

2023 Annual Report

For the year ended 30 June 2023



About this report

The 2023 Annual Report is a summary of AustralianSuper's operations, activities and financial position for the 12-month period to 30 June 2023. 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 ('FY23') refer to the period 1 July 2022 to 30 June 2023.

This annual report was issued in September 2023 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 for which a product has been designed. Find the TMDs at australiansuper.com/tmd

This annual 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 annual 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 includes a review of AustralianSuper's 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 case studies in 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.

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

Access

This annual 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.

Members who want a printed copy of the 2023 Annual Report can request one via australiansuper.com/contact-us or call us on **1300 300 273** or **+61 3 9067 2108** for overseas callers.

Acknowledgement of Country

AustralianSuper acknowledges the Traditional Custodians of the lands on which we work and their ongoing connections to land, sky, sea and Country. We pay respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples. Our global 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 ‘Birrarung’ (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 millennia¹.

¹ 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 achieve their best financial position in retirement.

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Message from the Chair, Dr Don Russell

This has been a positive year where AustralianSuper's capable, experienced and committed team has delivered solid investment returns and improved member services against a backdrop of challenging economic conditions and a changing operational environment.

In a year marked by both global challenges and opportunities, I'm pleased to report that AustralianSuper's robust investment strategy, combined with the experience and capability of the investment team, has delivered solid returns for members this year.

Strong long-term returns

The Fund's Balanced investment option delivered a return of 8.22% for the year ended 30 June 2023. Long-term returns are strong. Over the last 10 years, the average return for the Balanced investment option was 8.6% each year and 9.28% since the Fund started over 35 years ago¹.

Investment markets fluctuate over time, and it's important that members remember that consistent, strong long-term investment performance is most important in building retirement savings.

Strategic growth

AustralianSuper has grown significantly this year. We remain the largest superannuation fund in Australia and one of the top 20 largest pension funds globally².

This year, we welcomed over 514,000 new members and now manage nearly \$300 billion of retirement savings on behalf of more than 3.2 million members.

Ongoing, sustainable growth remains a strategic priority as it enables us to leverage efficiencies and opportunities to generate long-term value for members.

A global investor

AustralianSuper is a large global investor with investment offices in Melbourne, Sydney, London and New York.

Having local teams on the ground in these markets enables us to identify and build relationships with world-class partners and source attractive investment opportunities for members.

This year, we expanded our international operations and we're a significant investor both globally and locally.

We remain a large investor in Australian companies and assets, with over \$150 billion invested locally. These investments not only benefit members but also support the broader economy and jobs.

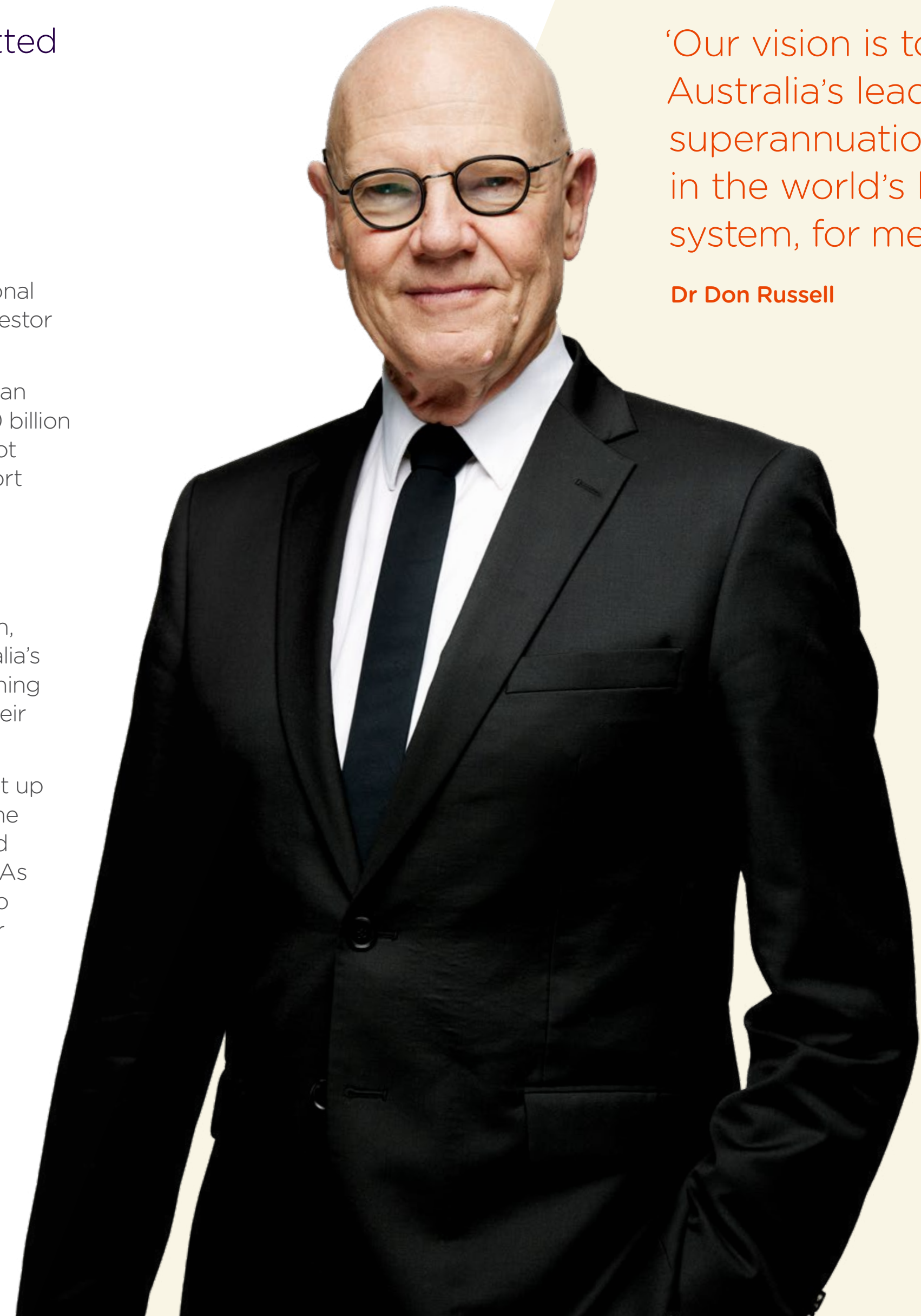
Delivering for members

Superannuation continues to grow in importance and, with the Age Pension, it is becoming a central part of Australia's retirement system. Many people reaching retirement now have been building their retirement savings for decades.

The compulsory super system was set up more than 30 years ago to build on the Age Pension and help Australians lead their best possible lives in retirement. As it matures and more people move into retirement, super is becoming a major source of income for people.

'Our vision is to be Australia's leading superannuation fund, in the world's best system, for members.'

Dr Don Russell



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.

² Thinking Ahead Institute, Global top 300 pension funds, September 2023.



Message from the Chair, Dr Don Russell cont.

The Board and executive team are committed to ensuring the Fund effectively supports members with the products, services and support they need to achieve their best financial position in retirement.

We anticipate a greater focus on how prepared super funds are to manage the shift from members saving to spending. That is, transitioning from work to retirement and sometimes moving backwards and forwards between the two.

This is a key focus of the Fund and I'm confident that we're very well placed to manage this transition and continue to support members to make the most of their retirement.

World's best super system

Our ambition is that all Australians live well in retirement. Australia's superannuation system is one of the best in the world³ and works well for most Australians, but there are some people being left behind.

As the nation's largest superannuation fund, we believe it's important to use our size to advocate for improvements to the system so ours truly is the best in the world.

We advocate for changes to close the gender gap in super, for fair and equitable treatment for all, including First Nations Australians, and super for all people in paid work, including gig workers and others in non-standard forms of employment.

The Federal Government is proposing to define an objective of super in legislation. We believe that legislating an objective of super will help to provide stability and confidence to policymakers, regulators, industry and most importantly, members as they save for and then enjoy their retirement.

A strong culture

Last year the Fund introduced a Members First Culture program. This program helps ensure all colleagues retain a strong connection to the Fund's purpose and that members are at the forefront of decision-making.

I'm pleased to say the results from this program showed that the 'members first' culture is deeply embedded in the organisation and colleagues exceeded expectations regarding their knowledge of members.

Director changes

During the year, Brian Daley retired. Brian was one of AustralianSuper's inaugural Board directors in 2006. Prior to that, he had been a director of ARF, one of the predecessor funds to AustralianSuper, since 1991.

Throughout Brian's extraordinary involvement with AustralianSuper and the broader industry fund movement, his leadership, expertise and knowledge have been invaluable. Brian has been a tireless advocate for members, particularly part-time and low-paid workers.

I would like to thank Brian for his lifetime of fierce commitment to members and improving their outcomes and for his significant contribution to the growth and success of AustralianSuper.

A warm welcome to Jo-anne Schofield, who joined the Board during the year and brings a wealth of experience and expertise.

Thank you

I would like to acknowledge the entire AustralianSuper team, led by Chief Executive Paul Schroder, for the Fund's progress and achievements this year. I commend each colleague for their unwavering commitment to members and our purpose.

To my fellow directors, thank you for your valuable contributions and guidance throughout the year.

Finally, I would like to acknowledge and thank all members for choosing AustralianSuper. I can assure you that everyone at AustralianSuper is committed to delivering on our purpose, to help you achieve your best financial position in retirement.

³ Australia's superannuation system is ranked 6 out of 44 in the Mercer CFA Institute Global Pension Index 2022. Available at [mercerc.com/insights/investments/market-outlook-and-trends/mercercfa-global-pension-index](https://www.mercer.com/insights/investments/market-outlook-and-trends/mercercfa-global-pension-index)



Message from the Chief Executive, Paul Schroder

As a growing super fund, AustralianSuper is committed to providing strong long-term returns and excellent products and services for members, now and in the future.

For many members, this year has been difficult, with inflation and high interest rates contributing to an increased cost of living.

Volatility in investment markets has also been challenging. Throughout this year, AustralianSuper's experienced investment team has continued to actively manage members' retirement savings to deliver strong returns over the long term.

Investment performance

This year our flagship Balanced investment option, where most members invest, delivered a solid 8.22% for the year to 30 June 2023.

It remains a top performer over the long term, ranking second over 10 and 20 years¹ with an average return each year of 8.6% over 10 years, and 8.12% over 20 years.

For members with Choice Income pension accounts, the Balanced option delivered a return of 9.03% this year and an average return of 9.48% each year over the last 10 years.

With expected weaker economic growth in the short to medium term, I encourage members to remember that superannuation is a long-term investment. Members entering the workforce could be invested for 60 years or more. Others who are closer to or in retirement could still be invested for decades.

Further detail on our investment strategy and market outlook is provided by Investment Committee Chair Philippa Kelly and Chief Investment Officer Mark Delaney later in this report.

Using size to benefit you

As Australia's largest super fund, we use our size to benefit members.

Strong long-term returns combined with low fees and costs build retirement savings.

AustralianSuper's administration fees are among the lowest in the industry². We carefully manage our costs as we aim to keep them low and continue to provide the services members need and expect.

In September last year, we maintained or reduced administration fees for more than 2.3 million members.

In May 2023, insurance premiums decreased an average of 11% for almost all insured members.

As a profit-for-member fund, AustralianSuper only charges members what it costs to provide insurance benefits, and we don't pay dividends to shareholders. Any profit we make is for members.

Improving our offer

We're regularly reviewing our products and services to make sure we meet the diverse needs of members.

This year, we expanded our comprehensive range of webinars and seminars, helping members as they make decisions about their super and retirement.

We upgraded both the secure member portal and mobile app to make it easier for members to access and manage their accounts. The app includes four-digit PIN, Touch ID or Face ID options for more secure access.

'It's a privilege to help over 3.2 million members achieve their best financial position in retirement.'

Paul Schroder



¹ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2023. 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 is not a reliable indicator of future returns.

² Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Super Fund Fee Survey June 2023 which compares administration fees and costs for MySuper products for a \$50,000 balance and Chant West Pension Fee Survey June 2023 which compares administration fees and costs for multi-manager growth options (61-80% growth assets) for a \$250,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.



Message from the Chief Executive, Paul Schroder cont.

Last year, over a million members logged into the secure portal and 850,000 used the app to keep track of their super.

We have also changed the way we manage member Income Protection and Total Permanent Disablement insurance claims to provide more responsive, efficient and empathetic support.

We're determined to meet and exceed members' expectations regarding the service they receive.

Throughout the next year, we'll be focusing on making it easier to join and get help, guidance and advice, improving self-serve options so members can manage their super when it suits them and improving our process and communications relating to death and insurance claims.

Ready for retirement

It's estimated that by 2030, 1.2 million more Australians will have retired³ and many will be AustralianSuper members.

To help members achieve their best financial position in retirement, we're strengthening our focus and approach for this important life stage.

We've created a new team and appointed a Chief Officer Retirement, Shawn Blackmore, to lead the team responsible for delivering our Retirement Income Strategy. This will build on our strong foundations to make sure we meet members' needs as they plan for, transition to, and enjoy their retirement.

Read more about how we're helping members get ready for retirement later in this report.

Advocating for improvements

Several important changes to super occurred throughout the year.

From 1 July 2022, the Superannuation Guarantee increased to 10.5% as part of the legislated increases which will see it reach 12% in 2025.

In addition, workers who earn less than \$450 per month became eligible to be paid super on their wages. It's estimated that up to 300,000 typically low-income, casual and part-time workers now receive superannuation as a result of this change⁴.

Through the benefits of compounding investment returns, every little bit that members can save now will make an important difference in their retirement.

We've been a strong supporter of these changes over many years as we believe they will deliver better long-term outcomes and mean more Australians will have more money in retirement.

Our advocacy approach is detailed later in this report.

Changing for growth

AustralianSuper is growing rapidly and the superannuation industry is constantly changing. To ensure we're in the best position to help members achieve their goals, we need to change too. In the last year, the Fund undertook an internal restructure which was overseen by the Board and executive team.

We have redesigned our structure and prioritised resources to support the delivery of our 2030 Strategy, attract, develop and retain talented colleagues and build on our strong culture. One thing that will not change is our commitment across the Fund to put your interests first.

Thank you

While the global economy continues to recover post-COVID, presenting both challenges and opportunities, AustralianSuper is well-positioned to adapt to changing market dynamics and deliver exceptional value to members.

I'd like to thank the AustralianSuper team: the Board, executive team and all colleagues for their energy and commitment to the Fund's purpose of helping members achieve their best financial position in retirement.

Most importantly, I'd like to thank AustralianSuper members. Thank you for your trust; it underpins our ability to deliver more for you, and we take this responsibility very seriously.

³ Australian Bureau of Statistics, 3222.0 Population Projections, Australia, 2017 (base) – 2066.

⁴ Association of Superannuation Funds Australia: Media release, Removing the SG \$450 threshold and retirement income covenant will improve super outcomes. 10 February 2022.



Key highlights

at 30 June 2023

8.60%

average return each year over the last 10 years in the Balanced investment option

9.48%

average return each year over the last 10 years in the Choice Income pension Balanced investment option

Nearly \$300 billion

in member assets invested for the long term

Over 3.2 million

members

514,000

new members; more than 1,400 new members, on average, join each day

Top 10 reputation

among Australia's largest and most well-known companies¹

Administration fees

reduced or maintained for more than 2.3 million members

Insurance premiums decreased

an average of 11% for most insured members

Employer of Choice

Workplace Gender Equality Agency
Employer of Choice for gender equality for 12 years a row²

Most trusted superannuation brand

for 11 years in a row³

Outstanding value

winner of the CANSTAR Outstanding Value award 2011-2023⁴

Responsible Investment Leader 2022⁵

¹ RepTrak*, April-June 2023 report prepared for AustralianSuper.

² Workplace Gender Equality Agency, WGEA Employer of Choice for Gender Equality citation holders, 1 March 2023 wgea.gov.au/what-we-do/employer-of-choice-for-gender-equality/current-eocge-citation-holders

³ Reader's Digest Most Trusted Brands – Superannuation category winner for 11 years running 2013-2023 trustedbrands.com.au/brand-showcase/australian-super

Awards and ratings are only one factor to be taken into account when choosing a super fund.

⁴ AustralianSuper received the Canstar Outstanding Value Award – Superannuation in 2011-2023. Awards and ratings are only one factor to be taken into account when choosing a super fund canstar.com.au/star-ratings-awards/superannuation

⁵ AustralianSuper is recognised as a Responsible Investment Leader 2022 by Responsible Investment Association Australasia (RIAA). Responsible Investment Leaders refers to investment managers and asset owners that achieve a score of 15 out of 20 or above on RIAA's Responsible Investment Scorecard. See responsibleinvestment.org/responsible-investment-leaders

Jeremy
AustralianSuper member



Our history

Our story started more than 35 years ago when trade union leaders began a movement for universal access to superannuation to help more Australians enjoy a better retirement.

This work, together with the goodwill of employer organisations, led to the establishment of the first industry superannuation funds, which were run only to profit members. Two of these were the Australian Retirement Fund (ARF) and the Superannuation Trust of Australia (STA).

Over the years, these funds expanded their membership and enhanced their services and offerings. In 2005, the two funds agreed to merge, bringing their expertise and strength together to deliver immediate and long-term benefits for existing and future members.

The new entity – AustralianSuper – was launched in 2006 and began operating in an increasingly sophisticated superannuation system, where Australians have flexibility and choice over the fund they join, how they invest and move between funds.

Throughout our history the Ai Group and ACTU have remained central to our ongoing success.

Today, AustralianSuper is Australia's largest super fund and one of the largest in the world. We invest nearly \$300 billion of retirement savings for more than 3.2 million members.

Our active investment management approach, combined with our experienced investment team, has helped deliver strong long-term returns for members.

An international outlook, specifically around investment opportunities, has led to global expansion with offices and colleagues in London, New York and Beijing. Together with colleagues across nine Australian cities, our teams work to find investment and growth opportunities, keep costs low, develop products and provide services that will benefit members.

2023 and beyond

As the superannuation system continues to mature, retirement savings grow, and more Australians move to retirement, AustralianSuper continues to work towards new and innovative ways to make the superannuation system better for all Australians, and to deliver on its purpose: to help members achieve their best financial position in retirement.

About AustralianSuper

AustralianSuper is the fund for all Australians. Our purpose is to help members achieve their best financial position in retirement.

From our beginnings over 35 years ago, we’ve always been proudly a profit-for-member fund. We don’t pay profits or dividends to shareholders, so the money we make is for members.

Today, we manage nearly \$300 billion of retirement savings for more than 3.2 million members¹. We’re the largest superannuation fund in Australia² and one of the largest retirement saving funds in the world³. We use our size, capability, investment expertise and global reach to help us access the best investment opportunities for the benefit of members.

Our flagship Balanced investment option, where most members invest, has consistently delivered strong long-term returns for members. It’s ranked in the top two Australian superannuation funds over 10 and 20 years⁴.

We’re committed to providing good value products and services that members need, along with support, guidance and advice to help them feel confident about their future.

We also make meaningful differences to members, their families, businesses, our partners, the community and the Australian economy. It’s reflective of our ambition that all Australians live well in retirement.

Big, strong and growing

Last year, over 514,000 new members joined AustralianSuper. This is more than the number of members in the average super fund⁵.

The Fund’s size and growth are drivers that help us provide members with their best possible retirement outcome. As a large and growing fund, we can extract the benefits of our size to deliver an improved member experience, strong long-term performance⁶ and low administration fees⁷.

Strong long-term investment returns

The Balanced investment option delivered an average return of 8.60% each year over the last 10 years, 8.12% over the last 20 years and 9.28% since inception to 30 June 2023⁸. It achieved a return of 8.22% for the year ended 30 June 2023.

The Balanced investment option for Choice Income accounts has delivered an average return of 9.48% each year over the last 10 years to 30 June 2023 and a return of 9.03% for the 2023 financial year.

Fees and costs

AustralianSuper uses its size to help keep administration fees and costs low. Administration fees for \$50,000 invested in the MySuper Balanced option are the eighth lowest out of 53 funds in the Chant West Fund Fee Survey⁹. Administration fees for \$250,000 invested in the Balanced option in a Choice Income account are the fifth lowest out of 74 funds in the Chant West Pension Fee Survey¹⁰.

Our purpose and values

Members are at the centre of everything we do. All our actions are aligned with our purpose, which is to help members achieve their best financial position in retirement. We always act in members’ best financial interests.

Our values reflect who we are. They guide how we make decisions, how we work together and how we want members to experience AustralianSuper.



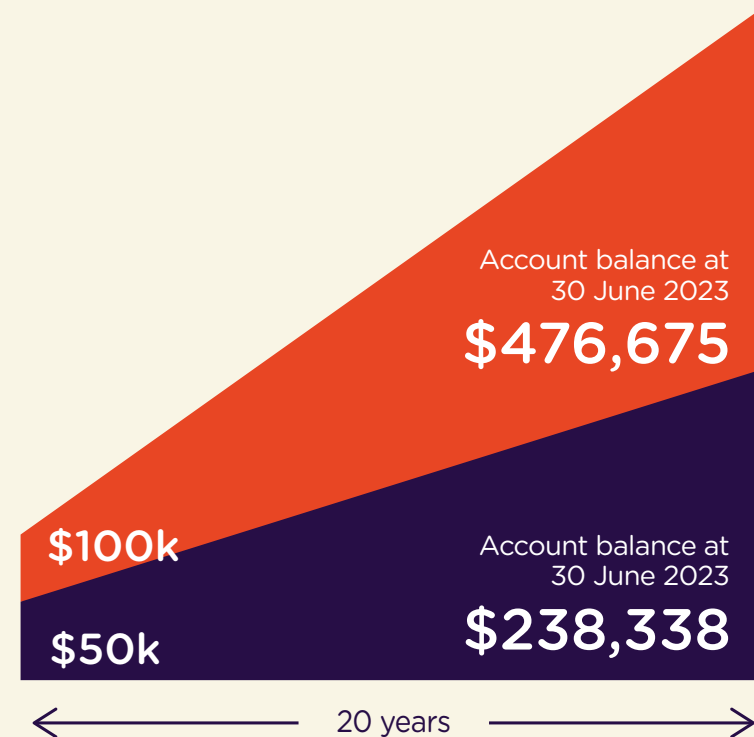
1 As at 30 June 2023.
2,5 APRA Annual fund-level superannuation statistics 30 June 2022. Released 14 December 2022.
3 Thinking Ahead Institute, Global top 300 pension funds, September 2023.
4,6 AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 30 June 2023. 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 is not a reliable indicator of future returns.
7,9 Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Super Fund Fee Survey June 2023. Survey compares administration fees and costs for MySuper products for a \$50,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.
8 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.
10 Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Pension Fee Survey June 2023. Survey compares administration fees and costs for multi-manager growth options (61-80% growth assets) for a \$250,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.



