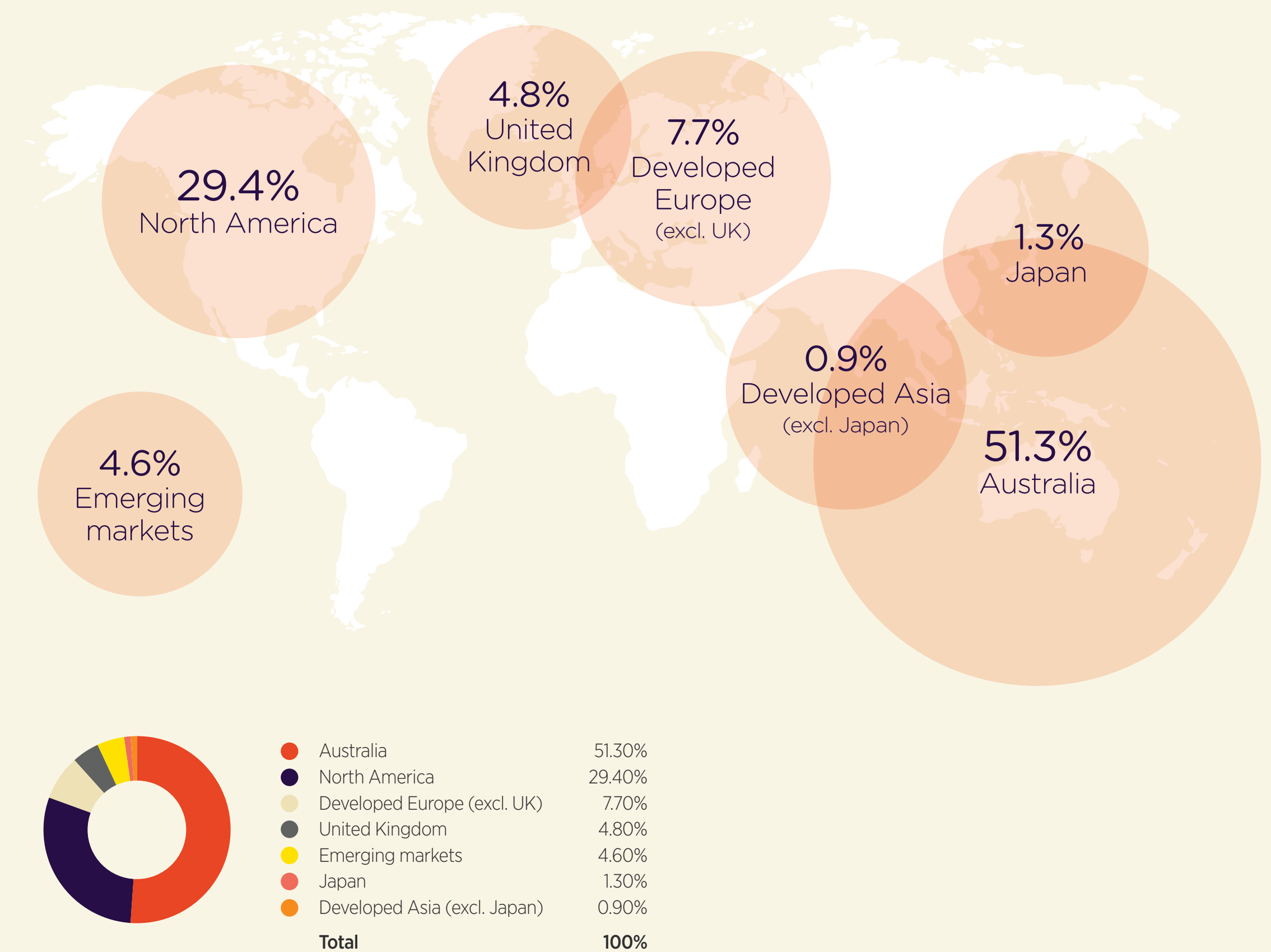
Location	Weight %
Argentina	0.0001
Australia	0.1584
Austria	0.0719
Belgium	0.0929
Bermuda	0.0727
Brazil	0.6664
Canada	2.5195
Cayman Islands	0.0710
Chile	0.0049
China	4.0816
Colombia	0.0116
Czech Republic	0.0001
Denmark	0.2622
Egypt	0.0034
Finland	0.3554
France	5.9344
Germany	3.4246
Greece	0.0006
Guernsey	0.0089
Hong Kong	0.5948
Hungary	0.0157
India	1.3580
Indonesia	0.2538
Ireland	0.6235
Isle of Man	0.0007
Israel	0.2129
Italy	0.7648
Japan	2.3013