About AustralianSuper cont.

Growth over time

A member who invested \$50,000 in AustralianSuper's Balanced investment option 20 years ago would have retirement savings of more than \$230,000, more than four times their original investment, at 30 June 2023. If they had \$100,000 invested, they would have over \$475,000¹¹.



Products and services

We focus on providing the right products, services, advice and information to help members achieve their best financial position in retirement.

Account types

We offer an accumulation account for members who are saving for retirement. When members retire, they can receive a regular income from their super while keeping the balance invested through the Choice Income account-based pension, which can supplement other income sources, including Age Pension entitlements.

Investment options

When members invest their retirement savings with AustralianSuper, they can invest in a number of different investment options, some designed for the hands-on investor and some for members who are happy to leave investment decisions to our team of experts. Investment options include:

- PreMixed options that offer a mix of asset classes
- DIY options that give members investment exposure to specific asset classes

- Member Direct investment option where members can invest in a choice of stocks in the S&P/ASX 300 Index, selected exchange traded funds (ETFs), selected listed investment companies (LICs), term deposits and cash.

See the Investment options section on pages 35-36 and visit our [website](#) for more information.

Insurance with super

Eligible members receive basic insurance cover with their super account, which provides a 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 apply to adjust the type and level of cover to suit their needs. See the Insurance section on page 28 and our [website](#) for more information.

Guidance and advice

We offer support and advice to help members manage their super and approach their retirement with confidence. This includes online information and articles, calculators and tools, education videos and webinars, over-the-phone advice on a number of topics and comprehensive face-to-face financial advice¹².

Members can get in touch for support with their superannuation and retirement planning via phone, email, letter, chat, Facebook Messenger and the AustralianSuper mobile app.

Global presence

With offices in London, New York and Beijing, the Fund has local teams on the ground to better understand global markets, be more agile in our investment decisions and build upon the networks and strategic relationships to identify and act on attractive investment opportunities.

A positive impact

In delivering better outcomes for members, AustralianSuper's activities have a positive impact on the superannuation industry, society and the economy.

Advocacy

We advocate for an equitable and sustainable superannuation system. We work with government, regulators, industry associations and experts to advance the interests of members and improve the system for all Australians. See pages 19-20 or visit our [website](#) for more information.

Responsible investing

We believe companies with good environmental, social and governance (ESG) management provide better long-term returns. AustralianSuper considers a range of ESG issues but prioritises those that we believe are likely to have the greatest financial impact on members' investment returns. This can include risks, which can have a negative impact, and opportunities, which can have a positive impact. See the Responsible Investing section on page 38 and visit our [website](#) for more information.

Open and transparent

AustralianSuper aims to maintain the highest standards of governance and support members' trust by being as open and transparent as possible. The 2023 Global Pension Transparency Benchmark report rated AustralianSuper third overall out of 75 funds globally and improvement from seventh last year¹³.

¹¹ AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, transaction 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. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

¹² 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.

¹³ Global Pension Transparency Benchmark [global-pension-transparency-benchmark.top1000funds.com](https://www.global-pension-transparency-benchmark.top1000funds.com)



About AustralianSuper cont.

Aboriginal and Torres Strait Islander members

We recognise that some Aboriginal and Torres Strait Islander members may have unique needs that require us to serve them in different ways.

As Australia's largest super fund, we advocate for changes to address structural barriers that may prevent Aboriginal and Torres Strait Islanders from engaging with the super system to help achieve better retirement outcomes. We have also introduced service improvements and initiatives to reduce barriers to inclusion and participation with superannuation.

We support colleagues to have the knowledge, understanding and respect for Aboriginal and Torres Strait Islander cultures, histories, and traditions so they can better service and support First Nations members.

AustralianSuper's vision for reconciliation is a national superannuation system that meets the financial, emotional and social needs of Aboriginal and Torres Strait Islander members.

Reconciliation Action Plan

AustralianSuper's Innovate Reconciliation Action Plan (RAP) is a step in the journey towards helping all Australians live well in retirement.

Building cultural understanding

Building our understanding of Aboriginal and Torres Strait Islander cultures, histories and traditions helps us to provide a better service to First Nations members. This year, the Fund's RAP Working Group ran a number of sessions to build colleagues' cultural knowledge. Sessions ranged from traditional ceremony to working with First Nations businesses. Through these events, the RAP Working Group reached more than 800 colleagues.

Community engagement

We support our colleagues to make a positive contribution to the community. Colleagues can take one day of community service per calendar year to help specific charities or community organisations. The Fund's Sustainability & Community Group (SCG) organises opportunities for colleagues to:

- support marginalised members of the community into gainful employment and dignity in retirement
- advance employee-community engagement through volunteering and supporting organisations that focus on social impact and conservation, and
- be environmentally conscious and make sustainable choices.

In doing so, the SCG supports members in their communities and improves colleague engagement. Activities that colleagues have been involved in this year include helping long-term unemployed people prepare for job interviews, helping to cook nutritious meals from surplus food distributed to people in need and tree planting days.

Other AustralianSuper networks and community groups open to colleagues include:

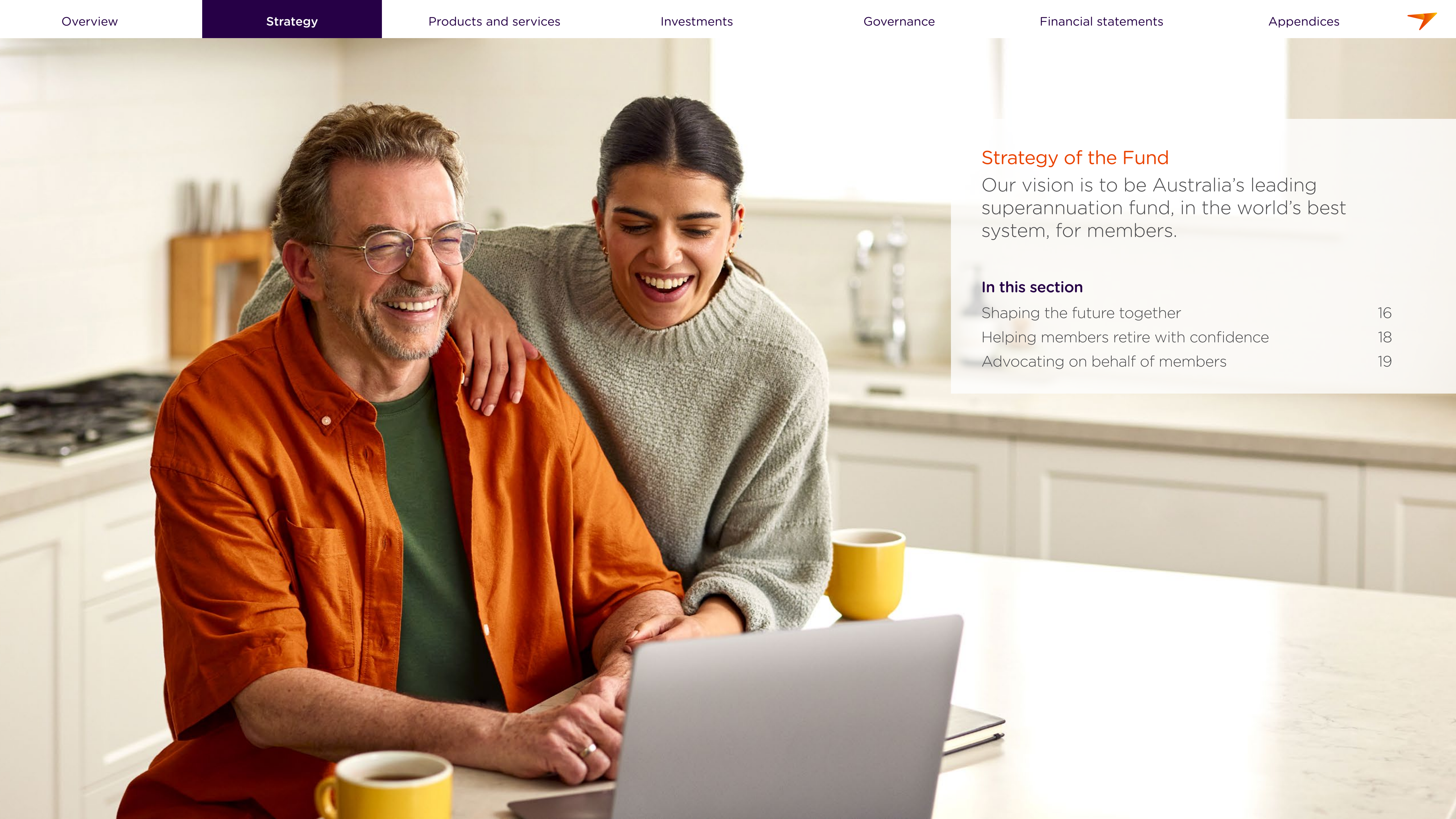
- Connecting Cultures – embracing and encouraging cultural diversity
- Pride@AustralianSuper – provides a forum for LGBTQ+ colleagues and allies to show their support for diversity
- AustralianSuper Women – improves connections within the Fund.

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. See the Managing risk section on page 58 for more information.

Margaret
AustralianSuper member



Strategy of the Fund

Our vision is to be Australia’s leading superannuation fund, in the world’s best system, for members.

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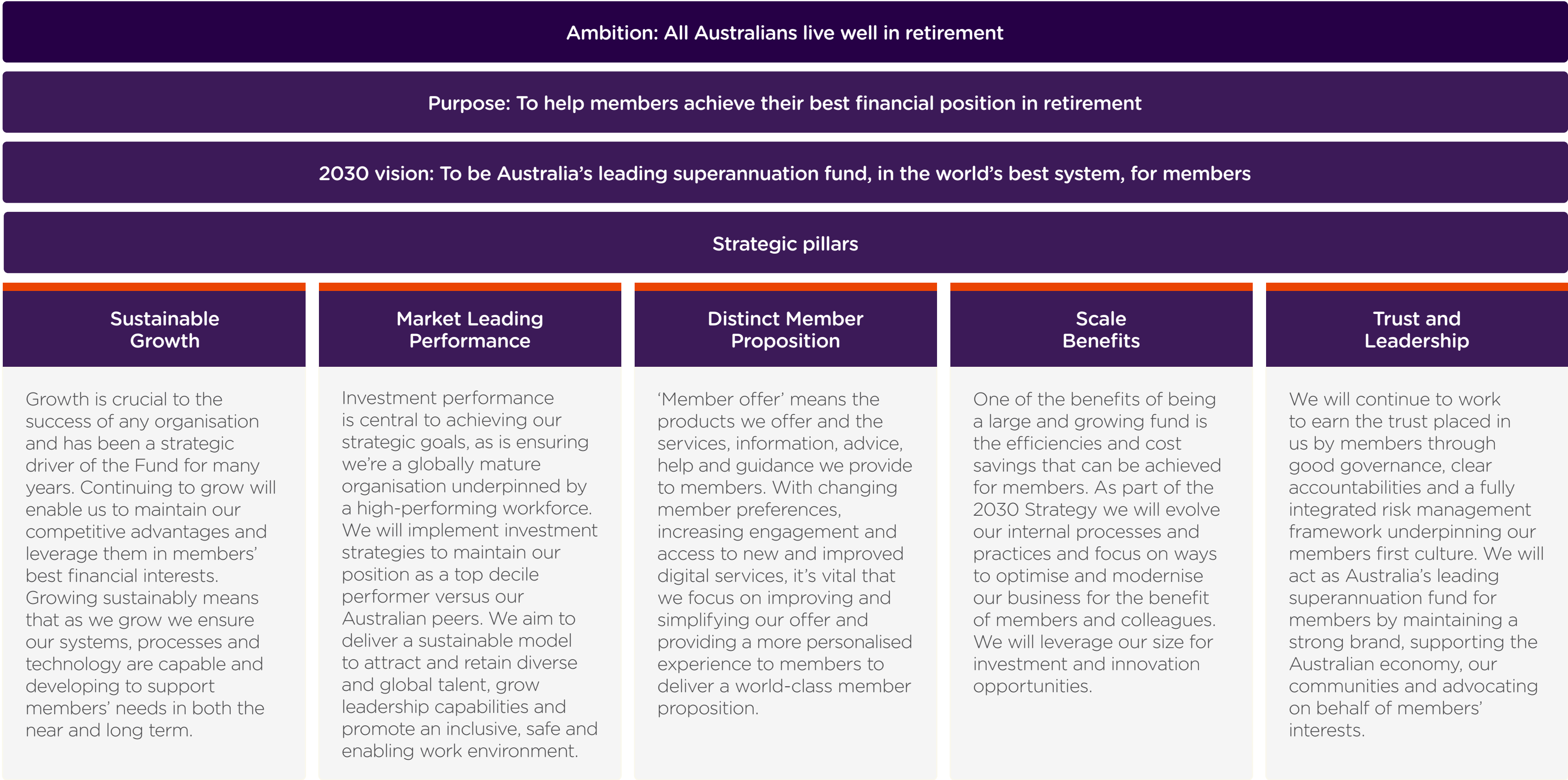


Shaping the future together

AustralianSuper is strong, capable and experienced, committed to helping members achieve their best financial position in retirement.

Our 2030 Strategy is set out in the diagram below. This is the second year of reporting progress against our 2030 Strategy, which is based on five pillars: Sustainable Growth, Market Leading Performance, Distinct Member Proposition, Scale Benefits and Trust and Leadership.

2030 Strategy



Achievements this year:

- Welcomed more than 514,000 new members including 20,000 Choice Income account members.
- Made pension payments to over 100,000 members with Choice Income accounts.
- Launched the new member portal and mobile app for simpler, clearer and more helpful interactions.
- Introduced new administration fee pricing, reducing fees for around 1.7 million members and maintaining them for just over 535,000 members.
- Reduced insurance costs for 97% of insured members.
- Appointed a Chief Officer Retirement to focus on how the Fund will meet the needs of retirees into the future.
- Exceeded our target Members First Culture score.
- Maintained our ranking as one of the 20 largest pension funds in the world¹.

¹ Thinking Ahead Institute, Global top 300 pension funds. September 2023. thinkingaheadinstitute.org/research-papers/the-worlds-largest-pension-funds-2023



Shaping the future together cont.

Progress against the strategic pillars

We track our progress against the strategic pillars of our 2030 Strategy.

Strategic pillar	Overview FY23
Sustainable Growth	<ul style="list-style-type: none">• The growth in market share and number of new accumulation account members significantly exceeded our FY23 target.• Members with a Choice Income pension account grew to 100,000, which was faster than market growth, but slightly short of our FY23 market share target.• Our IT Process and Operations maturity rating met the FY23 target, supporting the growth of the Fund, with cloud migration and investment in data ensuring we can operate effectively and efficiently for members.
Market Leading Performance	<ul style="list-style-type: none">• The Balanced investment option performance was a solid 8.22% for accumulation accounts. This didn't meet our medium-term outperformance target due to challenging market conditions and the positioning of the portfolio for anticipated weaker economic growth and ongoing volatility in the medium term.• The growth of the average account balance of a 55-year-old member was slower than the FY23 target, impacted by lower-than-expected investment returns and new members joining with lower account balances.• The Colleague Enablement score was very slightly below target, but the organisation is well-positioned to achieve its long-term goals.
Distinct Member Proposition	<ul style="list-style-type: none">• Our Brand Preference score fell slightly short of the FY23 target, but AustralianSuper remains the most preferred fund by a significant margin.• We did not meet some members' service expectations this year, which was reflected in member feedback about their ease of interaction with us. This is an area of focus in FY24; we have put in place short and long-term initiatives to improve member service.• Lower-than-expected investment performance over the short term and member service challenges affected members' 'likelihood to recommend us' and we did not meet our Net Promoter Score target this year.
Scale Benefits	<ul style="list-style-type: none">• We continue to deliver the benefits of scale to members, and we have met our FY23 operating costs and total fee targets.• Insurance costs met FY23 targets and the Fund's insurance remains well-positioned in the market. There were cost reductions for most members with insurance this year.
Trust and Leadership	<ul style="list-style-type: none">• We met the Fund's reputation target. AustralianSuper's reputation is ranked in the top 10 among some of Australia's largest and best-known organisations².• Colleague feedback demonstrated that our 'members first' culture is embedded across the organisation, including among the significant number of colleagues who joined the Fund this year, well exceeding our targets.• The assessment of enterprise risk culture and behaviour did not meet our target. Areas for improvement have been identified and will be actioned in FY24.

Areas of focus

Based on our progress against the 2030 Strategy, areas of focus for FY24 and beyond include the following:

Improving member service

We continue to focus on improving our products and services so we can deliver a world-class proposition to members. Focus areas for FY24 include:

- enhancing the process of joining the Fund
- refining the help, guidance and advice that members need
- enhancing digital and self-service options so members can engage with their super when they want
- improvements to tracking the progress of insurance claims.

Active investment management

As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. We closely monitor all our investments and will continue to strategically increase the proportion of assets managed internally to deliver cost savings and enhanced investment performance. Growing our offices in London and New York will mean we're better able to access the best investment opportunities for members.

Holistic approach to retirement

Our purpose is to help all members achieve their best financial position in retirement. We believe that more can be done by the Fund to better help members in retirement as they become spenders rather than savers.

Over 100,000 members have a Choice Income account with AustralianSuper. We'll be building on our great foundations to:

- make it an easier process to open a Choice Income account
- provide access to a wider range of help and guidance.

We're reviewing the products and services we offer to make sure they meet members' needs now and in the future. We're working on system-wide changes that will enable improved retirement outcomes for all super fund members.

Strong alignment to deliver more

AustralianSuper is experiencing strong growth. We understand that members trust us to build their financial future, and as we grow, we will continue to focus on improving the Fund's organisational efficiency and effectiveness, including strengthening processes and quality. We'll keep building our high-performance culture while maintaining our commitment to our 'members first' ethos and organisational values.

2 RepTrak®, April-June 2023 report prepared for AustralianSuper.



Helping members retire with confidence

Australia is set for a retirement wave. By 2030, the retirement market will have grown to more than 5.4 million people¹, with an extra 1.2 million Australians transitioning from being ‘savers’ to ‘spenders’². About half a million of these spenders will be AustralianSuper members.

With already more than 900,000 members retired, partly retired or approaching retirement, we’ve built a strong capability to help members make this transition.

Over the past five years, Australians have become more confident about their preparedness for retirement and the retirement experience³. Good retirement planning, as well as financial awareness and skills, are key to boosting confidence. We provide members with the products, services, help and guidance to make decisions about their retirement.

Help, guidance and advice

Last year, more than 50,000 members, most aged over 50 years, contacted the retirement call centre for help, guidance and advice. This is more than double the number of calls received the year before.

More than 45,000 members attended our retirement education seminars and webinars. There has also been an 11% increase in the number of members who received a personalised Statement of Advice to help them reach their financial goals.

We expect this engagement to rise as the super system matures, account balances grow and retirement becomes a dynamic and staged transition rather than a one-off event. Older Australians want, or need, flexibility to move in and out of the workforce. As they live longer, they know their savings must last longer.

Focus on member needs

The changing nature of retirement and the sheer size of the approaching wave of retirees have been catalysts to further strengthen the retirement capabilities and expertise offered to members.

In late 2022, a new executive position, Chief Officer Retirement, was created to lead this work. Shawn Blackmore, a senior executive with the Fund for more than 16 years, was appointed to this role.

A key mandate for Shawn’s team is to deliver on our Retirement Income Strategy. The Retirement Income Covenant legislation aims to make sure super funds have a clear plan for how they will help retiring members and requires all super funds to have a Retirement Income Strategy.

AustralianSuper’s strategy is aligned with our purpose of helping members achieve their best financial position in retirement by providing a personalised and data-driven member experience, quality guidance and support, and high-performing products and services.

The big picture

As Australia’s largest fund with a vision that all Australians retire well, we advocate and effect policy change that makes the retirement system simpler and better for members – and all Australians. A longer-term aspiration could be to work with government and industry to bring together a retiree’s main sources of income – super, the Age Pension and other potential sources – into one retirement income stream.

In the short term, it’s about developing new longevity products and ensuring our advice, service and guidance continues to help members approach and experience retirement with confidence.

Retirement is what you work for

Greg’s story

AustralianSuper member for 25 years, Greg Hayter, is now enjoying retirement.

“Retirement’s what you work for. It’s what you work for your whole life to finish up and enjoy the things in life that you wanted to do. That’s why you work.

“I don’t think I’ll miss the physical work, probably just going to work and being with mates and having a yak and yarn. Our goal is to travel as much as possible and I’m looking forward to going down the beach every day. I love the beach. Just the simple things, really. I think loneliness in retirement is a big issue. One of the key factors is having the purpose of what you want to do, where you want to go, what you need. And I think you don’t have to have lavish plans to have a purpose.”

[READ MORE »](#)

1 Deloitte, Superannuation Market Projections Report, 2021.
2 Australian Bureau of Statistics, 3222.0 Population Projections, Australia, 2017 (base) – 2066.
3 AustralianSuper-Monash University Retirement Confidence Index, 2022.



Advocating on behalf of members

As Australia’s largest superannuation fund, run only to profit members, we believe that Australia’s superannuation system can be the world’s best system, where all Australians live well in retirement.

Our superannuation system is one of the best in the world¹ and works well for most Australians, but it can be improved. An unwavering focus on adequacy, equity, and fairness and the sustainability of the system will help to ensure it serves all Australians for generations to come.

Australia’s superannuation system was created more than 30 years ago to improve the retirement outcomes of all Australians. The key pillars of the system are:

- compulsory contributions, with the Superannuation Guarantee (SG) rate rising to 12% by 1 July 2025 to help more people have adequate savings for their retirement
- preservation of superannuation for retirement so members benefit from compounding investment returns
- appropriate taxation settings for a fair and equitable system.

Superannuation should generate strong long-term returns to maximise members’ retirement incomes. It also contributes to building our nation’s economic capacity and social capital.

Advocacy focus

AustralianSuper’s advocacy is focused on the following areas:

Super should be super for everyone

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

Investment and ownership

AustralianSuper is committed to making a positive contribution to the economy and advocates for investment structures that help to provide strong returns for members.