Location	Weight %
Jersey	0.0017
Luxembourg	0.1708
Macao, SAR China	0.0003
Malaysia	0.0325
Malta	0.0003
Mexico	0.1934
Netherlands	2.2692
New Zealand	0.8453
Norway	0.0661
Peru	0.0002
Philippines	0.0096
Poland	0.0154
Portugal	0.0304
Qatar	0.0099
Russia	0.0000
Singapore	0.2565
South Africa	0.2589
South Korea	1.1904
Spain	0.3540
Sweden	0.3997
Switzerland	4.1086
Taiwan	1.1726
Thailand	0.1717
Thailand	0.1717
Turkey	0.0402
UAE	0.0023
United Kingdom	5.0897
United States	59.4442

Investing globally

AustralianSuper invests \$258 billion across a range of asset classes. As we grow, the funds we invest on behalf of members in overseas countries will increase. As at 30 June 2022, we have over \$130 billion invested in domestic assets and over \$125 billion in international assets.

Total fund exposure as at 30 June 2022





Investment managers

As at 30 June 2022, the following investment managers represented more than 5% of total Fund assets:

AustralianSuper: 53%, IFM Investments: 21%

For additional disclosure of portfolio holdings see the *What we invest in* section of our website:

australiansuper.com/investments/what-we-invest-in

Investment managers as at 30 June 2022

Investment manager	Asset class
AustralianSuper	Australian shares
IFM Investors Pty Ltd	Australian shares
Alphinity Investment Management Pty Ltd	International shares
Artisan Partners Limited Partnership	International shares
AustralianSuper	International shares
Baillie Gifford Overseas Ltd	International shares
C Worldwide Asset Management	International shares
DFA Australia Pty Ltd (Dimensional Fund Advisors)	International shares
GQG Partners LLC	International shares
Harris Associates LP	International shares
LSV Asset Management	International shares
Martin Currie Investment Management Limited	International shares
MFS Institutional Advisors, Inc	International shares
Orbis Investment Management	International shares
PZENA	International shares
Sanders Capital LLC	International shares
State Street Global Advisors Australia Limited	International shares
UBS Asset Management (Australia) Ltd	International shares
ValueInvest	International shares
Veritas Asset Management LLP	International shares
Actis	Private equity
Advent	Private equity
Affinity Equity Partners	Private equity
AirTree	Private equity
AustralianSuper	Private equity
BGH Capital	Private equity
Blackbird Ventures	Private equity

Investment manager	Asset class
BlackRock	Private equity
Brandon Capital Partners	Private equity
Catalyst Investment Pty Ltd.	Private equity
Cinven	Private equity
Continuity Capital Private Equity	Private equity
CPE Capital	Private equity
Goldman Sachs	Private equity
Hamilton Lane	Private equity
HarbourVest Partners	Private equity
IFM Investors Pty Ltd	Private equity
KPS Capital Partners, L.P.	Private equity
Leonard Green & Partners	Private equity
Levine Leichtman Capital Partners	Private equity
Mesirow Financial	Private equity
Montreux Equity Partners	Private equity
New Mountain Capital	Private equity
Northgate Capital	Private equity
Pantheon Ventures	Private equity
Platinum Equity	Private equity
Pomona Capital	Private equity
QIC Private Capital Pty Ltd	Private equity
Resolution Life	Private equity
Roark Capital Group	Private equity
ROC Capital Pty Limited	Private equity
Sentient Equity Partners	Private equity
Siguler Guff & Company	Private equity
Silver Lake	Private equity



Investment managers as at 30 June 2022 (Cont.)

Investment manager	Asset class
Snow Phipps Group	Private equity
Southern Cross Group	Private equity
Square Peg Capital	Private equity
Stafford Capital Partners	Private equity
Talu Ventures	Private equity
TH Lee	Private equity
TPG	Private equity
Uniseed	Private equity
VenCap International	Private equity
Vista Equity Partners	Private equity
Weathergage Capital, LLC	Private equity
AustralianSuper	Unlisted infrastructure
Brookfield	Unlisted infrastructure
First Sentier Investor	Unlisted infrastructure
Generate Capital	Unlisted infrastructure
IFM Investors Pty Ltd	Unlisted infrastructure
Infrastructure Capital Group	Unlisted infrastructure
KKR	Unlisted infrastructure
Macquarie	Unlisted infrastructure
Morgan Stanley	Unlisted infrastructure
NIIF	Unlisted infrastructure
Palisade Investment Partners Limited	Unlisted infrastructure
Quinbrook	Unlisted infrastructure
Stonepeak	Unlisted infrastructure
State Street Global Advisors Australia Limited	Listed infrastructure
Lazard Asset Management	Listed infrastructure
AMP	Unlisted property

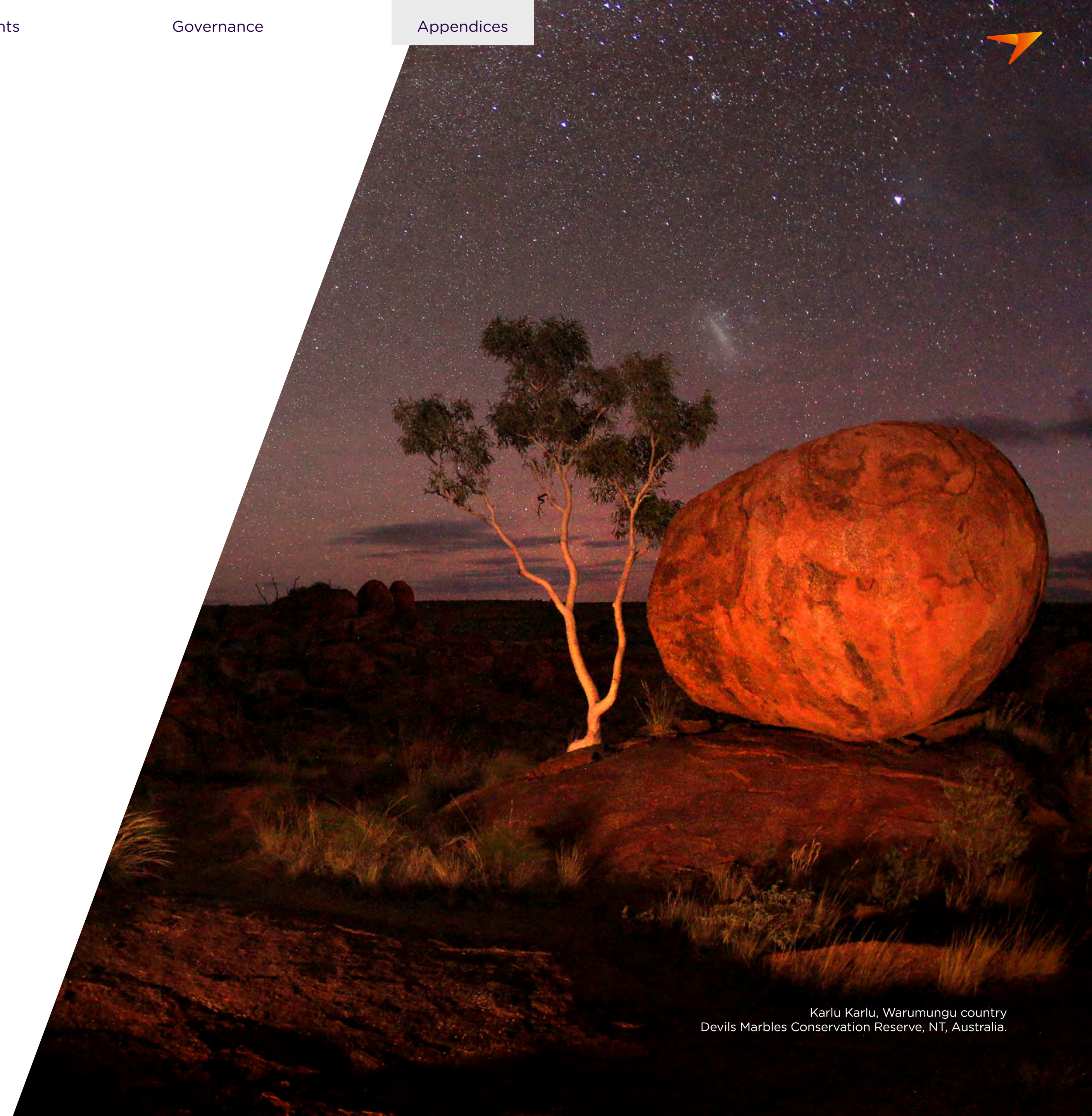
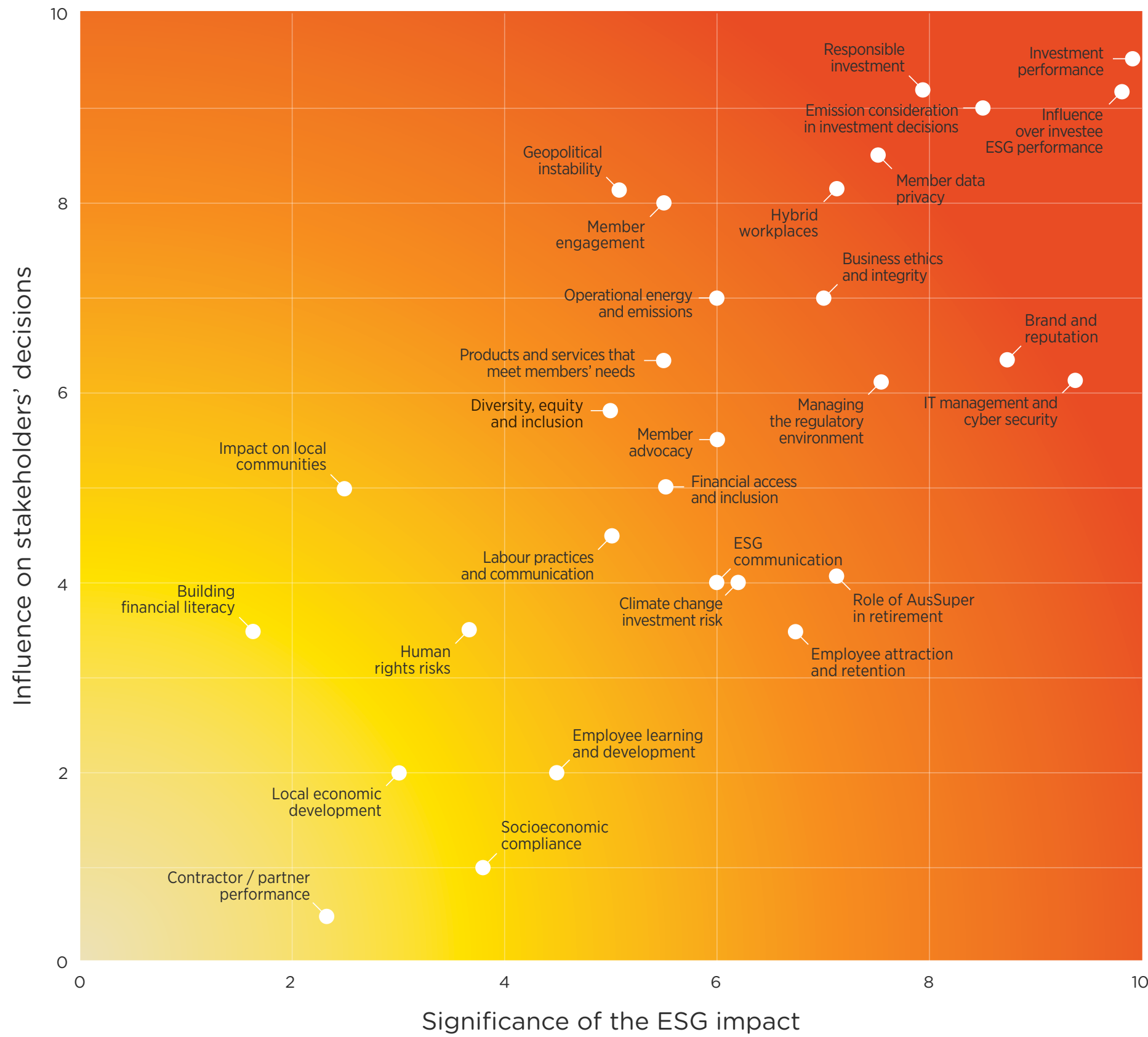
Investment manager	Asset class
AustralianSuper	Unlisted property
Blackstone	Unlisted property
Centuria	Unlisted property
Charter Hall	Unlisted property
Dexus	Unlisted property
Franklin Templeton	Unlisted property
GPT	Unlisted property
ISPT	Unlisted property
Lasalle	Unlisted property
Lend Lease	Unlisted property
Morgan Stanley	Unlisted property
QIC Investments No 1 Pty Ltd	Unlisted property
Russell Investments	Unlisted property
Resolution Capital Limited	Listed property
State Street Global Advisors Australia Limited	Listed property
AustralianSuper	Credit
Barings LLC	Credit
Bentham Asset Management Pty Ltd	Credit
IFM Investors Pty Ltd	Credit
Kayne Anderson	Credit
Marathon Asset Management, LP	Credit
MaxCap Group Pty Ltd	Credit
Oak Hill Advisors LP	Credit
Oaktree Capital	Credit
State Street Global Advisors Australia Limited	Credit
Ardea	Fixed interest
AustralianSuper	Fixed interest