Long-term performance

Superannuation is a long-term savings vehicle, and this must be recognised in policy and regulation. We advocate for a superannuation system that delivers income for a dignified retirement to as many Australians as possible.

Retirement

As more individuals move into retirement, it’s crucial that the system facilitates this transition. People should be able to access affordable, quality financial advice combined with products that provide maximum benefits, allowing them to move confidently and smoothly into retirement.

Policy engagement

AustralianSuper makes contributions to inquiries, reviews and policy processes to help improve member outcomes and the super system more broadly. This year our advocacy on behalf of members has included:

- 20 submissions to government and regulators regarding reforms to superannuation, issues around insurance, financial services regulation and investments
- ongoing engagement with all levels of government and regulators to discuss how best to implement reforms to improve retirement outcomes for superannuation fund members
- support and contributions to superannuation industry associations and peak bodies and their policy submissions.

Developments in FY23

Objective of super

In February this year, the Federal Government proposed the following definition of the objective of super:

“To preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way.”

We welcome the proposed objective of super and support the principles it embodies.

Tax benefits subject to a \$3 million cap

The Federal Government announced that it intends to reduce tax concessions for people with total superannuation balances of more than \$3 million with the change proposed to apply from 1 July 2025.

AustralianSuper is broadly supportive of the proposed policy as a step towards greater equity in the system; however, we believe the measure would be improved if the \$3 million cap was indexed. This would reflect the long-term horizon of superannuation savings.

Continued on next page.

Supporting an objective for super

When compulsory superannuation was introduced in 1992, many Australians faced a retirement funded only by the Age Pension and possibly some personal savings. Now, 30 years later, many Australians can look forward to having a significant financial asset when they come to retire. In fact, super savings are most people’s second-largest financial asset when they retire².

Currently, there is no legislated overarching objective for the superannuation system. Legislating an objective of superannuation will provide stability and confidence to policymakers, regulators, industry and the community that changes to superannuation policy will be aligned with the purpose of the superannuation system.

AustralianSuper agrees that super should be ‘*preserved*’ throughout a person’s working life so they can benefit from compounding investment returns to build their retirement savings.

It’s important that super delivers income for a ‘*dignified retirement alongside government support*’. This supports the delivery of retirement income above the Age Pension and places emphasis on economic and social participation in retirement. An ‘*equitable*’ system is essential to ensure it doesn’t benefit some people more than others. And it’s vital that the system can be ‘*sustained*’ for generations to come.

1 Australia’s superannuation system is ranked 6 out of 44 in the Mercer CFA Institute Global Pension Index 2022. Available at [mercercfa-global-pension-index](https://www.mercer.com/insights/investments/market-outlook-and-trends/mercercfa-global-pension-index)
2 Retirement Income Review, Final Report, November 2020. pp 417.



Advocating on behalf of members cont.

Equity would be improved further if savings from this measure were redirected in the following ways, to help those who will struggle to achieve a dignified retirement:

- pay superannuation on paid parental leave and/or
- increase the Low Income Superannuation Tax Offset, which is a government payment to help eligible low-income earners save more for retirement.

YFYS review and the performance test

AustralianSuper supports the performance testing system introduced as part of the Your Future Your Super (YFYS) reforms in 2021. We also support measures that ensure only funds that deliver strong performance over the long term receive Australians' superannuation contributions.

AustralianSuper welcomed the review of the performance test and advocates for a universal benchmark to be used when testing the net returns of super funds, rather than measuring against asset-class-specific benchmarks.

We advocate for the test to be extended to all APRA-regulated superannuation products, not just MySuper default and trustee-directed products. Extending this test would mean a further 33% of retirement savings would be covered³, enabling members to make more informed choices.

Performance testing for retirement products is also particularly important as retired members don't have an extended period of time to build savings.

Quality of Advice Review

Financial advice has significant potential to ensure Australians make the most of their retirement savings. We will continue to advocate on behalf of members for reforms that improve the affordability and accessibility of quality financial advice to all Australians.

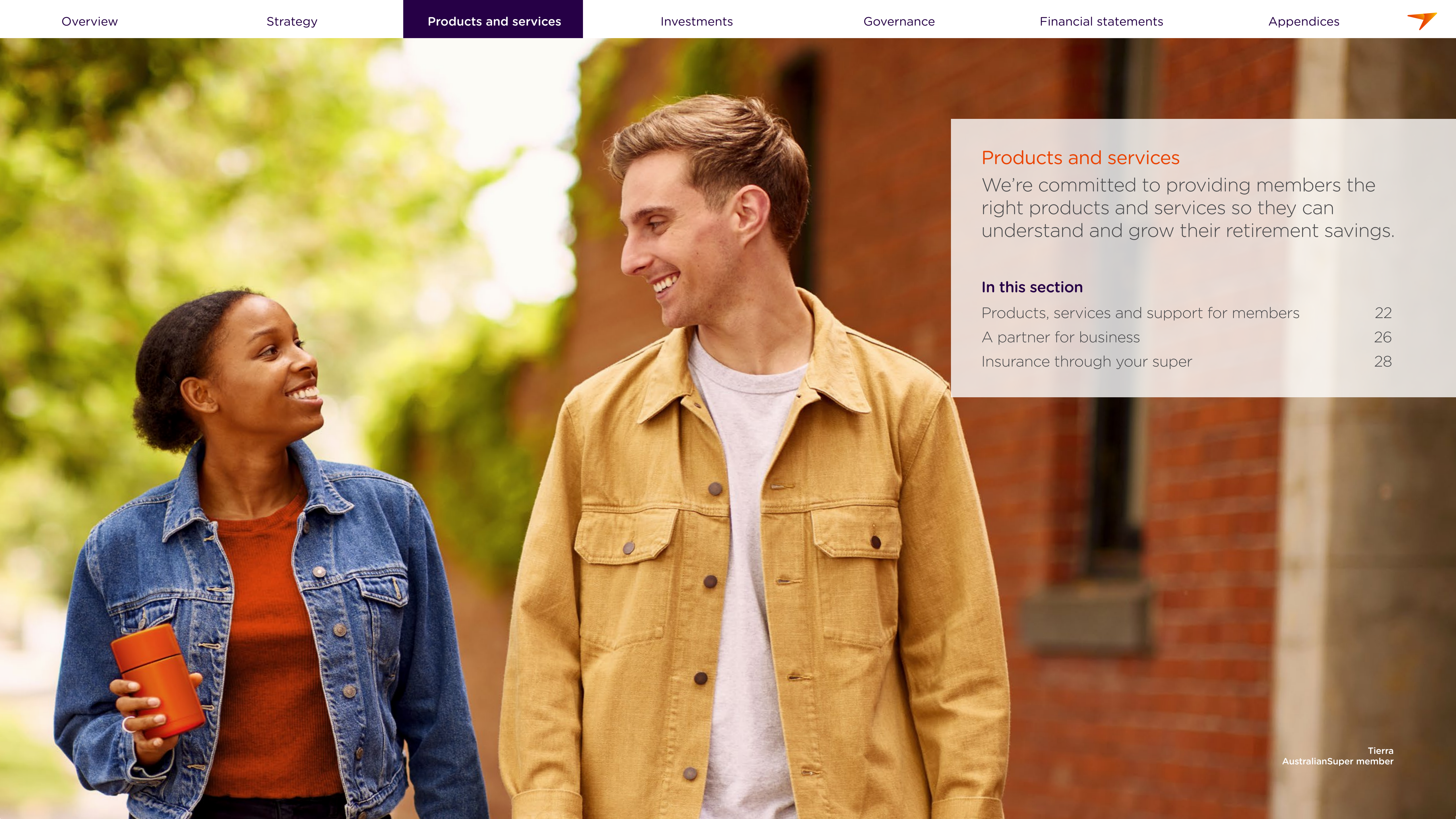
Payday super

From 1 July 2026, businesses will be required to pay their employees' super at the same time as their salary and wages. This is expected to benefit those in lower-paid, casual and insecure work who are more likely to miss out on the benefits of compounding investment returns when super is paid less frequently. It will also help detect unpaid super payments earlier. The Australian Taxation Office (ATO) estimates \$3.4 billion worth of super went unpaid in 2019–20⁴. This will help improve retirement savings for many Australians.

³ APRA – 13 April 2021, Senate Economics Legislation Committee – ANSWERS TO QUESTIONS ON NOTICE – Treasury Laws Amendment (Your Future, Your Super) Bill 2021. aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/TLABYFYS/Additional_Documents

⁴ Media release, The Hon Jim Chalmers MP, Treasurer and The Hon Stephen Jones MP Assistant Treasurer and Minister for Financial Services: Introducing payday super 2 May 2023. ministers.treasury.gov.au/ministers/stephen-jones-2022/media-releases/introducing-payday-super

Norma and John
AustralianSuper members



Products and services

We’re committed to providing members the right products and services so they can understand and grow their retirement savings.

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Products, services and support for members

We’re committed to providing members the products and services they need, to help them manage their super and plan for their future.

Members want simple, easy and empathetic interactions with the Fund. Improving products and services for members means delivering a more personalised experience, with better guidance and advice, to help members understand and grow their superannuation, and prepare for retirement.

Simple, easy and accessible

Members can access information and advice through our website and member portal, the mobile app, over the phone, via chat, Facebook Messenger and email, and in-person.

Upgraded secure member portal and mobile app

Increasingly, members want to manage their super when it suits them. The secure member portal and mobile app gives members access to their account so they can view and transact when it suits them.

This year, we delivered a range of enhancements to the member portal and mobile app to help members access information and services more quickly, easily and conveniently.

Since the portal upgrade in November 2022:

- log in success rates remain high at 95% (up from 85% on old portal)
- over one million members have accessed it
- the average visitation rate is twice per month
- there has been a 66% engagement rate with the more personalised content.

The mobile app upgrade is also promoting positive engagement including:

- 713,000 members accessed the app since relaunch
- average usage rate is four times a month
- 70% of app users received targeted notifications
- personalised messaging received 980,000 views.

Transactions and interactions

A growing number of members are increasingly active with their accounts. Throughout FY23 members used the range of communication channels to transact and interact with the Fund to manage their super and retirement savings. There were:

- over 1.56 million phone conversations with members
- more than 250,000 emails sent
- almost 475,000 messaging conversations
- a 4.4% increase in sessions on digital channels - website and mobile app
- an almost 14% increase in self-service transactions via the mobile app
- over 7% increase in completions of the online form
- more than 10% increase in content engagement on the public website.

Future improvements

As we work to deliver members the best possible experience, we will:

- increase implementing straight-through/automatic processing on a number of forms to better indicate the status of requests and reduce waiting times
- continue to improve our online virtual agent ASH (AustralianSuper Helper Bot) that assists members 24/7
- enhance the Fund’s website content to make it quicker and easier for members to find easy-to-understand information
- continue to more tightly combine our service channels so when members call, we can pick up the conversation just where we left off.

Financial advice for members

We’re here to help create the future members’ want with financial advice that’s right for them.

Members can access help and advice via our website, over the phone, by video conferencing or face-to-face on a wide variety of matters, from simple transactional type issues through to more comprehensive or complex advice¹. In many cases, help and advice related to matters such as investment choice, insurance and retirement planning is available at no additional cost.

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.



Products, services and support for members cont.

All financial advisers who work with AustralianSuper must meet strict 'best interest' duty obligations to put members' interests first. In addition, we have processes in place to help make sure our advisers meet these duties and obligations. The Fund does not pay advisers incentives or bonuses in any form. Members can access a panel of over 3,000 registered advisers across the country, including in many regional areas.

In the year to 30 June 2023, just under 18,000 members contacted the Fund for help and advice. This was slightly less than the previous year as pandemic-related requests eased. Over 85% of all personal advice provided was investment-related, reflecting the continuing demand caused by movements in investment markets.

To help members with investment-related help and advice, we introduced an online 'risk profiler'. This is available on our website and can help members identify the type of investor they are so they can be better guided when making investment decisions.

Throughout the year, more than 8,400 members received a personalised Statement of Advice to help them towards their financial goals. In addition, over 4,000 members received written general advice guides, mainly in relation to retirement options.

The Fund will continue to advocate on behalf of members for reforms that improve the affordability and accessibility of quality financial advice to all Australians.

Super education for members

When members have a good understanding of superannuation and how their account works, they are better able to manage their retirement savings. The Fund provides extensive education services for members to help them understand their super.

Members can attend live interactive webinars, in-person seminars and workplace education. The website provides access to pre-recorded educational videos, self-paced learning modules and informative articles on a wide variety of topics.

The top three most popular webinars for this year were:

- *Preparing for your retirement journey*
- *EOFY investment update and outlook*
- *Do you need \$1 million to retire?*

Other topics covered included setting your super up for success; tips to boost your super and lifestyle in retirement.

Retirement ready

Many members will transition to retirement over the next decade. We want to make it easy for members to move into retirement.

Currently, the Fund offers a Transition to Retirement Income product where members receive payments from their super while they're still working, and the Choice Income account-based pension that provides regular income and lump sums withdrawals in retirement.

The aim is for every member to be prepared and informed to achieve a comfortable retirement lifestyle and be in control of their financial situation and decisions.

Retirement education

The number of in-person seminars for pre-retiree and retired members increased this year and these sessions were well attended in all locations.

The pre-retirement seminars *Preparing for your retirement journey* covered how to boost your super while you're still working; meeting income needs in retirement; account based pensions; how to access the Age Pension and further help and advice options.

For retired members, the *Lifestyle in retirement* seminar covered how AustralianSuper is performing; super changes that could benefit you in retirement; the Age Pension and other government benefits; estate planning; keeping your retirement savings safe online and further help and advice options.

We also hosted a webinar series, *SuperFit*, designed to provide employees with a range of tips and useful information to help them navigate their super and retirement.

Ross
AustralianSuper member

Products, services and support for members cont.

Aboriginal and Torres Strait Islander members

AustralianSuper is aware that some Aboriginal and Torres Strait Islander members may have different requirements and seeks to provide services to meet their needs. We're committed to addressing barriers to financial inclusion and creating opportunities for First Nations members to better understand and access their super.

Accessibility of services

The Fund has a dedicated phone line for Aboriginal and Torres Strait Islander members who can speak to a specialist colleague with cultural training.

In addition, in February 2023, a First Nations translator service for the Contact Centre was launched. Members or their authorised representative can now call and make an appointment to speak to Contact Centre colleagues in one of a number of First Nations languages.

Building knowledge of super

AustralianSuper partnered with Australia's largest Aboriginal media organisation, the Central Australian Aboriginal Media Association (CAAMA) in 2022 to produce a 6-part radio series called *Australian Super Made Easy Series Two*. The radio series was played on the CAAMA radio station which has approximately 60,000 listeners and is available on the AustralianSuper website.

Recorded in English and translated into Western Arrernte, the series explores the essentials of superannuation and insurance and aims to empower Aboriginal and Torres Strait Islander peoples to:

- understand super
- engage with their super fund
- learn which fund their super is with
- keep track of their balance
- know how to access their super and when
- understand their insurance benefits
- know where to get more information.

This year, we participated in the:

- First Nations Foundation's Financial Wellness Week in Sydney, a community outreach initiative to provide Indigenous Australians with a holistic financial wellbeing service.
- Closing The Gap Day Event in Adelaide to support the Aboriginal and Torres Strait Islander community to share information and take meaningful action in support of achieving Indigenous equality.

Investment options

Members can choose how they would like to invest their retirement savings and the Fund offers 11 different investment options. Our website has a section dedicated to investments which includes overviews of each investment option, information on how to choose between investment options and how to change investment options.

See pages 35-36 for more information on investment options and visit the investments page on our **website**.

What your super is invested in

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.

See pages 35-36 for more information on investment options and visit the investments page on our **website**.

Insurance with the Fund

The Fund provides eligible members a default level of cover to meet basic insurance needs.

In the 2023 financial year, AustralianSuper paid over \$491 million in insurance claims to members and their families.

We ensure members only pay for what it costs us to provide their insurance benefits and members can tailor their insurance any time by applying to increase, decrease or cancel cover to meet their needs.

Insurance costs (also called premiums) are deducted from members' super accounts each month, not their take-home pay.

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. Insured members can also access a grief support service, which provides up to three counselling sessions at no additional cost to help individuals work through the struggles associated with a terminal illness diagnosis. This service is also available to an insured deceased member's immediate family members.

See the insurance section on page 28 or visit our **website** for more information.

Unpaid super

During the year, AustralianSuper collected \$8.5 million in unpaid super on behalf of 11,322 members while continuing to help educate and remind employers of their obligations.

Annual Member Meeting

All members are invited to attend the Annual Member Meeting (AMM) each year. At the AMM, the Chair, Chief Executive and senior executives provide an update on the Fund's performance and outlook for the year ahead. Members can ask questions about the governance and operation of the Fund.

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, see the risk management section on page 58.



Products, services and support for members cont.

Cyber security

AustralianSuper continues to invest in its security capability to ensure members' interests are protected. Cyber security is actively addressed by the Fund, with robust security measures in place to make sure members' superannuation and personal data is safe. Our systems and processes are designed to keep member data and information safe. We provide information, tips and hints so members can do what they can to keep their information secure.

Keeping your super safe

We have security measures in place to ensure members' super is safe and there are additional things that can be done to reduce the risk of identity theft – where personal information is used to carry out fraudulent activity, such as accessing an AustralianSuper online account and attempting a withdrawal.

To help avoid identity theft, members should:

- keep up to date with their account
- ensure 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 devices when browsing online.

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

Online security tips

If you come across any unusual activity on your super account, please report it to us via phone **1300 300 273**, **email** or the **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).



Peter
AustralianSuper colleague



A partner for business

We support more than 460,000 diverse businesses, from small, local business to large national enterprises to make it easier for them to meet their superannuation obligations.

We aim to be a partner for employers as they grow and run their business, manage their employees and their superannuation obligations.

A partner for progress

With a focus on financial wellbeing, we support employers with education, information, tools and advice so they can help their employees achieve their best possible financial position.

Regular communication

We provide general superannuation updates to employers to help them keep up to date. Information about investments, legislative changes, fund news and member products and services is provided to business partners through quarterly publications including an e-newsletter from the Fund's Chief Member Officer.

We also provide businesses with tailored communications to help them support the superannuation educational needs of their employees.

Business Portal enhancements

The Business Portal helps businesses manage their superannuation obligations. Using the portal, employers can create new accounts for employees, view individual and company contributions and export records and reports for business use and analysis. This year, over 26,900 new member accounts were created by businesses, 176% more than the previous year.

Enhancements we have made this year to improve the user experience and support operational efficiency include:

- improvements to the registration process and renewed promotion of the Business Portal to self-service businesses, which has resulted in a 420% increase in employers registered for the Business Portal compared to last financial year
- improvements to the Business Portal's usability and new functionalities, which have resulted in higher business engagement and a significant increase in views and transactions, including:
 - 29,800 log-ins, a 260% increase on the previous year
 - 554,000 page views, a 400% increase on the previous year.

Serlina
AustralianSuper colleague



A partner for business cont.

Our service model

We have a service model where all businesses can discuss their superannuation needs with either a business experience expert or a partnership manager.

A new Business Experience team, which includes business experience experts, was established this year to support around 450,000 small to medium-sized businesses¹ across the country.

The team is reviewing all aspects of our current service and support to determine how AustralianSuper can better support existing small and medium-sized businesses.

Our business partnership managers support large businesses and are located across Victoria, New South Wales, Queensland, Northern Territory, Western Australia and South Australia. In the past financial year, partnership managers conducted 1,524 virtual and face-to-face appointments with businesses.

Support for business partners

Examples of support for business partners this year include:

- a campaign to help employees understand how they can save on tax by making extra contributions at end of the financial year, which included how before-tax, after-tax and spouse contributions can affect superannuation balances at retirement
- a new YouTube video, *Your Super Journey*, to help employers onboard new employees that explains how to navigate the super journey – from getting started through to retirement
- information about the obligations and implications of Superannuation Guarantee increases for businesses and their employees

- a series of business update forums across the country
- new online resources, including:
 - end-of-financial-year and mid-year live investment webinars
 - Annual Member Meeting and *SuperTalks* presentations
 - *Brighter Future for Women* and *Super Fit* educational webinars for employees.

Education support for employees

We help businesses provide their employees with information and education about superannuation so they can achieve their best financial position when they retire. Over the last year, AustralianSuper’s education team conducted approximately 1,600 education activities with businesses resulting in interactions with over 38,500 of their employees, an increase of almost 30% on last year.

In addition, our education team customised digital and face-to-face education programs on a range of topics from investment updates, how to build your super, insurance and preparing for retirement for employers. The team also offered on-demand education videos and online learning modules. Pleasingly satisfaction scores were over 85% for workplace education.

Members can speak with an advice team member over the phone for simple personal advice about their super account. For more tailored, comprehensive financial advice, members can meet with a professionally qualified financial adviser face-to-face or via secure video link².

FY23 highlights

Over 460,000 active business partners as at 30 June 2023.

12,370 new participating business accounts were created with AustralianSuper as their nominated default fund.

Transitioned 168 businesses who chose AustralianSuper as their super partner.

Over 38,500 employees engaged through workplace activity.

Conducted around 1,600 education activities with business partners.

¹ Small to medium-sized businesses are categorised as those that have 50 or less AustralianSuper members.
² 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.



Insurance through your super

The right insurance cover can give you peace of mind that you’ll have money when you need it. We use our size and scale to offer value-for-money insurance cover to members.

As a profit-for-member fund, AustralianSuper provides insurance to members at what it costs the Fund to provide insurance benefits. Buying insurance through super can be a cost-effective way to access the benefits of insurance.

Cost of insurance

During the year, almost all of the Fund’s 1.3 million insured members¹ saw a decrease in their insurance costs after the Fund’s annual review of insurance pricing. The cost of insurance decreased by an average of 11% from May 2023, the second consecutive year that insurance costs decreased for members.

Work Ratings

The cost of insurance is linked to a Work Rating, which classifies the usual activities of a member’s job. There are three ratings: Blue Collar (most expensive), White Collar, or Professional (least expensive).

This year, we undertook a number of initiatives to help make sure members have the right Work Rating.

From September 2022, members who join the Fund directly are required to answer the four Work Rating questions so they are assigned the Work Rating that is appropriate for their work duties.

In February, a specific campaign was conducted to encourage members to check and update (if necessary) their Work Rating. Information about Work Ratings, and how to change them, was provided on our website, in member communications, and when members contacted us. The website content had over 500,000 views. We emailed more than 1,000 members information about how to request a Work Rating re-rate. Almost 3,000 requests to re-rate were received, an increase of 118% on the same period in the previous year.

Insurance claims

AustralianSuper’s insurer, TAL Life Limited (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 2022, based on the ASIC Moneysmart claims comparison tool².

Education about insurance

Education and information about insurance was offered to members through workplace education programs, livestream webinars and on-demand videos available on our website.

Topics covered include:

- the basics of insurance and costs
- choosing the right level of cover for your needs
- Work Ratings
- how to change your insurance, and
- the peace of mind that insurance can provide.

There is also an insurance section on our website with information, including fact sheets and frequently asked questions. There are times when members might want to change their cover, for example, when individual circumstances and/or financial commitments change. Our insurance calculator can help members work out how much cover they may need and what it might cost.

[READ MORE »](#)

Return to work and wellness support Income Protection claims

Helping Income Protection claimants get back to work is important so members can get back to earning a regular income. Research has also shown that returning to work provides members the best outcomes in terms of psychological wellbeing, self-esteem and longer-term health benefits³. All Income Protection claims are reviewed at the start of the claim to identify suitability for rehabilitation support.

This year, the Fund helped 558 members who lodged Income Protection claims with return to work support. There were 453 claimants who returned to work on a part or full-time basis who had lodged claims either this year or in the previous financial year.

Total & Permanent Disablement (TPD) claims

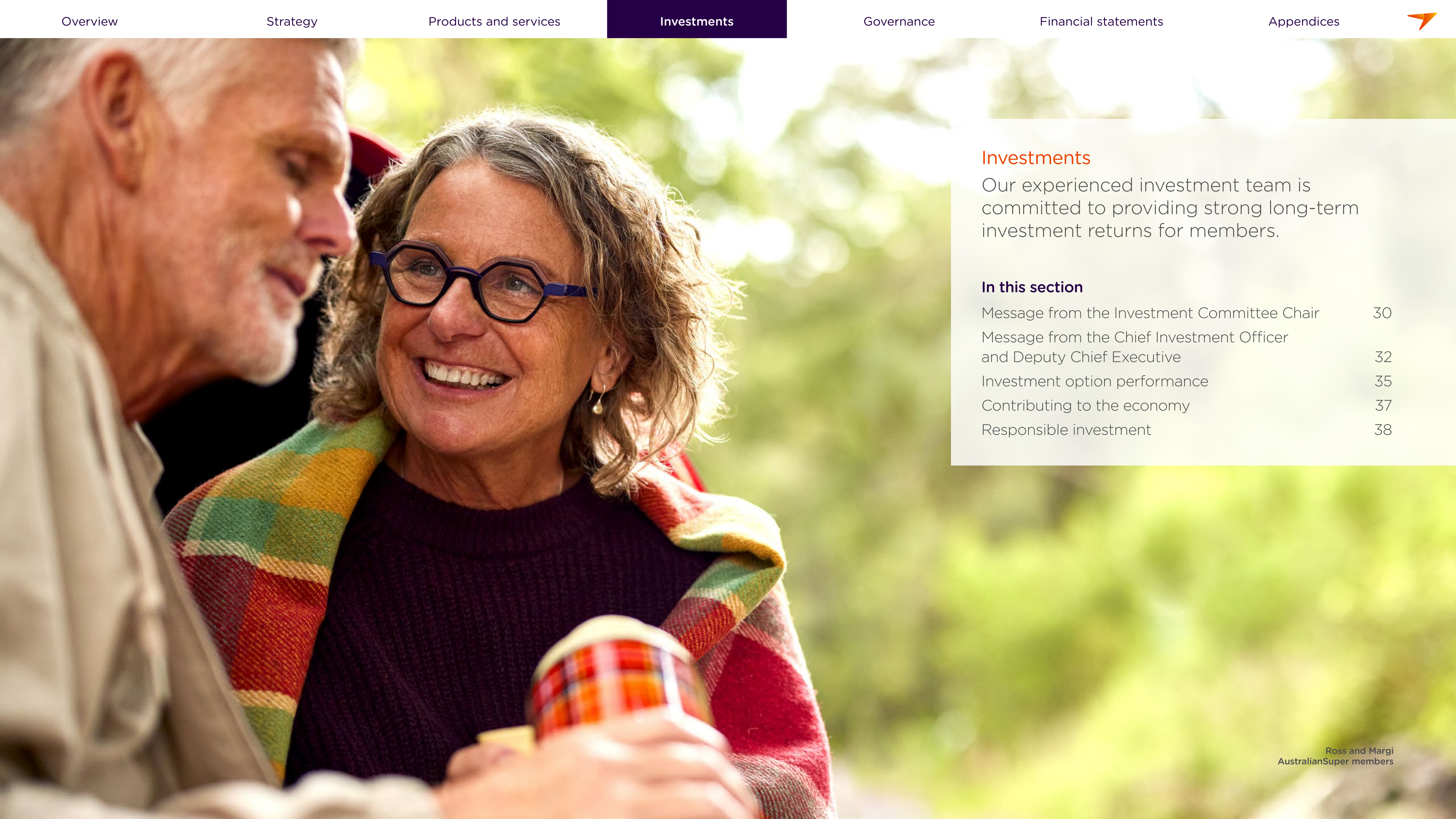
With respect to TPD claims, the focus is on returning members to good health, whether they will be in a position to return to work or not. This initiative leverages community organisations and support groups to assist members.

Improving assessments

We want members to be confident that they can quickly and easily access their insurance and receive insurance payments. During the year, the claims assessment process was transferred to our insurer, TAL (previously claims assessment had been performed by the Fund’s administrator under delegation from TAL). This has led to shorter call waiting times, improved communication to expedite claim assessments and additional support during the claims assessment process. We expect further improvements as the new process is bedded down.

The transition to TAL took place between February and May 2023, with minimal disruption to members. During this time, claims continued to be processed – 1,131 claims were admitted and \$70 million was paid in Terminal Illness, and Total and Permanent Disability benefits to support members and their families.

1 As at 24 February 2023.
2 From 1 January 2022 to 31 December 2022, Moneysmart website moneysmart.gov.au/how-life-insurance-works/life-insurance-claimscomparison-tool
3 Waddell, G. and Burton, A.K., 2006. *Is work good for your health and well-being?* The Stationery Office.



Investments

Our experienced investment team is committed to providing strong long-term investment returns for members.

In this section

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Investment option performance	35
Contributing to the economy	37
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Investing today for strong long-term performance

Message from the Investment Committee Chair, Philippa Kelly.

At a time when many members are facing cost-of-living pressures, including higher mortgage payments, energy bills and grocery prices, it is pleasing to deliver solid investment returns this financial year. For the 12 months to 30 June 2023, the Balanced investment option returned 8.22% for Accumulation accounts and 9.03% for Choice Income accounts.

An environment of high inflation and rising interest rates also made the year a challenging one for investment markets. Yet against this backdrop, global equity markets rebounded strongly, driven by gains in the technology sector. Through this volatility, the investment team remained focused on actively managing the portfolio while simultaneously building a top-tier global investment organisation and portfolio that will stand the test of time.

Superannuation is a long-term investment – members may have their super invested for 60 years. Even those in retirement may continue to be invested with us for decades. That's why we're focused on delivering returns for members over longer periods than just one year.

The Fund continues to deliver strong long-term investment results for members. The Balanced investment option (accumulation) has delivered an average return of 8.60% each year to 30 June 2023 over the last 10 years and 8.12% over the last 20 years¹.

‘Our commitment to our long-term investment strategy and members’ futures run hand in hand.’

A future-ready strategy

Our commitment to our long-term investment strategy and members’ futures run hand in hand. Our robust investment strategy – centred on building our global presence, enhancing our internal investment capabilities and increasing the Fund’s exposure to private market assets – underpins our approach to deliver future long-term performance for members. Over the past year, we have taken significant steps to advance our strategy as we continue to build our global operating platform.

Our global investment capabilities

Forward-thinking is a hallmark of a great investor and a foundation of our industry leadership. AustralianSuper was the first Australian industry super fund to establish an office overseas with the launch of our Beijing office in 2012.

Today, our offices in London, New York and Beijing have grown to over 100 colleagues. We anticipate these numbers will grow to around 300 colleagues over the next three years, with around 130 people in New York, 160 in London and a smaller team in Beijing.

As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside of Australia. Looking forward, we expect around seven out of 10 new dollars invested by the Fund will likely be invested overseas as we continue to pursue the best investment opportunities globally.



‘As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside Australia.’

Philippa Kelly

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.



Investing today for strong long-term performance cont.

Currently, around \$85 billion is invested in the United States and almost \$40 billion is invested in the United Kingdom and Europe. This includes investments in the UK’s second largest port, Peel Ports, a new urban regeneration project, Canada Water in central London and the Chesapeake toll road network in the US.

Investing globally but managing locally is central to our investment strategy. This year, the Fund was granted a UK investment licence, enabling us to establish our first public markets mandate run out of an international office. This milestone will allow us to further expand our investment capabilities overseas.

Investment in private assets

Selective investment in private assets leverages our long-term investment horizon, scale, global execution capabilities and strong track record as a responsible investor and owner. Given the current point in the investment cycle, while we evaluated a number of opportunities, we progressed only a select number of private market investments

over the past year. This disciplined approach allows us to remain responsive to market opportunities and leaves us well-positioned to capitalise on future investments as market conditions turn.

At the end of the financial year, our investment in private markets assets totalled \$75 billion, increasing from \$70 billion last year. Unlike listed assets, for private market assets, the value cannot be obtained from a market exchange. AustralianSuper has well-established and transparent policies and procedures for the valuation of unlisted assets. Our governance framework includes a dedicated valuation team and a Valuation Committee to provide proper oversight. Appointing independent valuers is also a part of our valuation governance process.

For directly held assets, independent valuers regularly value the largest holdings in the portfolio. For example, some of the largest holdings in the portfolio, such as WestConnex (infrastructure) or King’s Cross Estate in London (property), are valued quarterly.

Leveraging size and scale

As one of the top 20 global pension funds², AustralianSuper can access opportunities around the world only available to the largest investors. As the largest super fund in Australia, our scale allows us to build our investment expertise in-house and partner with world-class investors. This global investing platform is more cost-effective for members and leverages the best investment, operating and technological expertise.

‘AustralianSuper can access opportunities around the world only available to the largest investors.’

We know that building world-class investment and operating capabilities can take time – and we’re preparing for this growth today so that we can scale appropriately. It’s important that we grow not only in size but in sophistication as well – while retaining the simplicity, accountability and agility that is integral to executing the right investment decisions on behalf of members.

Challenging outlook

Investment markets will likely continue to be difficult. History has shown that high inflation leads to high interest rates, which often leads to economic downturns (to correct high inflation). In the current context, you can also overlay the thematic of technological change and artificial intelligence, the energy transition and global geopolitics – leaving us with a complex investment environment.

For long-term investors, a slowdown in the global economy will likely create investment opportunities in growth assets. When those conditions eventuate, we’ll look to deploy capital in the most promising growth-style investments, such as listed or private equities, infrastructure, property or credit.

Importantly, we will continue to position the Fund to deliver benefits for members today and into the future.

Thank you

I would like to thank all AustralianSuper members for continuing to place your trust in us.

Investment markets are challenging by their nature. Thank you to the AustralianSuper investment team for your hard work and dedication as you rise to this challenge every day to support hard-working members in their retirement.

The team benefits from the leadership and experience of Chief Investment Officer Mark Delaney. Mark’s foresight as a leader and an investor is invaluable. Thank you Mark.

It’s my honour to serve as the Chair of AustralianSuper’s Investment Committee alongside such knowledgeable and thoughtful directors. Thank you also to my fellow Investment Committee members.

2 Thinking Ahead Institute, Global top 300 pension funds, September 2023.



Investment perspectives

Message from the Chief Investment Officer and Deputy Chief Executive, Mark Delaney.

Despite a challenging year, AustralianSuper's Balanced investment option delivered solid investment returns for members. Inflation and interest rates created ongoing pressures – for both markets and members alike. However, consumer spending and corporate earnings remained resilient, driving strong performance for global listed equity markets.

Our outlook remains cautious, as high interest rates have the potential to impact corporate earnings and slow economic growth. Nevertheless, we continue to seek assets that may be mispriced by the market and make investments that will support strong long-term performance.

Investment option performance

AustralianSuper's Balanced investment option (accumulation), where most members are invested, returned 8.22% for the 2023 financial year. The Balanced option for Choice Income (retirement) accounts returned 9.03%.

All PreMixed options delivered positive performance for members over the year, supported by a strong rebound in Australian and international shares.

Members with higher exposure to growth assets, such as those invested in the High Growth and Balanced options, saw higher returns from listed equity markets compared to the lower returns of some defensive assets, like fixed interest.

'AustralianSuper's Balanced investment option (accumulation), where most members are invested, returned 8.22% for the 2023 financial year.'

Each of the PreMixed options outperformed its median fund and/or CPI objective over the 10 years to 30 June 2023. This illustrates how AustralianSuper's active management approach to security selection and asset allocation has added long-term value for members.

Year in review

Inflation, interest rates and corporate earnings were the key themes that shaped investment markets over the year. Persistent inflation prompted central banks to raise interest rates with the aim of realigning inflation with target levels. As the year progressed, listed share

markets shrugged off the effects of rising interest rates as revenue growth propelled listed shares higher, particularly in technology shares. In fixed interest markets, higher interest rates led to low or modestly negative returns across global

markets. Investments in private markets were mixed as higher interest rates, inflation, credit conditions and broader macroeconomic factors influenced the performance of private equity, unlisted infrastructure, unlisted property and private credit.



'The rebound in investment performance this financial year is an important reminder to look past short-term investment returns and focus on consistent long-term performance.'

Mark Delaney



Investment perspectives cont.

Performance highlights

AustralianSuper manages a range of asset classes that are the building blocks for the PreMixed options. Actively managing the asset allocation of these options and the security selection in each asset class provides opportunities to balance risk and return, driving long-term performance for members.

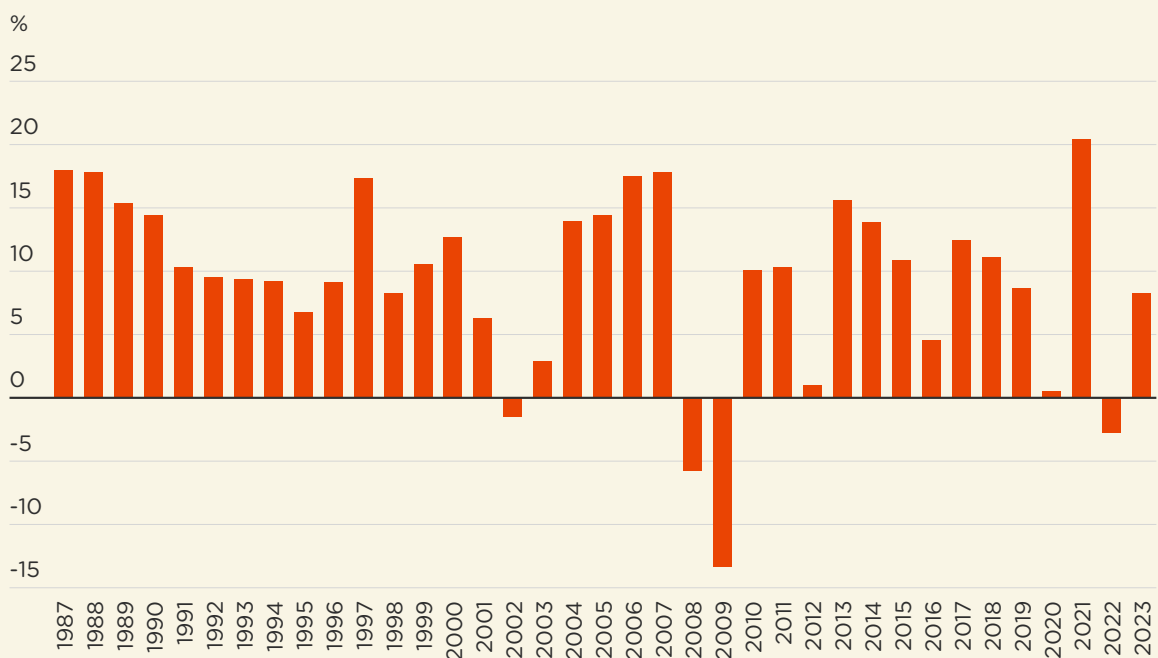
The performance of each asset class was impacted by the following economic and investment conditions over the financial year:

- The Australian shares portfolio kept pace with the rise in the broader market. Our investment strategy focuses on taking concentrated positions in listed companies with the potential to outperform the broader market. This investment strategy supported the broader portfolio’s performance over the year.
- International shares had strong performance as resilient company earnings results supported a rebound in share prices.
- Private equity returns were slightly negative over the year as valuations reflected the effects of higher interest rates and the current market cycle for unlisted equity assets.

- Unlisted infrastructure assets provided solid positive performance for the portfolio. The inflationary environment has increased the revenue streams of some infrastructure assets and uplifted valuations.
- Unlisted property, particularly in the office and retail sectors, has faced structural headwinds in the post-COVID-19 environment. Valuations were further impacted by rising interest rates.
- Private and high-yield credit provided modest positive returns, supported by the strength of the assets in the portfolio and the Federal Reserve’s intervention in credit markets after the US bank failures in March 2023.
- Fixed interest had a slightly negative return due to the level of interest rates trending higher over the year.
- Cash returns continued to outperform the benchmark and were supported by the progressively higher interest rates over the year.