Investment manager	Asset class
AXA Investment Managers Australia Ltd	Fixed interest
Brandywine Global Investment Management, LLC	Fixed interest
IFM Investors Pty Ltd	Fixed interest
JamiesonCoote Bonds Pty Ltd	Fixed interest
Putnam Advisory Company, LLC	Fixed interest
State Street Global Advisors Australia Limited	Fixed interest
Western Asset Management Company Pty Ltd	Fixed interest
AustralianSuper	Cash
IFM Investors Pty Ltd	Cash
Wadhvani	Other assets
AustralianSuper	Overlays



What matters to stakeholders

AustralianSuper's stakeholders are vital to our ongoing growth and success. Key stakeholders include members, businesses, colleagues, major suppliers and regulators. To understand the topics that are important to stakeholders, each year we undertake research, review data and insights and conduct interviews. The topics highlighted as material by these stakeholders this year, are outlined below.



Karlu Karlu, Warumungu country
Devils Marbles Conservation Reserve, NT, Australia.



Definitions and important information

Calculating performance

AustralianSuper calculates performance for each investment option, except Member Direct, using crediting rates. Crediting rates are your investment returns, less investment fees and costs. They may be positive or negative depending on investment markets. They're determined daily and applied either annually on 30 June, or earlier if you switch investment options, make withdrawals and transfers, or close your account. The amount allocated is the actual investment return earned during the period that your money was invested in the investment option/s.

For more information see australiansuper.com/CreditingRates

Derivatives

Derivatives are instruments which enable the Fund to get exposure to a particular asset or asset class – without physically owning it. The cost of derivatives can be lower in some instances than holding the actual asset. AustralianSuper uses derivatives to efficiently target the Fund's desired position in asset classes such as bonds and shares and/or individual assets. Derivatives are also used for currency hedging. AustralianSuper may directly invest in derivatives (futures, options and swaps) to manage investment risk and enhance returns. Our investment managers may also use derivatives when investing in assets. Where this is the case, AustralianSuper considers the risks and controls in place, and clearly defines the parameters within which derivatives can be used through the investment manager's Investment Management Agreement. The Fund confirms that the Derivatives Charge Ratio did not exceed 5% at any time during the 2021–2022 year.