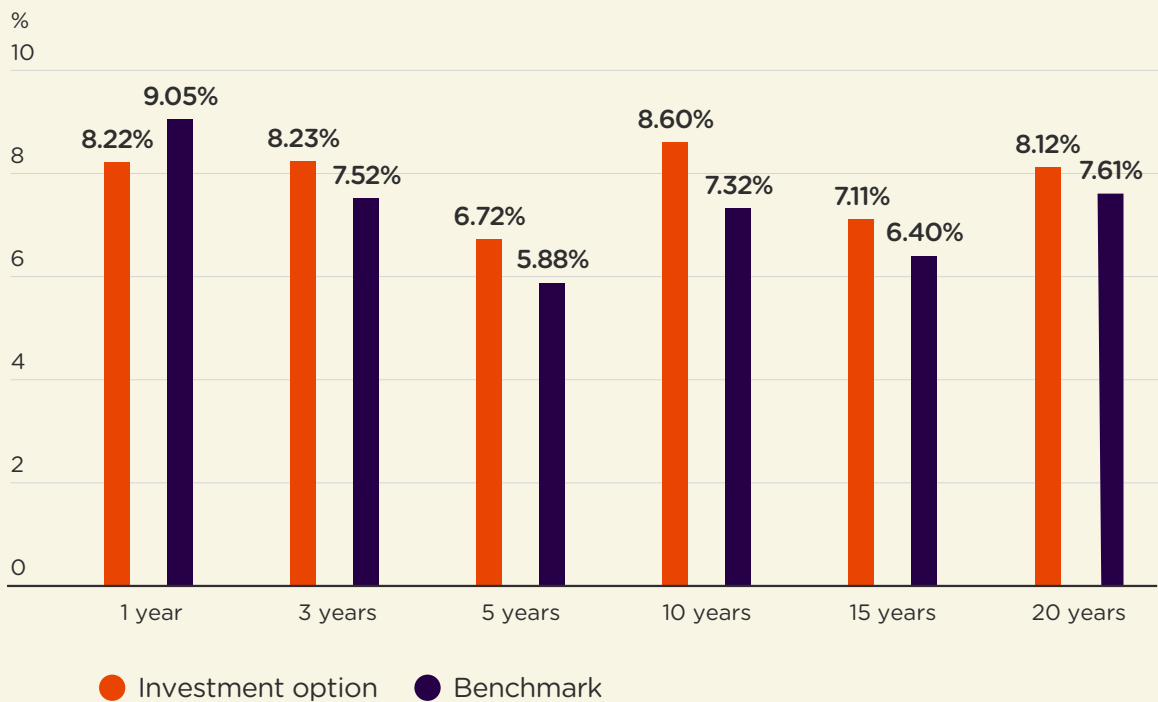
Balanced option

Financial year returns



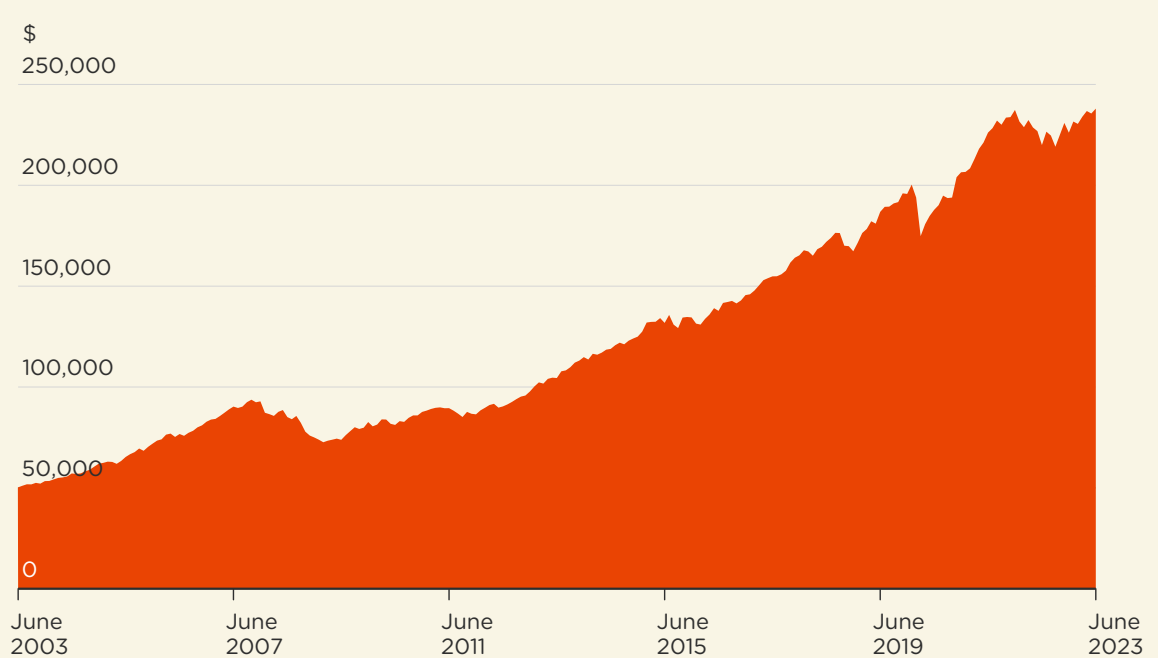
Balanced option

Average annual returns to 30 June 2023



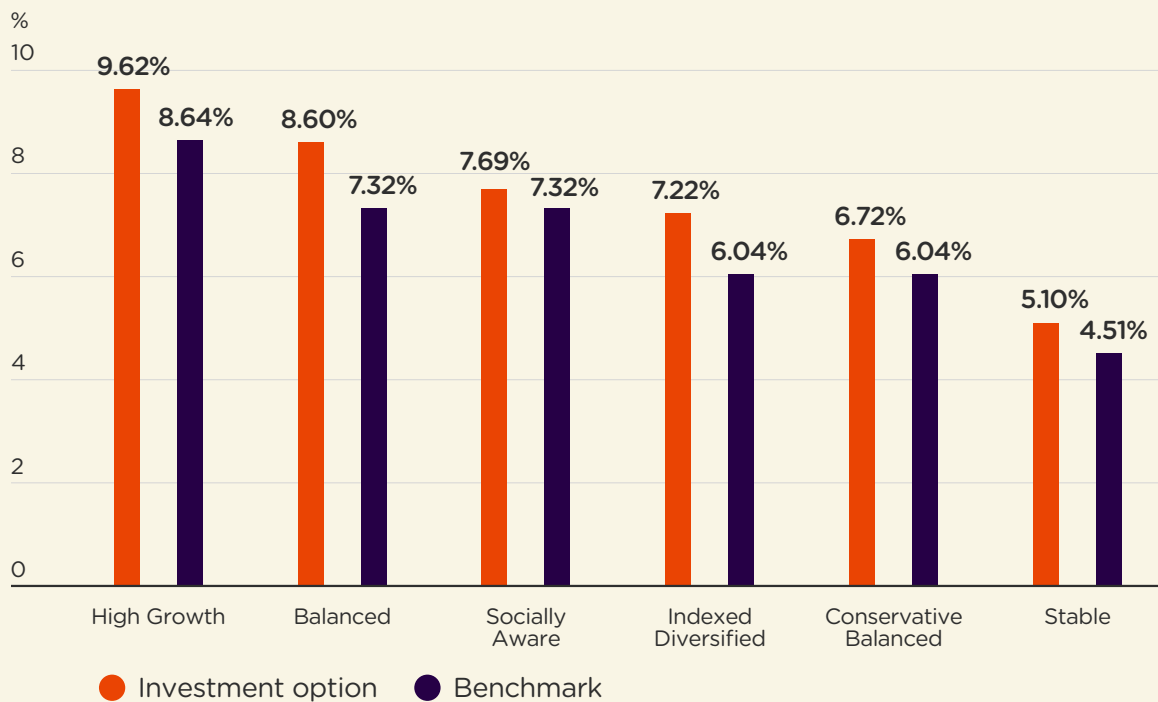
Balanced option

Growth of \$50,000 over 20 years to 30 June 2023



PreMixed options

Ten year average annual returns to 30 June 2023



Sources: AustralianSuper and SuperRatings Fund Crediting Rate Survey.
The investment returns shown are for the super (accumulation) product for periods to 30 June 2023. See *Definitions and important information* on page 67 for a listing of the benchmarks for each investment option. AustralianSuper investment returns are based on crediting rates, which are returns less investment fees and costs, transaction 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.



Investment perspectives cont.

Outlook and portfolio positioning

With central bank interest rates showing signs of peaking, there are expectations of slower growth in economies around the world. Our investment team sees potential for an economic slowdown as a result of tight monetary policy. Higher interest rates and a potential contraction in credit could dampen consumption and constrain business investment, leading to a slowdown in economic activity.

As an active investor, we manage through these circumstances to deliver long-term returns by looking at the environment and investment opportunities to build a portfolio which best suits members in the long run.

Based on the outlook for slower economic growth and peaking interest rates, AustralianSuper has positioned the portfolio defensively. We have reduced the level of growth assets, such as Australian and international shares, and increased the level of fixed interest assets in the Balanced option.

Looking forward, the investment team is considering the future economic and investment market outlook. This includes valuation trends and how factors such as technological change, the energy transition and global geopolitics will affect asset prices. Over the next few years, we expect to re-risk the portfolio when either valuations become more attractive or the growth outlook begins to improve.

A material slowdown in the economy will create investment opportunities in growth asset classes. The higher exposure to fixed interest in the portfolio today will roll into new growth-style investments in asset classes like listed shares, private equity, infrastructure and property over time.

Valuation process

AustralianSuper's valuation approach is important for ensuring members' equity and measuring investment assets at fair value in the portfolio. Valuing assets in accordance with approved accounting standards and applicable regulatory guides is fundamental to the process.

For directly held assets, independent valuers are appointed to regularly value the largest holdings in the portfolio. The expertise, knowledge and familiarity with local market conditions, market transactions and industry trends of the independent valuation experts and property appraisers are important inputs to the valuation process.

The valuations of private markets assets are updated regularly – with the frequency based on their size in the portfolio. The greater the exposure that an asset has in an investment option, the more frequently the asset is valued. For example, some of the largest holdings in the portfolio, such as Canada Water in London (property), are valued quarterly.

Setting the investment group up for the future

Member assets at AustralianSuper have grown to nearly \$300 billion and are expected to grow to more than \$500 billion in the next four to five years. Our investment capabilities are evolving to meet the global scale needed to support this growth and to deliver strong long-term performance for members.

During the financial year, we have updated the group structure and appointed key positions to make the investment team more agile and lay the foundation for future growth. This includes the appointment of Damian Moloney as the Deputy Chief Investment Officer in London, with global responsibility for the strategy and oversight of the investment group. This position is pivotal in developing and implementing our global operations in an integrated and efficient way.



Canada Water, London



Investment option performance

Performance and asset allocations as at 30 June 2023

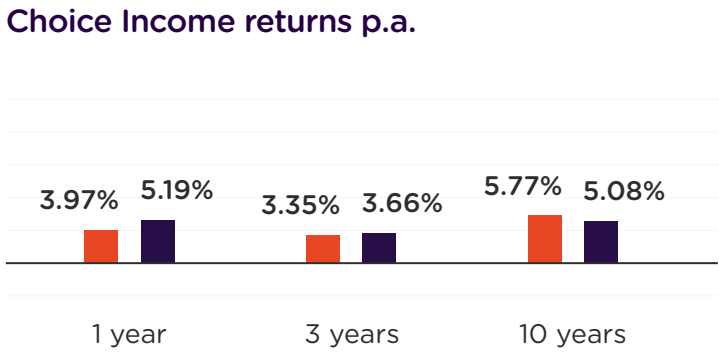
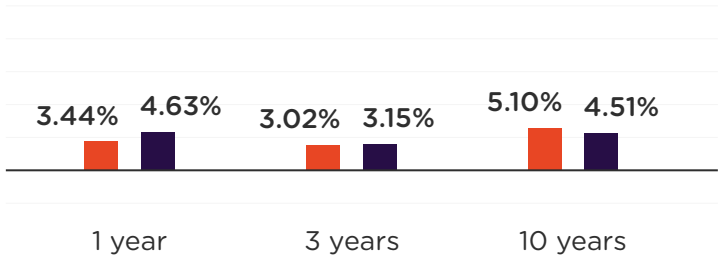


Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.



Investment option performance cont.

Stable
Superannuation returns p.a.

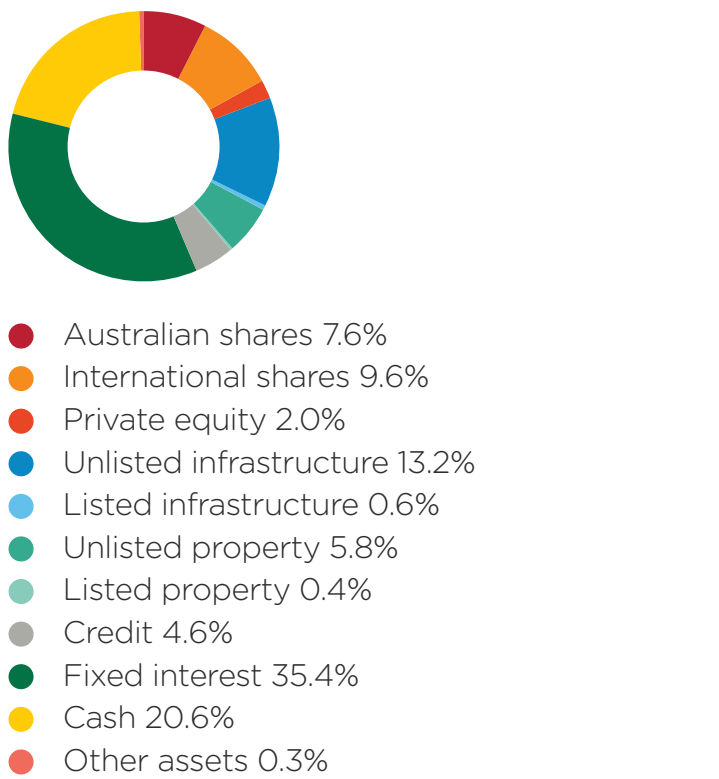


Investment objective

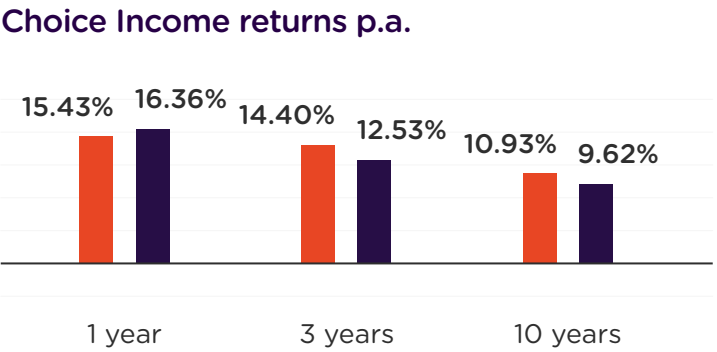
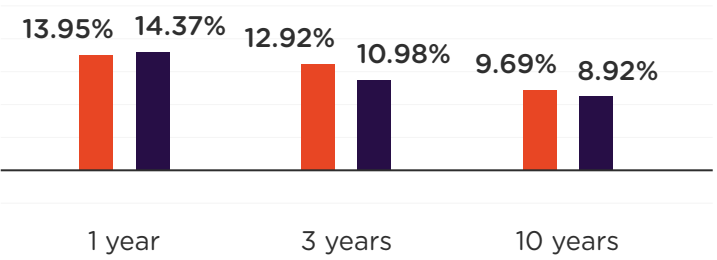
- To beat CPI by more than 1.5% p.a. over the medium term
- To beat the median capital stable fund over the medium term

Minimum investment timeframe
At least 5 years

Asset allocation as at 30 June 2023



Australian Shares
Superannuation returns p.a.

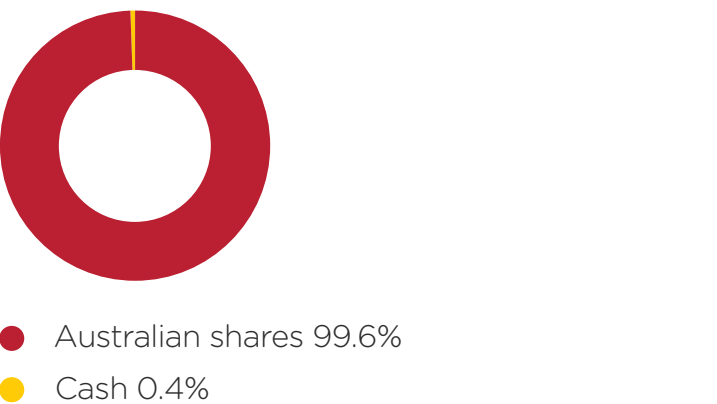


Investment objective

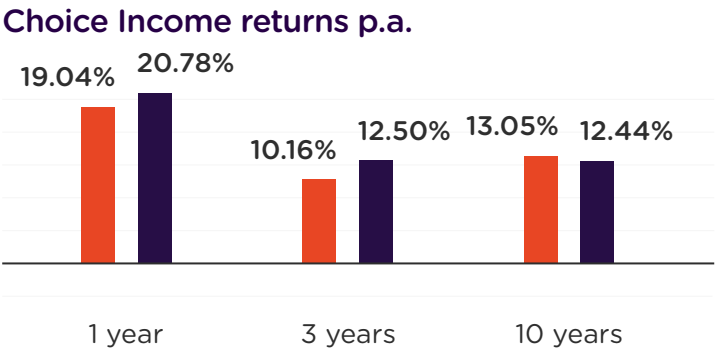
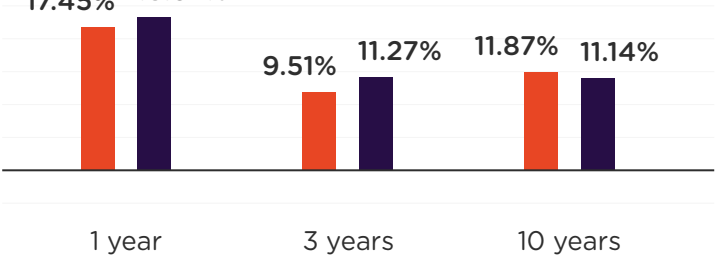
- To beat the S&P/ASX 200 Accumulation Index (adjusted for franking credits) over the medium to long term*

Minimum investment timeframe
At least 12 years

Asset allocation as at 30 June 2023



International Shares
Superannuation returns p.a.

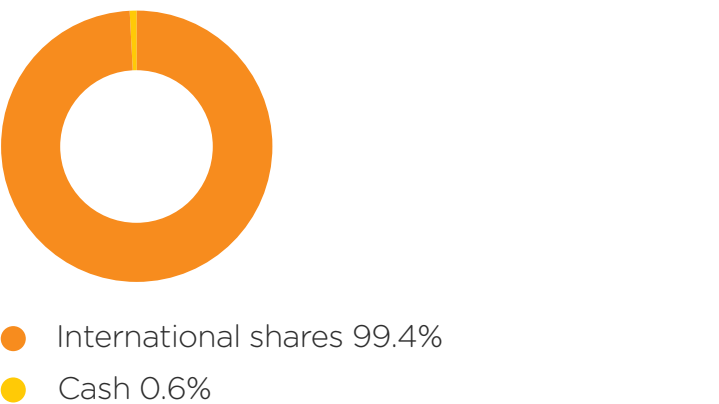


Investment objective

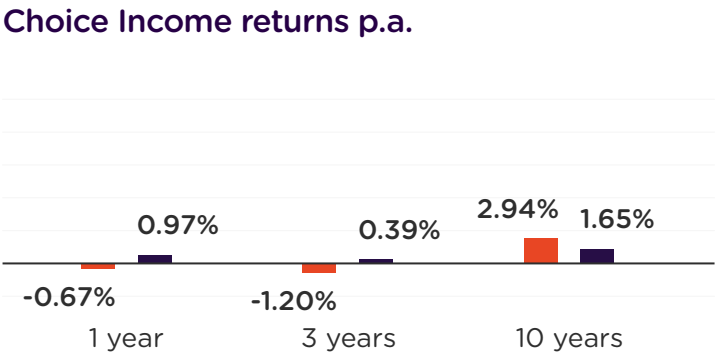
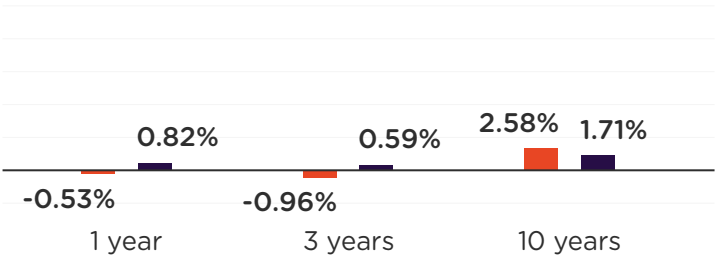
- To beat the MSCI All Country World ex Australia Index (unhedged) over the medium to long term*

Minimum investment timeframe
At least 12 years

Asset allocation as at 30 June 2023



Diversified Fixed Interest
Superannuation returns p.a.

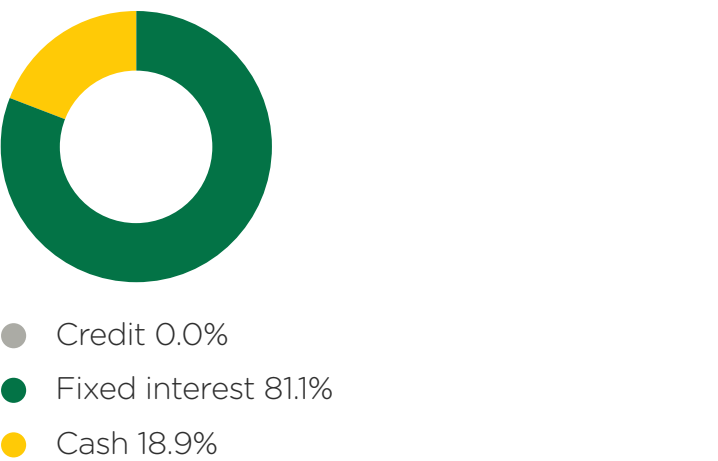


Investment objective

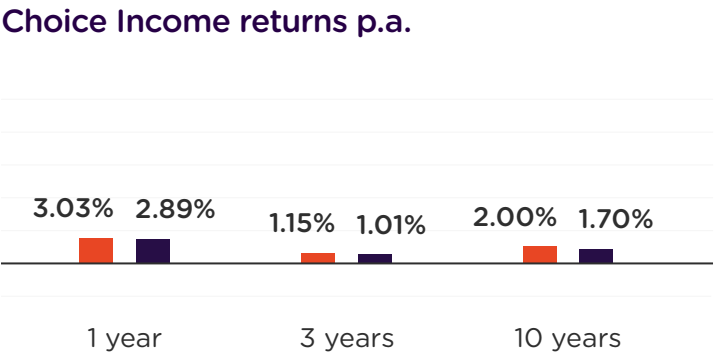
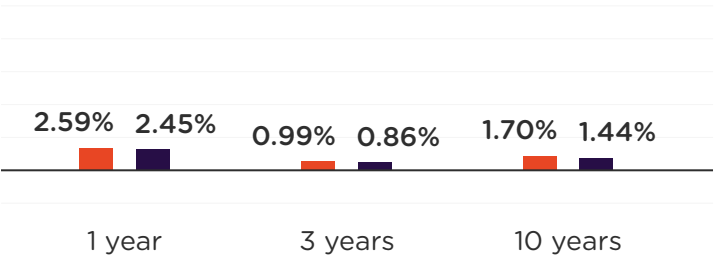
- To beat a composite of Australian and international fixed interest indices over the short to medium term†

Minimum investment timeframe
At least 3 years

Asset allocation as at 30 June 2023



Cash
Superannuation returns p.a.

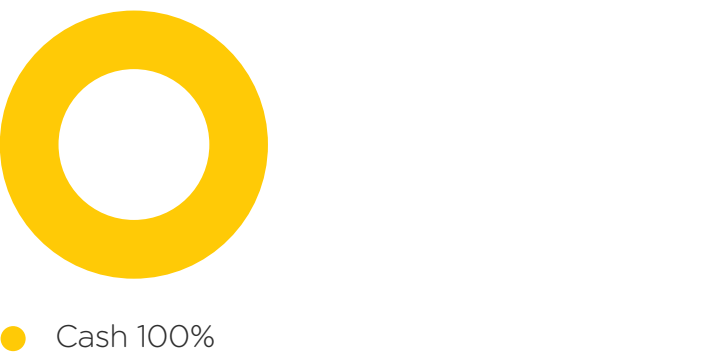


Investment objective

- To outperform the return of the Bloomberg AusBond Bank Bill Index over one year*

Minimum investment timeframe
At least 1 year

Asset allocation as at 30 June 2023



* Index level returns, adjusted for implied superannuation tax (where applicable).
† 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. Index level returns, adjusted for implied superannuation tax (where applicable).
Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.



Contributing to the economy

How AustralianSuper is making a positive contribution to members' retirement and the Australian economy.

As Australia's largest superannuation fund, we have over \$150 billion invested in Australia – including a diverse portfolio of investments in Australian companies, infrastructure and property assets, government bonds, direct loans and cash.

These investments have contributed to the Fund's strong long-term performance – helping members achieve their best financial position in retirement. They've also contributed to Australia's economic growth and prosperity.

Supporting Australian companies

This year marked the 10-year anniversary of our internally managed Australian equities strategy. During this time, AustralianSuper has become the largest active fund manager, with over \$65 billion invested in Australian-listed companies.

The Fund's investments directly support key parts of the Australian economy and help with long-term initiatives, such as the transition to a low-carbon economy.

As a large and long-term investor, we're a preferred capital partner to many companies, including in the critical minerals industry – which will play an essential role in the energy transition. The Fund

is invested in key companies up and down the supply chain, from mineral explorers to producers. These investments have contributed to solid returns for members over time.

Infrastructure and property support

AustralianSuper members, through their super, provide substantial long-term investment in key infrastructure and property assets. Many of these assets play a role in the everyday lives of Australians.

Take, for example, a member flying into Sydney. Looking out the aeroplane window above Port Botany, the member would see NSW Ports before landing at Sydney Airport – both major transportation hubs partly owned by AustralianSuper.

That member may hail a cab and head onto the WestConnex M5 motorway – a toll road the Fund invests in. The member would likely also pass through Mascot, where AustralianSuper is involved in developing a state-of-the-art multi-level industrial logistics hub. Its proximity to the airport means it's a prized asset for transportation companies.

If headed southwest, this member would likely pass another asset in which AustralianSuper is an investor, Moorebank Logistics Park, a major hub and a connection point for railroad and logistics services.

In Greater Sydney alone, AustralianSuper has about \$8 billion of capital invested in a variety of large-scale infrastructure and property assets. But of course, our impact isn't limited to Sydney – many members in Brisbane commute every day via the Queensland Motorways. And chances are, if you see a mobile tower anywhere in Australia, it may be owned and operated by Indara, of which AustralianSuper is the majority owner.

These assets contribute to the broader growth and prosperity of the communities around them while also generating long-term value for members.

A stronger economy and community

As one of the largest capital providers to major Australian businesses, the Fund plays a fundamental role in helping Australian companies grow and supporting job creation and our community.

KPMG estimates that the Fund's investment activities created nearly 12,000 new jobs and added \$7.4 billion to the Gross National Income in the 2022 financial year¹. That's the equivalent of a \$640 income boost for each full-time worker in Australia¹ – demonstrating how members' super can help strengthen the Australian economy and create jobs.

It's estimated that AustralianSuper may contribute as much as \$221 billion to Australia's Gross Domestic Product over the next 30 years¹.

On behalf of over 3.2 million members, AustralianSuper continues to use its size, scale and skill to support the Australian economy to grow and prosper. Our investment activity in domestic industries, coupled with our long-term outperformance², benefits both members and the broader Australian economy as we continue our work towards a more resilient future.

¹ KPMG Report: AustralianSuper's economic contribution to Australia. March 2023. Report available at australiansuper.com/about-us

² AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index to 30 June 2023. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.



NSW Ports, Botany Bay

Responsible investment

We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns.

At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members.

Global policymakers and regulators continue to recognise systemic ESG issues as major risks to the global economy and financial system.

In its Global Risks Report 2023, the World Economic Forum cites climate and environmental risks as the top four risks over the next decade¹. The International Sustainable Standards Board (ISSB) issued global sustainability and climate reporting standards and the Australian Prudential Regulation Authority (APRA) released its expectations on the incorporation of ESG risks and opportunities in fund investment and stewardship activities².

ESG and stewardship

Our ESG and Stewardship program has three pillars:

Integration: integrating ESG considerations when deciding which assets and companies to invest in and assessing their investment value.

Stewardship: exercising our rights and responsibilities as asset owners to seek positive management of ESG issues that we believe can impact members’ investment returns.

Choice: considering members’ values in the investment choices we offer.

The application of our ESG and Stewardship program varies:

- by asset class – and doesn’t apply to all of them, and
- on the characteristics of our investment, including whether we’re investing directly or through external managers or whether our investment is actively or passively held.

READ MORE »

We have a dedicated ESG and Stewardship team of 14, with three members located in the UK/Europe³. The ESG and Stewardship team work with the Fund’s investment teams to integrate our ESG and Stewardship program into our investment decision-making and stewardship processes.

We prioritise ESG issues which we believe are likely to have the greatest impact on long-term returns for members.

We’re currently focused on the eight strategic areas (shown opposite). Our approach is more developed on some of these issues than others and may vary depending on the asset. We may also consider other issues in our integration and stewardship depending on the company or sector.

Emerging ESG issues

We monitor ESG developments, trends, emerging risks and opportunities to identify issues that may impact investment returns for members. For example, the World Economic Forum’s 2023 Global

Risks Report identified biodiversity loss as the fourth most severe global risk over the next 10 years (behind climate action failure, climate change adaption and extreme weather). We’re currently engaging in research and industry forums to explore connections between biodiversity loss and investment value.

The need to address biodiversity loss is recognised by governments around the world as a systemic global risk. Australia was one of 190 states that adopted the Global Biodiversity Framework at COP15 in December 2022⁴.

The Taskforce on Nature-related Financial Disclosures (TNFD) is a global initiative to encourage businesses to identify, assess and report their nature-related dependencies, impacts, risks and opportunities. We participated in a pilot study to identify barriers to adopting and implementing the TNFD Framework in Australia⁵. The final TNFD recommendations and guidance were published in September 2023.

READ MORE »

Our eight strategic ESG areas



- Environmental**
- Climate change
 - Circular economy



- Social**
- Workforce
 - Diversity
 - First Nations/cultural heritage
 - Sustainable digitalisation



- Governance**
- Board effectiveness
 - Remuneration

1 World Economic Forum, Global Risks Report 2023, January 2023, [weforum.org/reports/global-risks-report-2023/digest](https://www.weforum.org/reports/global-risks-report-2023/digest)

2 APRA, Media Release, APRA publishes final investment governance guidance, 20 July 2023, [apra.gov.au/news-and-publications/apra-publishes-final-investment-governance-guidance](https://www.apra.gov.au/news-and-publications/apra-publishes-final-investment-governance-guidance)

3 As at August 2023

4 UN Environmental Program, Kunming-Montreal Global Biodiversity Framework, December 2022, [unep.org/resources/kunming-montreal-global-biodiversity-framework?gclid=EAlalQobChMikleHnbLigAMVNh2DAX23WAJiEAAYASAAEgl5ZvD_BwE](https://www.unep.org/resources/kunming-montreal-global-biodiversity-framework?gclid=EAlalQobChMikleHnbLigAMVNh2DAX23WAJiEAAYASAAEgl5ZvD_BwE)

5 This study was sponsored by the Department of Climate Change, Energy, the Environment and Water and facilitated by EY.



Responsible investment cont.

Climate change

Climate change will impact economies, industries, societies and the environment. As such, climate change presents risks and opportunities for the investments in our portfolio. In November 2020, AustralianSuper made a commitment to achieve net zero carbon emissions by 2050 in its investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). The following section, *Our pathway to net zero 2050*, provides an update on our progress.

We welcomed the release of the ISSB reporting standards this year. We support the development of Australian climate reporting standards. We communicated our views on the Australian Government's climate-related financial disclosure proposals during this year's consultations. See our submission on our [website](#).

AustralianSuper also provided a submission on the Climate Change Authority's 'Setting, tracking, and achieving Australia's emissions reduction targets' consultation paper. See the submission on our [website](#).

Climate Action 100+

AustralianSuper is a founding member of Climate Action 100+, the world's largest investor-led engagement initiative on climate change with more than 700 investor signatories globally. Climate Action 100+ engages with companies that are critical to the net zero transition. AustralianSuper's Head of ESG and Stewardship is a member of the global steering committee and rotating global chair of the initiative.

The Climate Action 100+ Net Zero Company Benchmark assessment released in October 2022⁶ found that:

- 75% of Climate Action 100+ original focus companies have committed to net zero emissions by 2050 or sooner
- 92% of focus companies have some form of board oversight of climate change
- 82% of focus companies have set medium-term targets; however, only 20% have targets that cover all material scopes and are aligned with a 1.5 degrees pathway

- 53% of companies have a decarbonisation strategy in place to reduce greenhouse gas (GHG) emissions, although only 19% quantify key elements with respect to the major sources of their emissions
- only 10% of companies have committed to fully align their capital expenditure plans with their GHG targets or the Paris Agreement.

⁶ Climate Action 100+, Net Zero Company Benchmark shows continued progress on net zero commitments not matched by development and implementation of credible decarbonisation strategies, October 2022, climateaction100.org/news/climate-action-100-net-zero-company-benchmark-shows-continued-progress-on-net-zero-commitments-is-not-matched-by-development-and-implementation-of-credible-decarbonisation-strategies

Responsible investment cont.

Our pathway to net zero 2050

We have made a commitment to achieve net zero carbon emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments.

The Intergovernmental Panel on Climate Change (IPCC) proposed that achieving net zero emissions by 2050 would be required to limit the average global temperature increase to 1.5 degrees by 2100 (which aligns with the more ambitious Paris Agreement temperature limit)⁷.

More than 130 countries, including Australia, have now committed or proposed to achieve net zero emissions by 2050⁸. The Australian Government has also set an emissions reduction target of 43% by 2030 from 2005 levels.

Monitoring progress

We're monitoring our progress towards our net zero commitment through internal carbon footprinting analysis. Our analysis at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes⁹.

As an example, we have included insights from this analysis for our internally managed fundamental portfolios in the Australian shares asset class below. (These portfolios represented around 80% of the Australian shares asset class with that asset class representing 23% of the total portfolio as at 30 June 2022.)

The analysis found:

- Emissions are concentrated in a small number of companies. Five companies in these portfolios are responsible for 85% of current emissions in those portfolios¹⁰.

- Investee companies responsible for almost 88% of emissions in these portfolios have made net zero by 2050 commitments⁹.

Our fundamental portfolios are actively managed by our in-house investment team. Our team uses research and insights, and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks and ESG considerations

We focus our direct stewardship efforts on the major contributors to emissions within these portfolios. We're asking that they develop credible plans to achieve their net zero goals.

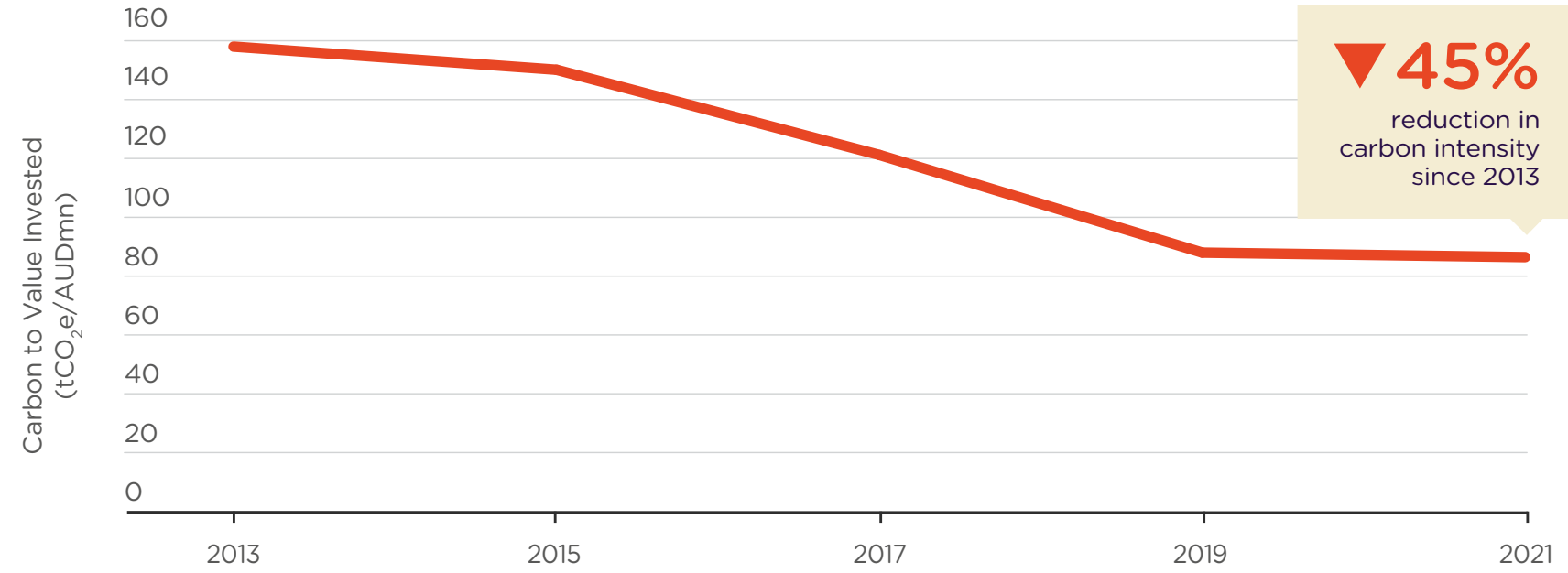
We also engage collectively with other investors through industry groups and thematic collaborations, such as the Australian Council of Superannuation Investors (ACSI) and Climate Action 100+.

AustralianSuper's carbon intensity over time

In addition to our internal carbon tracking analysis we use external carbon footprinting to measure and report our historical emissions. AustralianSuper has been measuring the carbon intensity of the Australian shares and international shares asset classes using an external carbon consultancy since 2013. This analysis includes scope 1, scope 2 and direct upstream scope 3 emissions.

This graph tracks the GHG emissions in the Australian shares and International shares asset classes based on the value (AUD million) invested on a market capitalisation basis. The carbon intensity of the investments in these asset classes has reduced by 45% between 2013 and 2021 using this method. The Australian and international shares asset classes represented around 55% of AustralianSuper's total portfolio value as at 30 September 2021.

AustralianSuper portfolio carbon footprint
GHG emissions in the Australian and international shares asset classes



Source: S&P Global/Trucost ESG Analysis, Australian and international equities portfolio data, 30 September 2013–2021. Carbon to value invested: CO₂e emissions per AUD million invested. Includes scope 1, 2 and direct upstream scope 3 emissions.

7 IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C, an IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty. [ipcc.ch/sr15](https://www.ipcc.ch/sr15)

8 Net Zero Tracker, zerotracker.net (sourced 15 September 2023).

9 Asset classes AustralianSuper has measured as at 30 June 2022. Coverage rates for each asset class vary subject to data availability. Excludes transition accounts, equitised cash accounts, unlisted infrastructure accounts being divested or wound down, and overlays. Unlisted property excludes non-operational assets. Asset classes we have not measured at this date include private equity, credit, fixed interest and cash.

10 This data is based on holdings at 30 June 2022. AustralianSuper has calculated the portfolio emissions based on the proportion that we own of the market capitalisation of each company and their reported or estimated scope 1 and 2 emissions, as sourced from our research provider. Emissions data covers approximately 97% of the value of our internally managed fundamental portfolios in the Australian shares asset class. By its nature the underlying data is uncertain and may be subject to revision.

Responsible investment cont.

Workforce

AustralianSuper seeks to integrate consideration of material ESG workforce risks and opportunities in investment processes and guide the Fund’s stewardship activities to promote long-term value for members. Material workforce risks may include large-scale underpayments, sexual harassment, health and safety, diversity, the energy transition, labour shortages and turnover, workforce engagement, labour supply chains and modern slavery.

The ESG and Stewardship team includes a dedicated workforce specialist. We’re a founding member and board member of the Cleaning Accountability Framework, which aims to improve labour practices for workers in the high-risk cleaning industry.

Modern slavery

Walk Free’s 2023 Global Slavery Index reveals that the number of people living in modern slavery has grown since 2018, affecting nearly 50 million individuals worldwide. It’s estimated that 59% of modern slavery victims live in the Asia-Pacific region¹¹.

We recognise that the companies in which we invest in are exposed to modern slavery risks. We believe it’s important to engage with companies to understand how they are identifying, mitigating and preventing modern slavery risks. We’re a founding member of Investors Against Slavery and Trafficking Asia Pacific (IAST APAC). We’re co-chair of the engagement workstream, which is developing and implementing an engagement program with 22 focus companies in the Asia-Pacific region identified as high risk for modern slavery. Read more at [iastapac.org](https://www.iastapac.org)

AustralianSuper supports the strengthening of Australia’s modern slavery legislation. We provided feedback on the Government’s review of the *Modern Slavery Act 2018* and advocated for stronger measures to address the risk. The review released 30 recommendations, including the introduction of due diligence obligations, lowering the consolidated revenue threshold from \$100 million to \$50 million, and the introduction of civil penalties for non-compliance with the obligations. The Government has indicated it will establish a federal Anti-Slavery Commissioner to more directly oversee compliance with the legislation.

Supporting communities move to a decarbonised economy

The economy-wide transformation to net zero will take time, particularly for carbon-intensive energy sectors and hard-to-abate industries. This transition will affect workforces in these industries, resulting in potential job displacements and challenges for communities.

AustralianSuper is a signatory to the United Nations Principles of Responsible Investment (UNPRI) Statement of Investor Commitment to Support a Just Transition on Climate Change. We support a National Energy Transition Authority in Australia to help manage the transformation to a net zero economy and to support communities and workers affected by the transition.

Governance

The effectiveness of a company’s board is an important driver of future value. Company boards need the appropriate skills, experience and diversity to operate effectively. During FY23, we tested with a number of board chairs whether the composition of their board was fit for purpose, particularly for companies whose future strategies would require an uplift in experience in areas such as technology and climate change.

AustralianSuper’s board gender diversity voting approach seeks that S&P/ ASX 200 boards have at least two female directors. Where companies lack plans to improve board gender diversity, we vote against the most senior male director’s re-election. We voted against the re-election of four directors on this basis in FY23.

It’s important for companies to have remuneration frameworks that deliver appropriate pay-for-performance and align long-term performance with long-term shareholder value. We vote against remuneration reports that we consider do not achieve this.

Stewardship update

Stewardship is a core pillar of our ESG and Stewardship program. We often have large, direct ownership stakes in companies and assets. This affords us governance rights, including the appointment of AustralianSuper-nominated board directors on certain unlisted assets and opportunities to engage with the board and other key decision-makers in listed ASX companies.

For Australian listed companies in our internally managed fundamental portfolios, we have an engagement program where we discuss material ESG issues with company management and boards. AustralianSuper also engages with ASX and international companies through collaborative initiatives, such as ACSI, IAST APAC, Climate Change 100+ and via our subscription to Equity Ownership Services at Federated Hermes.

The Fund conducts periodic ESG-specific engagements with larger, direct assets in the unlisted property and unlisted infrastructure asset classes. We have also delivered training, which includes ESG topics, for AustralianSuper-appointed non-executive directors on the Boards of portfolio companies where we have the right to nominate one or more directors.

¹¹ Walk Free 2023, The Global Slavery index 2023, Minderoo Foundation. Available from walkfree.org/global-slavery-index

Responsible investment cont.

Engagement snapshot

In FY23, we had 92 direct engagements with 48 S&P/ASX 300 companies. Compared to FY22, we increased our engagements on climate change, sustainable digitalisation and company preparedness for cyber attacks, and workforce issues, including sexual harassment. We also engaged on issues including biodiversity, just transition and responsible gaming.

The chart below shows the percentage of engagements where we addressed our eight priority issues.

ACSI also held 306 engagement meetings with 194 S&P/ASX 300 companies on behalf of its members, including AustralianSuper.

Voting snapshot

- In FY23 we voted:
- on over 880 shareholder resolutions, supporting approximately 49%
 - on 156 climate-related shareholder resolutions, supporting over 68%
 - on 33 ‘Say on climate’ resolutions globally, supporting almost 85%
 - on 224 ASX remuneration report resolutions, voting against 8.5%
 - against four directors based on our board gender diversity voting approach.

Since writing to the 37 S&P/ASX 200 companies with fewer than two women on their boards in 2020, 25 have appointed additional women¹².

Sustainable Development Goals

AustralianSuper jointly established the Sustainable Development Investments Asset Owners Platform (SDI-AOP) in 2020 with leading global asset owners APG, British Columbia Investment Management Corporation (BCI) and PGGM.

The SDI-AOP is an asset owner-led platform assisting the measurement and consideration of investment contributions to the United Nations Sustainable

Development Goals (SDGs). The platform uses a unique taxonomy that maps investments to the SDGs and their sub-goals on global sustainability issues such as climate change, hunger, education, clean water and health. The SDI-AOP assigns a Sustainable Development Investment rating based on their level of contribution to the SDGs.

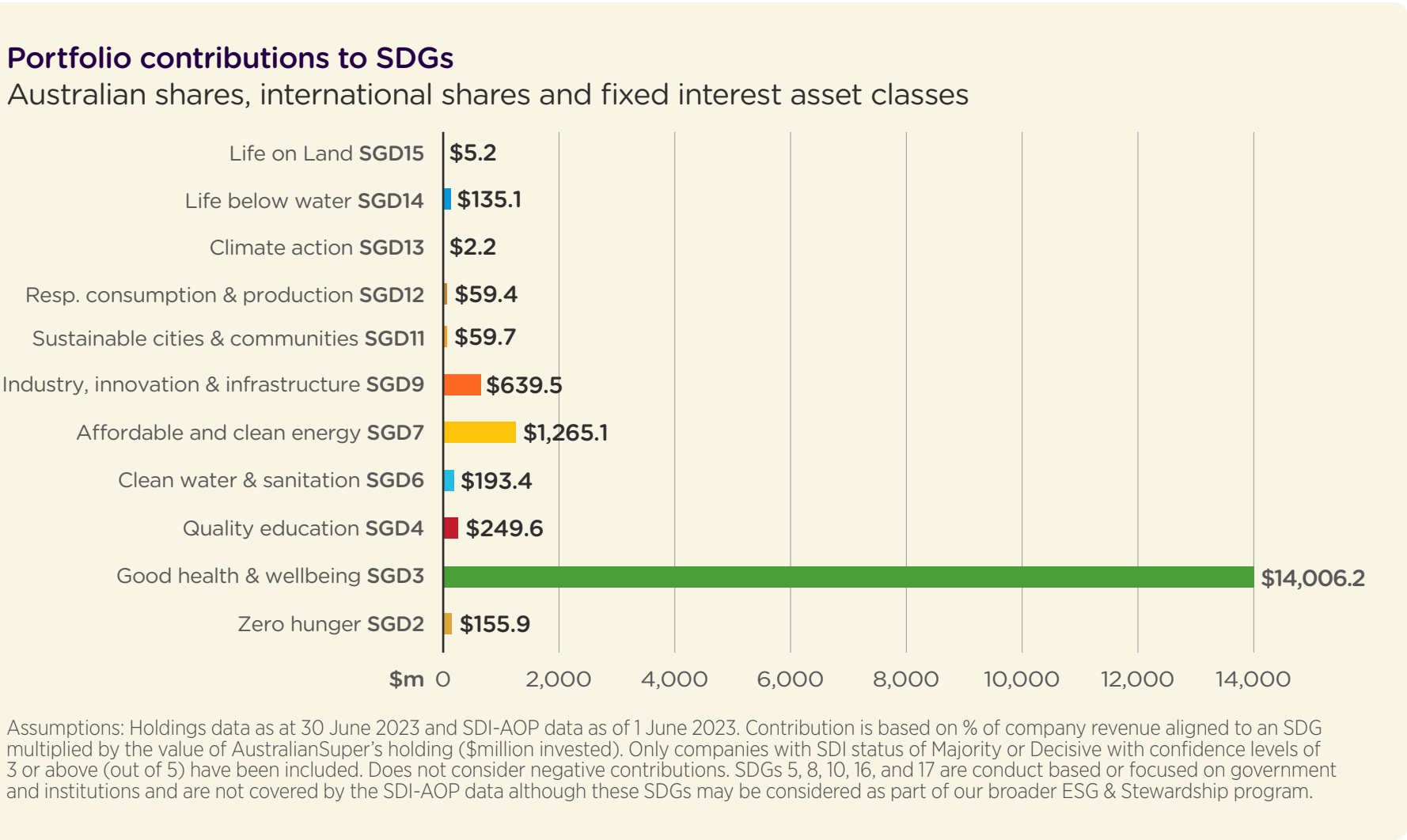
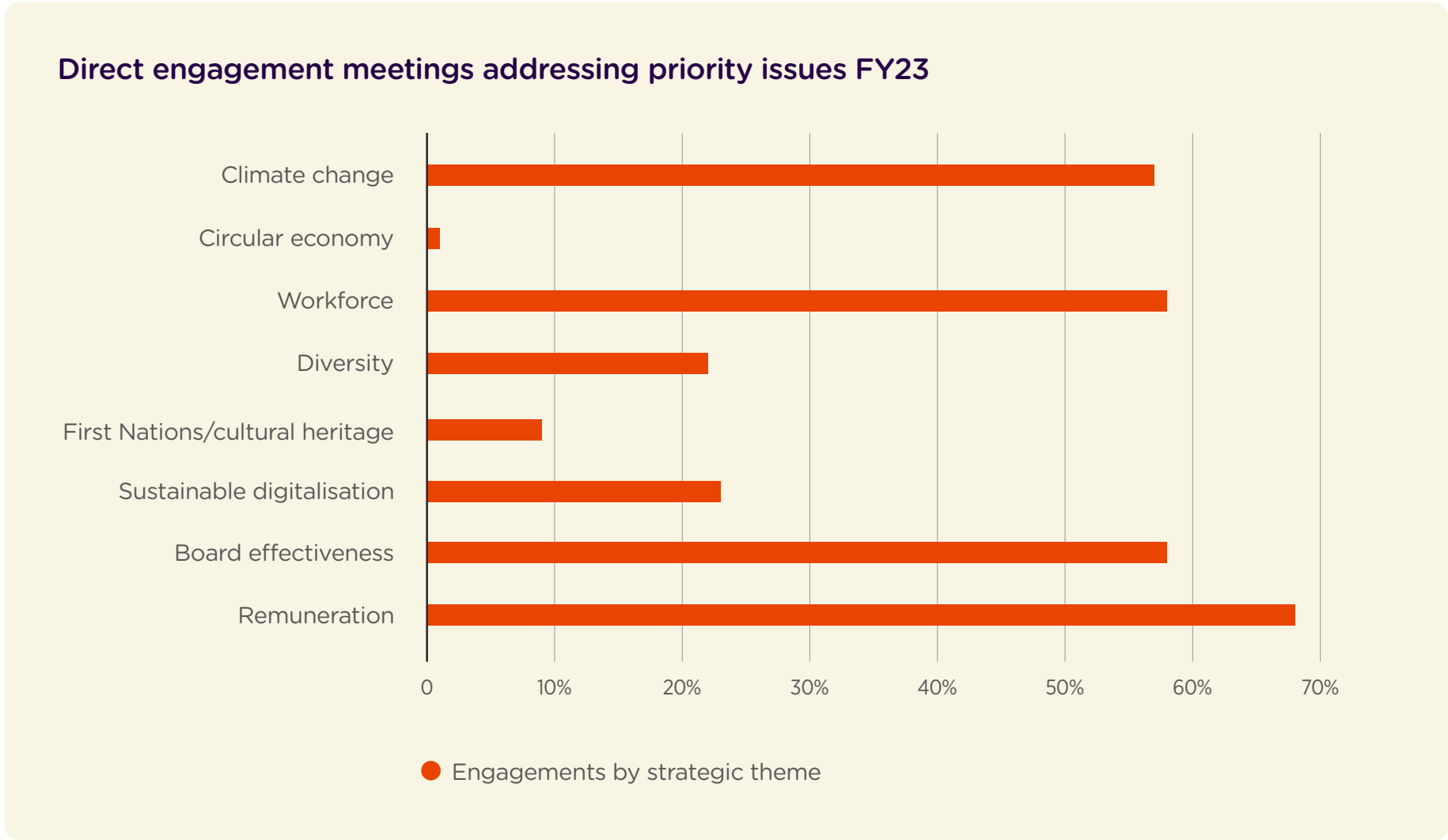
We have measured the contributions of our investments in the Australian shares, international shares and fixed interest asset classes to the SDGs. As at 30 June 2023, our investments in these asset classes contributed \$16.8 billion to the SDGs. The contribution to each SDG is shown in the graph below.