Privacy and compliance

During the year, AustralianSuper has not been subject to any regulatory fines or penalties. We reported two Eligible Data Breaches to the Office of Australian Information Commissioner (OAIC). There were no determinations made by the OAIC in relation to AustralianSuper's compliance with the Privacy Act 1988.

With respect to FY21, there was an OAIC determination made in December 2020 in relation to AustralianSuper's compliance with the Privacy Act 1988. On 1 June 2021, AustralianSuper reported one Notifiable Data Breach to the OAIC. These were incorrectly disclosed in the *2021 Annual Report*.

Related parties

Related party disclosures are contained in the Fund's audited financial statements available in September, along with the auditor's report, at australiansuper.com/about-us or by calling **1300 300 273**.

Political donations

AustralianSuper does not make political donations.

Benchmarks

For the Superannuation options, the DIY Mix option benchmarks are adjusted for tax. For the DIY Mix retirement options, there is an adjustment for tax credits.

High Growth: SR50/SRP50 Growth (77–90) Index

Balanced: SR50/SRP50 Balanced (60–76) Index

Socially Aware: SR50/SRP50 Balanced (60–76) Index

Indexed Diversified:

CPI + 3% p.a., prior to 1 July 2018
CPI +3.5% p.a., prior to 1 July 2015
CPI +4% p.a.

Conservative Balanced: SR25/SRP25 Conservative Balanced (41–59) Index

Stable: SR50/SRP50 Capital Stable (20–40) Index

Australian Shares: S&P/ASX 200 Accumulation Index. Prior to 1 July 2020, the benchmark was S&P/ASX 300 Accumulation Index

International Shares: MSCI All Country World ex Australia (in \$A) Index

Diversified Fixed Interest: 50% Bloomberg Global Aggregate 1–5 Year Total Return Index hedged to AUD and 50% Bloomberg AusBond Composite 0–5 Year Index effective from 1 October 2021, prior to 1 October 2021 CPI + 0.5% p.a., prior to 1 July 2015 CPI + 1% p.a., prior to 1 July 2013 CPI + 1–2% p.a.

Cash: Bloomberg AusBond Bank Bill Index



Contact us

Member feedback is important to us. To get in touch, you can contact us in a number of ways.

Mail address

Superannuation:

GPO Box 1901 Melbourne VIC 3001

Retirement:

Locked Bag 6 Carlton South VIC 3053

Email

Email us at australiansuper.com/email

Over-the-phone*

Call us on: **1300 300 273**

Overseas callers: **+ 61 3 9067 2108**

We're available 8am to 8pm weekdays AEST/AEDT

Messaging

You can message us 24/7 through our AustralianSuper Mobile App and Facebook Messenger and chat with ASH (AustralianSuper Helper Bot) and our contact centre agent staff.

Web messaging is also available on our website through the contact us page (australiansuper.com/contact-us) between 8am and 8pm AEST/AEDT weekdays.

Seminars

To attend a free retirement and financial planning seminar, click here for details: australiansuper.com/seminars

Face-to-face

For more complex advice*, meeting with an accredited adviser can help if you'd like a detailed financial plan and have a number of financial matters to think about. Call **1300 300 273** to make an appointment with an adviser.

Translation services

We offer a free over-the-phone translation service in just about any language. Our consultants can arrange for you, or a family member, to talk to someone about your super in the language you understand best. Call us on **1300 300 273** between 8am and 8pm AEST/AEDT weekdays.

Annual Report

Members seeking a copy of the Annual Report are welcome to request one via Contact us at australiansuper.com/contact-us

* Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement.

AustralianSuper

It's Australian.
It's super.
And it's yours.