Responsible Investment Leader 2022

AustralianSuper is recognised as a Responsible Investment Leader 2022 by Responsible Investment Association Australasia (RIAA). Responsible Investment Leaders are investment managers and asset owners who score 15 or more out of 20 on RIAA’s Responsible Investment Scorecard.

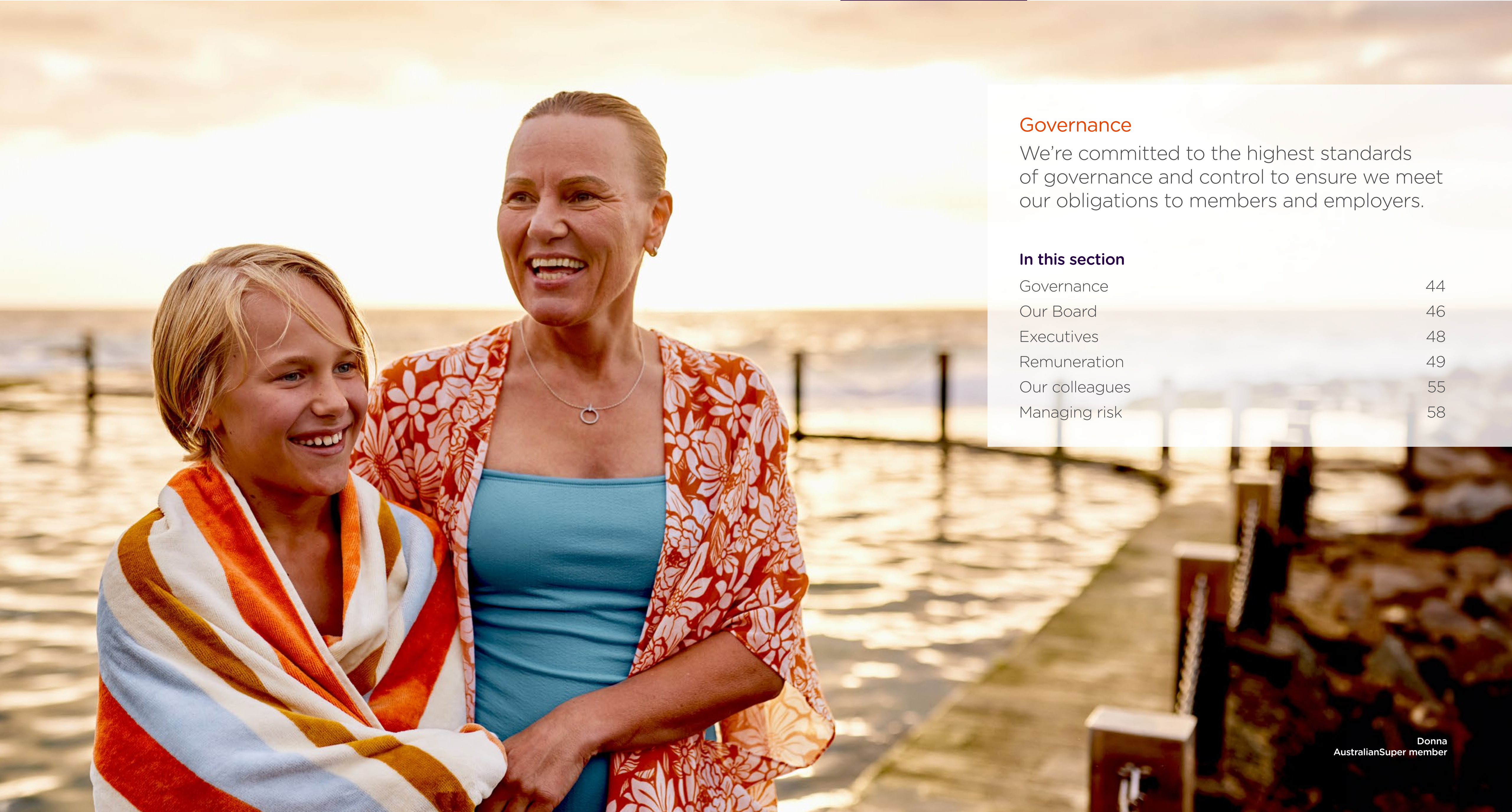


For more information, see responsibleinvestment.org/responsible-investment-leaders/



12 Of these 25 companies, five are no longer in the S&P/ASX 200 as at 24 July 2023.

13 PRI 2021 Pilot Assessment report. PRI introduced a revised pilot Reporting Framework in its 2021 assessments with a different module grading system which shifted from alphabetical (A+ to E) in previous years to numerical (1 to 5 stars) ratings. The PRI Assessment Report presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf.



Governance

We’re committed to the highest standards of governance and control to ensure we meet our obligations to members and employers.

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Governance

Our Board is responsible for the overall governance and strategic direction of the Fund. Its role to is ensure that we meet our obligations to members, employers and shareholders – and comply with legislation.

Governance

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.

As at 30 June 2023, the Board comprised five member representative directors, five employer representative directors and two independent directors.

The key skills and experience that the Board seeks in its membership are identified in the Board Skills Matrix. The collective skills of the Board, which relate to each skill domain, are also identified in the matrix. The Board Skills Matrix is available on our [website](#).

The Trustee holds indemnity insurance cover for the Board and Fund.

Many matters are delegated to committees for decision and oversight. Membership of these committees is outlined in the Board and committee attendance table. The objectives of each committee are set out below.

Finance and Audit Committee

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

Risk and Compliance Committee

Oversees the maintenance of an effective risk management framework; governance of the enterprise-wide risks impacting the Trustee and its overseas corporate subsidiary companies; maintenance of effective compliance management, governance and conflicts management frameworks; the Trustee’s Whistleblower program; and promotion of a risk and compliance-aware culture.

Investment Committee

Oversees the investment policy and strategy of the Trustee; the investment program; and delivery of desired investment outcomes as set by the Board or specified in the product guidelines for investing members’ funds.

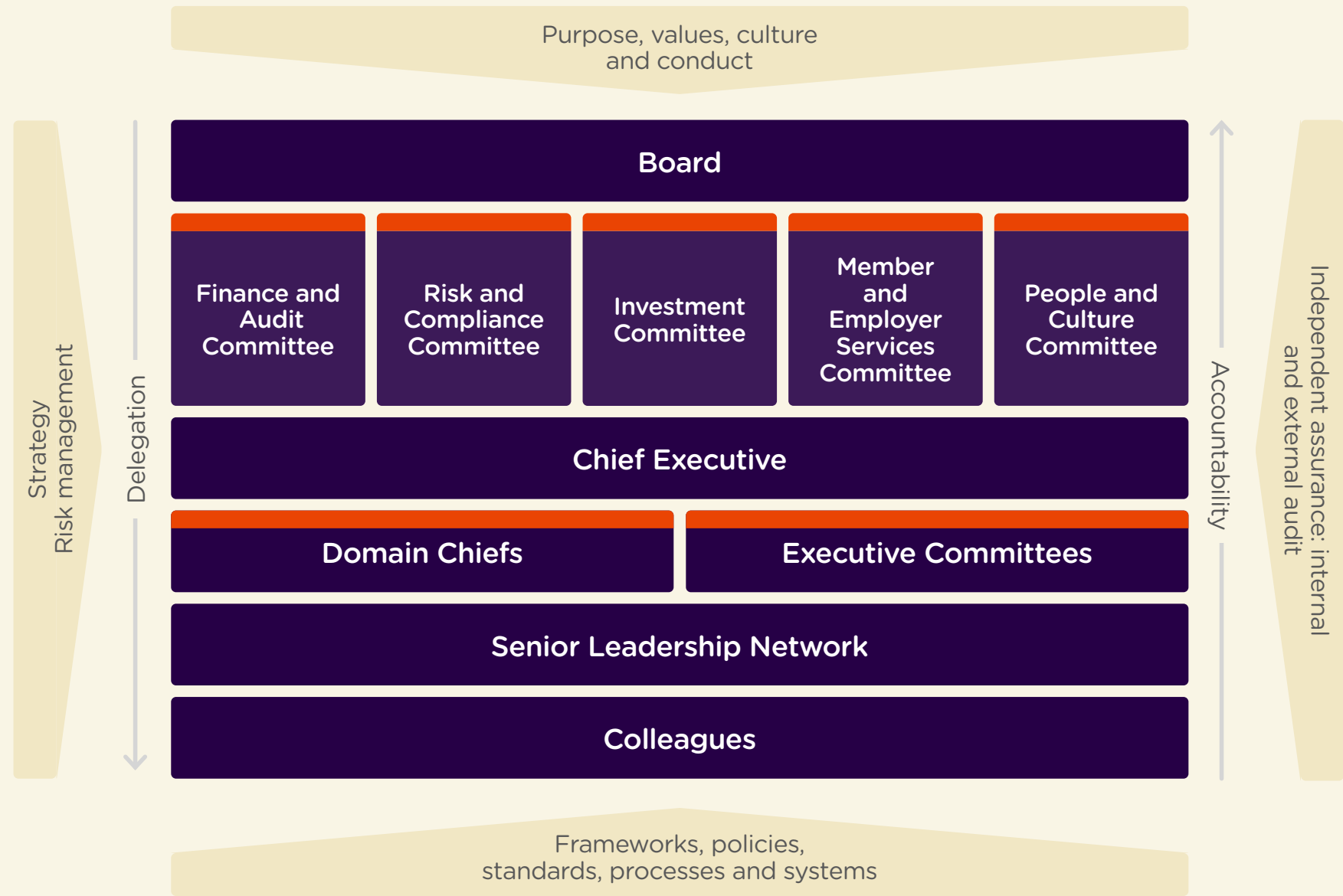
Member and Employer Services Committee

Oversees the membership growth strategy and relationship management program with employers and industry organisations; delivery of administration services; insurance; advice, product and service performance; marketing, brand and communications programs; and monitoring of risk and compliance issues relevant to the design and implementation of member and employer services.

People and 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; and nominations to external boards.

Governance framework





Governance cont.

Personal trading policy for Board members

The Personal Trading & Switching Policy now requires Directors and Board Committee members to seek pre-trade approval for trading of eligible securities. This builds on the commitment of the Fund to ensure the highest standards of conduct are maintained and follows the strengthening of the policy in 2021 to restrict investment switching by Directors, Board Committee members, executives and employees.

This policy includes the restriction on all Directors, Board Committee members and executives limiting them to being only able to switch their investment options during a one week period per year. Outside of this period requests are considered by the Chair of the Finance and Audit Committee who will have regard to any change in circumstances (for example transition to retirement or retirement).

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 executive reports (Domain Chiefs). The Chief Audit Executive also reports administratively to the Chief Executive and functionally to the Chair of the Finance and Audit Committee and is not part of the executive team. The Senior Leadership Network is the broader leadership team of the Fund and promotes collaboration between domains to align and deliver against our strategy.

Executive Committees

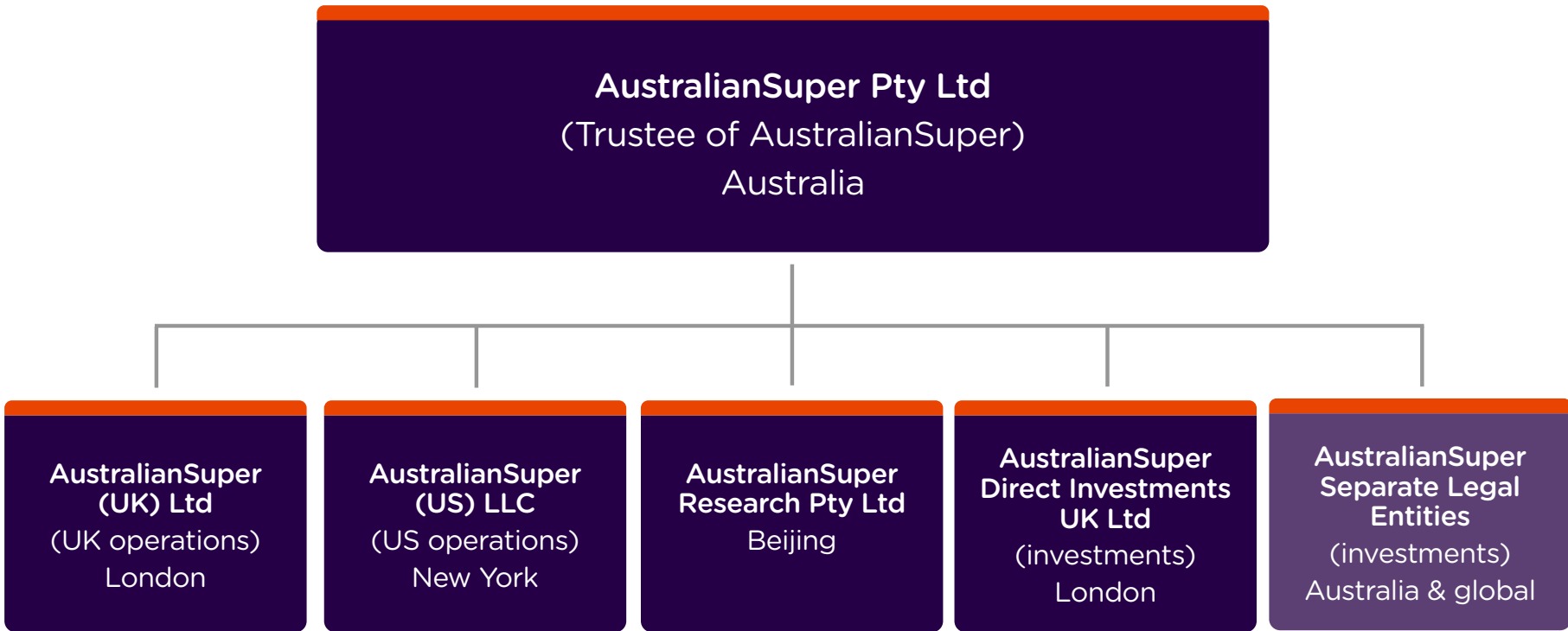
Executive Committees support our Domain Chiefs or their delegates in ensuring that they have access to all relevant information and opinions in order to make decisions in the

best interests of members. Each committee is composed of Domain Chiefs and Heads of Department, who meet regularly on the topics of liquidity management, member proposition, operational risk, performance review and strategic delivery.

AustralianSuper group structure

Our corporate structure has evolved to meet the needs of our global reach and we have subsidiary operating companies in the United Kingdom, the United States and China, as well as separate legal entities that hold investments. The directors of our operating companies are AustralianSuper colleagues, and their people, processes and systems are subject to the same governance framework as the whole AustralianSuper group.

AustralianSuper group corporate structure





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 the Board's role to ensure that we meet our obligations to members, employers and shareholders – and comply with legislation.



From left to right: Claire Keating, Innes Willox, Julia Angrisano, Janice van Reyk, Michele O'Neil, Dr Don Russell, John Dixon, Glenn Thompson, Jo-anne Schofield, Gabrielle Coyne, Philippa Kelly, absent: Daniel Walton



Our Board cont.

AustralianSuper’s Board as at 30 June 2023

- Dr Don Russell – Independent Chair (Director since May 2019)
- Michele O’Neil – Deputy Chair (Director since September 2021)
- Julia Angrisano – Director (Director since August 2017)
- Gabrielle Coyne – Director (Director since August 2017)
- John Dixon – Director (Director since September 2019)
- Claire Keating – Director (Director since January 2020)
- Philippa Kelly – Independent Director (Director since November 2021)
- Jo-anne Schofield – Director (Director since September 2022)
- Glenn Thompson – Director (Director since January 2020)
- Janice van Reyk – Director (Director since April 2022)
- Daniel Walton – Director (Director since December 2016)
- Innes Willox – Director (Director since December 2014)

Board tenure at 30 June 2023

- 0–3 years: 40%
- 4–7 years: 50%
- 8–10 years: 10%
- 10+ years: 0%

Gender diversity of our Board at 30 June 2023

- 60% female
- 40% male

Board and committee attendance

	Committees											
	Board		Finance & Audit		Risk & Compliance		Investment		Member & Employer Services		People & Culture	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
Directors												
Angrisano	5	6			6	6			4	4		
Coyne	6	6							4	4	4	4
Daley	1	1	1	1			1	1			1	1
Dixon	6	6			6	6			4	4		
Keating	6	6	5	5	6	6						
Kelly	6	6					6	6				
O’Neil	5	6					2	5			4	4
Russell	6	6			6	6	6	6			4	4
Schofield	4	5	4	4					3	4		
Thompson	6	6	5	5			5	6			3	3
van Reyk	6	6	5	5					2	2		
Walton	5	6			5	6	5	6	3	4		
Willox	6	6					6	6			4	4
Alternate Directors												
Ridout							1	1				
Stamas									2	2		
Committee members												
Downes							6	6				
Maddox							6	6				
Price							3	3				
Total number of meetings held	6		5		6		6		4		4	



Executives



Paul Schroder
Chief Executive

Paul is responsible for the leadership and strategic development of the Fund as well as provision of advice to the Board. He joined the Fund in 2007 and was appointed Chief Executive of AustralianSuper in October 2021.

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

Mark Delaney
Chief Investment Officer & Deputy Chief Executive

Mark is responsible for the strategic direction of the Fund’s investment program and acts as an adviser to the Board. He joined the Fund in 2006 as Deputy Chief Executive and Chief Investment Officer when the Fund commenced operation.

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

Shawn Blackmore
Chief Officer Retirement

Shawn is accountable for delivering an industry-leading retirement offer for members and for leadership across the superannuation system to support all Australians to live well in retirement. He joined the Fund in 2007 and was appointed to his current role in December 2022.

‘Every member’s retirement journey is different. Our role is to ensure members have the confidence they need to achieve their best financial position in retirement.’

Peter Curtis
Chief Operating Officer

Peter is responsible for the management of Finance, Legal, Technology Services, Investment and Member Operations, Data Services, Compliance & Operational Risk and Delivery and Improvement. He joined the Fund in 2006 and was appointed to the executive team in 2019.

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

Michele Glover
Chief Colleague Officer

Michele is accountable for ensuring the Fund is a rewarding place for colleagues to work and progress professionally, and for embedding a member-first culture aligned to our purpose, values, policies and practices. She joined the Fund in July 2018.

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

Rose Kerlin
Chief Member Officer

Rose is accountable for the Fund’s member growth and ensuring that all members enjoy a seamless journey with best-in-class member engagement and experience. She joined the Fund in 2010 and was appointed to the executive in 2016, and to her current role in December 2022.

‘Members are at the heart of everything we do. A holistic approach to members’ journeys with the Fund ensures we can continue to deliver on the trust members place in us.’

Andrew Mantello
Chief Risk Officer

Andrew is accountable for delivering the architecture of the Fund’s Enterprise Risk Management Framework including its policies and processes for governance, management, monitoring and reporting of risk. He joined the Fund in 2011 and was appointed to his current role in 2021.

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

Mark Comer
Chief Officer Strategy & Corporate Affairs (joint acting)

Mark is jointly accountable for the Fund’s corporate strategy and transformation, data and analytics strategy, government relations, corporate affairs and investment relations. Mark joined the fund in 2021.

‘Making considered strategic choices to guide AustralianSuper’s next phase of growth and development is critical to helping members over the long term.’

Christopher Cramond
Chief Officer Strategy & Corporate Affairs (joint acting)

Chris is jointly accountable for the Fund’s corporate strategy and transformation, data and analytics strategy, government relations, corporate affairs and investment relations. Chris joined the fund in 2016.

‘A data-driven approach to decision-making, while ensuring that we are strategically aligned, allows AustralianSuper to maximise outcomes for members.’



Remuneration

AustralianSuper is a purpose and values-led organisation that exists for the achievement of members’ best financial interests. We engage qualified and experienced colleagues to deliver benefits and services to members.

Our remuneration objectives and principles reflect our commitment to members and our colleagues and guide the design and application of remuneration arrangements.

Remuneration objectives

Our remuneration objectives state what we aim to achieve through our approach to remuneration. We aim to:

- ensure remuneration is aligned with the Fund’s purpose, values, and the reasonable expectations of members and colleagues
- enable the attraction and retention of the best talent to support members’ best financial interests
- drive the trustworthiness of the Fund through outstanding performance balanced with sound and effective risk management
- reflect the Fund’s significance, complexity and position in domestic and international markets, including complying with all the Fund’s obligations in all relevant jurisdictions
- ensure that remuneration outcomes are sensitive to community expectations as conditions and sentiment move through time

- deliver remuneration programs and practices that are simple, distinctive and consistent with the Fund’s ambitions for leading practice.

Remuneration principles

The remuneration objectives are reinforced by remuneration principles which guide our actions in applying the Fund’s Remuneration Framework. The Remuneration Framework and remuneration outcomes must:

- be aligned to and promote the Fund’s values and culture as a profit-for-member Fund
- allow us to attract and retain the best talent
- drive performance and trustworthiness
- comply with our obligations in the relevant jurisdictions
- be simple and easy to understand.

Setting remuneration

In setting and managing remuneration, we consider the link between remuneration and the Fund’s strategy, risk management framework and the best financial interests of members. In setting remuneration:

- we are committed to equal pay for work of equal work value
- we prefer collective based over individual recognition
- we recognise the workforce is well paid and with greater reward comes greater responsibility and expectation
- we do not support carried interest or other remuneration arrangements that could distort our obligation to members
- we are prepared to be different if difference delivers greater value for members
- where we tailor our practices for different markets, we will retain alignment with our culture and values.

Remuneration governance

The Board and the People and Culture Committee (PCC) have ultimate responsibility for the effective application of the Fund’s Remuneration Policy. The Fund has put in place extensive governance and oversight mechanisms that ensure that the Board and the PCC have appropriate visibility, information and powers to carry out this responsibility and ensure that there is sufficient alignment between the Fund’s remuneration design, arrangements and outcomes and the expectations and best financial interests of members.

The PCC is responsible for making recommendations to the Board on remuneration matters such as:

- fees to be paid to Board Directors (including the Chair, Board Committee Chairs and Board Committee members)
- the Fund’s Remuneration Policy and Framework, including the Fund’s variable remuneration plan for eligible investment colleagues (Investment Performance Payment Plan or IPPP)
- determining the remuneration for the Chief Executive, Key Management Personnel, Material Risk Takers and other roles specified by regulation

- major changes to conditions of employment for colleagues (including Enterprise Agreement negotiations).

CPS 511 implementation

The Fund has completed a comprehensive review to ensure compliance with APRA’s new Prudential Standard CPS 511 Remuneration (CPS 511), with oversight from the Board and the PCC.

The Fund adopted a phased approach for implementing CPS 511 requirements post its release on 27 August 2021. The first phase of the review was focused on reviewing the Fund’s remuneration objectives and principles and assessing the design elements of the Remuneration Framework. These elements were holistically reviewed, keeping in mind the requirements of CPS 511 as well as the Fund’s growth trajectory and 2030 strategic ambition. The second phase focused on undertaking a broader review of related frameworks, policies and practices that enable the Fund in driving the desired linkage between performance, conduct, risk and remuneration to ensure that these continue to support the Fund’s Remuneration Framework effectively.



Remuneration cont.

The review also introduced stronger oversight from the Board, PCC and the Risk and Compliance Committee to ensure that remuneration arrangements and remuneration outcomes are aligned to the remuneration objectives and principles across the Fund.

Performance, conduct, risk and remuneration

As an entity regulated by several different bodies, the Fund adheres to all relevant regulatory and legislative requirements for all forms of remuneration. These requirements include establishing a strong link between remuneration outcomes and performance, conduct and risk management, with an appropriate balance between cash and deferred incentives for specified roles. Assessment of each colleague’s remuneration is based on expected standards of performance as well as conduct and risk management being met.

The Fund has a Consequence Management Framework that addresses incidents that contravene expectations of performance, conduct and risk. These mechanisms ensure that any consequences applied in response to such contraventions are fair, consistent and proportionate. The range of consequences available to the Fund includes but is not limited to downward

adjustments to in-year awards of variable remuneration, reduction of proposed fixed remuneration increases, impacts to development opportunities and in serious or severe cases, impacts to employment and application of malus and/or clawback.

Fixed remuneration

Fixed annual remuneration is set in line with industry standards while ensuring that it is consistent with the Fund’s core tenet of being a members-first fund.

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. The Fund targets a total remuneration position that is competitive within the relevant market for all roles globally while ensuring that remuneration levels are not excessive. Fixed annual remuneration is comprised of base salary and Superannuation Guarantee contributions or other pension contributions as stipulated by relevant jurisdictional requirements.

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

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Investment Performance Payment Plan

AustralianSuper operates a variable remuneration plan called the Investment Performance Payment Plan (IPPP), which applies to frontline investment colleagues. The level of IPPP opportunity is set with reference to levels necessary to recruit and retain colleagues with relevant skills and experience and to remuneration levels in the Fund and the relevant market.

The IPPP is designed to drive strong alignment with member outcomes and 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 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.

Performance of the Fund in FY23 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 ¹	5.33%	8.23%	Achieved
Investment performance of the Balanced option is above that of the median Balanced fund in the relevant SuperRatings SR50 survey over a rolling three-year period	7.52%	8.23%	Achieved

¹ As of 30 June 2023, inflation calculated on a rolling three-year basis (annualised) is 5.33% p.a. Annual rates: 2020–21: 3.85%, 2021–22: 6.14%, 2022–23: 6.03%. Source: Consumer Price Index, Australia, June 2021, 2022 and 2023.



Remuneration cont.

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 IPPP are made in cash. The Chief Executive and the PCC may revise the performance conditions and weightings to better meet the objectives of the Remuneration Policy.

Deferral

Certain roles that participate in the IPPP are subject to payment deferral as shown in the table below:

Role	Deferral percentage	Deferral length	Vesting periods	Vesting split
Responsible Persons/ Senior Managers	40%	5 years from the start of the current performance year	Years 2,3,4 and 5	Equal
Material Risk Takers	40%	4 years from the start of the current performance year	Years 2, 3 and 4	Equal

Malus and payment variation

The PCC maintains the right to reduce, potentially to zero, any IPPP payment amount, including any amount of unvested deferral for any reason, including but not limited to:

- i. adverse risk and conduct outcomes such as:
 - a. misconduct leading to significant adverse outcomes;
 - b. a significant failure of financial or non-financial risk management;
 - c. a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
 - d. a significant error or a significant misstatement of criteria on which the variable remuneration determination was based;
 - e. significant adverse outcomes for members, beneficiaries or counterparties
- ii. other serious misconduct or fraud by the colleague
- iii. other unsatisfactory performance by the colleague
- iv. protection of the financial position of the Trustee and any of its connected entities, or for the purposes of any other relevant prudential matter; and
- v. the ability to respond to significant unexpected or unforeseen circumstances.

The PCC may also vary or reduce any payment to recover an amount paid as the result of an error in performance or payment calculations from the current or prior performance years. In circumstances involving a person under investigation for criteria specified above, any amount under the IPPP will not be paid or vested until the investigation is closed.

Clawback and/or recovery of payments

The PCC acting in good faith, may approve the recovery (clawback) of any performance-based awards (including amounts deferred from a prior year) in relation to the IPPP for any reason including those reasons outlined above. Payment recovery can apply:

- i. to any prior payment or vesting of deferred payment under the IPPP
- ii. whether or not the employment or engagement of the person has ceased.



Remuneration cont.

Executive remuneration

The following section includes remuneration disclosures for the Fund’s Key Management Personnel which include the Chief Executive and Chiefs of Domains reporting into the Chief Executive.

FY23 and FY22 remuneration for Key Management Personnel

Key Management Personnel	Position title (as at 30 June 2023)	Gender	Date commenced in role	Date ceased in role	Ref	Financial year	Salary (1) \$	Termination payments (2) \$	Non-monetary benefit (3) \$	Superannuation \$	Short-term incentive (4) \$	Deferred incentive (5) \$	Total remuneration \$	Movement in annual leave accrual \$	Movement in long service leave entitlement (6) \$
Paul Schroder	Chief Executive	Male	1/10/2021		7	FY23	1,409,111	-	-	27,500	-	-	1,436,611	38,242	60,477
						FY22	1,110,577	-	-	27,500	-	-	1,138,077	31,937	204,612
Mark Delaney	Chief Investment Officer & Deputy Chief Executive	Male	14/09/2013		8	FY23	1,012,833	-	-	27,500	574,328	382,885	1,997,546	11,265	35,633
						FY22	885,795	-	-	27,500	629,948	419,964	1,963,207	67,326	40,867
Shawn Blackmore	Chief Officer Retirement	Male	1/12/2022		10	FY23	744,113	-	-	27,500	-	-	771,613	(3,020)	10,161
						FY22	716,459	-	-	27,500	-	-	743,959	16,273	32,479
Peter Curtis	Chief Operating Officer	Male	5/08/2019			FY23	997,600	-	-	27,500	-	-	1,025,100	3,491	12,549
						FY22	965,946	-	-	27,500	-	-	993,446	(23,662)	40,446
Michele Glover	Chief Colleague Officer	Female	1/12/2022		11	FY23	685,399	-	-	27,500	-	-	712,899	15,839	33,091
						FY22	623,263	-	-	27,500	-	-	650,763	(2,808)	23,836
Rose Kerlin	Chief Member Officer	Female	1/12/2022		12	FY23	791,252	-	-	27,500	-	-	818,752	(8,775)	23,295
						FY22	719,922	-	-	27,500	-	-	747,422	(6,930)	25,662
Andrew Mantello	Chief Risk Officer	Male	1/10/2021			FY23	743,828	-	-	27,500	-	-	771,328	(5,799)	46,662
						FY22	426,135	-	-	19,458	-	-	445,593	31,774	67,054
Sarah Adams	(Former) Chief Officer – Strategy & Corporate Affairs	Female	1/12/2022	20/01/2023	13	FY23	458,724	-	-	21,910	-	-	480,634	9,118	(16,555)
						FY22	640,429	-	-	27,500	-	-	667,929	48,767	11,677
Ian Silk	(Former) Chief Executive	Male	2/05/1994	30/09/2021		FY23	-	-	-	-	-	-	-	-	-
						FY22	300,275	952,500	3,667	13,750	-	-	1,270,192	34,997	65,238
Felicia Trewin	(Former) Chief Technology Officer	Female	23/04/2018	22/02/2022		FY23	-	-	-	-	-	-	-	-	-
						FY22	431,336	-	3,692	20,625	-	-	455,653	(4,873)	-

The table above outlines remuneration arrangements for Key Management Personnel that are permanently appointed to their role.

- 1 Represents 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.
- 2 Includes termination payment limited to the payout of notice.
- 3 Includes motor vehicle benefits including parking and any associated fringe benefits tax.
- 4 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.
- 5 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 4 years, with equal vesting in years 2, 3 and 4. The Chief Investment Officer has 40% of the FY23 Performance Payment deferred over 5 years, with equal portions vesting in year 2, 3, 4, and 5.
- 6 Represents the movement in long service leave entitlements accrued but not taken during the relevant financial year.
- 7 Appointed as CEO on 1 Oct 2021. Previously CRO from 28 Oct 2019 to 30 Sep 2021.
- 8 FY23 IPPP outcome equals 82.4% of possible maximum.
- 9 FY22 IPPP outcome equals 99.4% of possible maximum.
- 10 Previous executive role Group Executive Member Experience.
- 11 Previous executive role Group Executive, People & Culture.
- 12 Previous executive role Group Executive Membership and Brand from 5 Dec 2016 to 30 Nov 2022.
- 13 Previous executive role Group Executive Strategy, Reputation & Corporate Affairs from 1 June 2020 to 30 Nov 2022.

Remuneration cont.

Board Director remuneration

Board 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. The table below outlines the relevant fees for the Board as well as Board committees. The tables that follow provide individual fees earned for Directors, Alternate Directors and Committee Members during FY22 and FY23.

Fees as at 30 June 2023			
Committee	Member (\$)	Chair (\$)	Deputy (\$)
Board	45,200	180,200	69,400
Finance and Audit Committee	28,000	69,400	-
Risk and Compliance Committee	28,000	69,400	-
Investment Committee	67,500	168,800	-
Member and Employer Services Committee	28,000	69,400	-
People and Culture Committee	28,000	69,400	-

Independent Finance and Audit member fee, Independent Risk and Compliance Committee Member fee and Technology Committee Member fee is \$48,100 per annum.
Independent Investment Committee Member fee is \$88,400 per annum.

FY23 and FY22 Director fees

Directors	Gender	Ref	Year	Cash fees \$	Superannuation \$	Total \$
Julia Angrisano	Female	1	FY23	97,500	10,238	107,738
			FY22	85,050	8,505	93,555
Gabrielle Coyne	Female		FY23	97,500	10,238	107,738
			FY22	85,656	8,600	94,256
James Craig	Male	2	FY23	-	-	-
			FY22	70,913	7,091	78,004
Brad Crofts	Male	3	FY23	-	-	-
			FY22	12,750	1,275	14,025
Brian Daley	Male	4	FY23	44,316	4,653	48,969
			FY22	176,538	17,733	194,271
Lucio Di Bartolomeo	Male	5	FY23	-	-	-
			FY22	99,975	9,998	109,973
John Dixon	Male	6	FY23	137,400	14,427	151,827
			FY22	85,225	8,578	93,803
Claire Keating	Female		FY23	137,400	14,427	151,827
			FY22	133,300	13,385	146,685
Philippa Kelly	Female	7	FY23	206,100	21,641	227,741
			FY22	131,150	13,199	144,349
Dave Oliver	Male	8	FY23	-	-	-
			FY22	14,721	1,472	16,193
Michele O’Neil	Female	9	FY23	146,589	15,392	161,981
			FY22	45,291	4,529	49,820

Directors	Gender	Ref	Year	Cash fees \$	Superannuation \$	Total \$
Don Russell	Male		FY23	295,823	27,500	323,323
			FY22	271,100	27,223	298,323
Jo-anne Schofield	Female	10	FY23	84,148	8,835	92,983
			FY22	26,400	2,640	29,040
Glenn Thompson	Male	11	FY23	157,386	16,526	173,912
			FY22	83,119	8,312	91,431
Janice van Reyk	Female	12	FY23	84,000	8,820	92,820
			FY22	28,519	2,880	31,399
Daniel Walton	Male	13	FY23	189,730	19,921	209,651
			FY22	138,768	13,877	152,645
Innes Willox	Male	14	FY23	175,400	18,417	193,817
			FY22	147,700	14,770	162,470

1 These fees are paid to the Financial Services Union. Appointed as an RCC member effective 18 November 2021.
2 Ceased as an Independent Director and IC Chair on 5 November 2021.
3 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.
4 Ceased as a Director and member of the IC, FAC, PCC and MESC Chair on 9 September 2022.
5 Ceased as a Director, RCC Chair and FAC member on 31 March 2022.
6 Appointed as Chair of the RCC effective 1 April 2022.
7 Appointed as an Independent Director and IC Chair effective 5 November 2021.
8 Ceased as a Director, PCC and TC member on 9 September 2021.
9 These fees are paid to the Australian Council of Trade Unions. Appointed as a Director and PCC member effective 10 September 2021, and IC member effective 9 September 2022. Appointed as the Board Deputy Chair effective 1 July 2022.
10 These fees are paid to the United Workers Union. Ceased as an Alternate Director for B. Daley and appointed as a Director and member of the FAC and MESC effective 9 September 2022.
11 These fees are paid to the Australian Manufacturing Workers’ Union. Appointed as an IC member effective 6 April 2022. Appointed as a PCC member effective 9 September 2022.
12 Appointed as a FAC observer effective 25 August 2021. Appointed as a Director and FAC member effective 1 April 2022. Appointed as an MESC member effective 1 January 2023.
13 These fees are paid to the Australian Workers’ Union. Appointed as the MESC chair effective 9 September 2022.
14 These fees are paid to the Australian Industry Group. Ceased as the Board Deputy Chair effective 30 June 2022.



Remuneration cont.

FY23 and FY22 Alternate Director fees

Alternate Directors	Gender	Ref	Year	Cash fees \$	Superannuation \$	Total \$
Nixon Apple	Male	1	FY23	-	-	-
			FY22	52,388	-	52,388
Peter Cozens	Male	2	FY23	-	-	-
			FY22	5,216	521	5,737
Benjamin Davison	Male	3	FY23	-	-	-
			FY22	3,187	319	3,506
Sheena Kay	Female	4	FY23	-	-	-
			FY22	15,067	1,506	16,573
Heather Ridout	Female	5	FY23	20,009	2,101	22,110
			FY22	83,200	8,355	91,555
George Stamas	Male	6	FY23	15,700	1,649	17,349
			FY22	26,400	2,651	29,051

1 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.

2 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.

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

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

5 Ceased as an Alternate Director for J. Dixon and IC member on 26 September 2022.

6 Ceased as an Alternate Director for I. Willox and MESG member on 1 January 2023.

FY23 and FY22 Committee Member fees

Committee Members	Gender	Ref	Year	Cash fees \$	Superannuation \$	Total \$
Pippa Downes	Female		FY23	85,200	8,946	94,146
			FY22	83,200	8,355	91,555
Russell Maddox	Male		FY23	85,200	8,946	94,146
			FY22	87,356	8,770	96,126
Richard Price	Male	1	FY23	31,950	3,390	35,340
			FY22	-	-	-
Cliff Rosenberg	Male	2	FY23	-	-	-
			FY22	8,903	890	9,793
Debbie Taylor	Female	3	FY23	-	-	-
			FY22	8,903	890	9,793

1 Appointed as a member of the IC effective 15 February 2023.

2 These fees are paid to Rosenberg Trading Pty Ltd. Cash fees are inclusive of GST. Ceased as a TC member on 10 September 2021. TC was retired with effect from 10 September 2021.

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



Our colleagues

A positive, inclusive and member-centric culture is at the heart of everything we do at AustralianSuper.

Our values of Integrity, Excellent Outcomes, Generosity of Spirit and Energy are integral to our culture and are central to who we are and how we work together. Keeping our values front of mind and embedding them in everything we do helps us with challenges that come our way.

Culture and conduct

We take great pride in the Fund’s positive culture. It’s something we continue to grow and evolve in line with the Fund’s growth.

Our culture is indelibly linked to our purpose and values.

Being an inclusive, ethical, effective and efficient organisation is vital to the way we help members achieve their best financial position in retirement.

Our Culture and Conduct Framework brings these strengths together with our values. It illustrates how important ethical decision-making is to us and poses simple questions we need to ask ourselves whenever we make decisions.

Linked to this is our commitment to create a workplace where everyone feels safe to share and respectfully challenge opinions. We support colleagues when they speak up. The Framework reinforces this with the call to action: *See something, Say something, Do something*.

We’re all working to grow and protect members’ interests. The quality of our decision-making and our ability to rectify concerns will ultimately increase outcomes for members.

A great place to work

Over 1,270 colleagues provided feedback to the Fund in our annual colleague survey. We had a 90% participation rate, and 200 more colleagues participated in the survey compared to last year, including 95 colleagues globally. Ninety-five per cent of colleagues confirmed they’re proud to work for AustralianSuper, and 84% would recommend AustralianSuper as a great place to work. Our core Engagement Index sits above Australian and global benchmarks.

Our survey results (right) are a testament to how we all work together and remain aligned to our values and culture in the best interests of members.

New ways of working

In our post-COVID world, our leading Blended Work Policy sought to balance productivity, connection, safety, risk and performance so colleagues could do their best work for members.

The 2023 annual colleague survey shows colleagues have truly embraced the Fund’s approach to flexible working.

We continue to work with colleagues to balance building connections across the Fund in a flexible working environment. Purposeful collaboration within and across teams continues to be our key focus, along with empowering teams to understand how and where our best work for members is achieved.

Evolving our talent approach

AustralianSuper’s ability to effectively attract, develop and retain culturally aligned, leading talent remains a critical success measure of achieving our 2030 Strategy.

The Fund continued to grow its global workforce in FY23, and we increased our presence outside of Australia to more than 100 colleagues across our London, New York and Beijing offices.

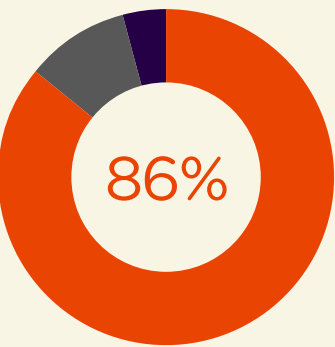
Supporting this was the Fund’s Employee Value Proposition (EVP). Launched in 2022, our EVP, *Progress powered by purpose*, continues to focus on the exciting career opportunities, leading culture and wellbeing-centric approach the Fund offers to colleagues, empowered by a distinctly clear and authentic purpose. EVP messaging is shared via our core talent-sourcing platforms and internal communications channels. It includes four new videos released this year.

This year the Fund launched a second graduate program to expand our tailored offering for early career professionals. With the purpose of developing high-potential talent into future leaders of the Fund, the Fund-wide program is run in addition to the pre-existing investments program.

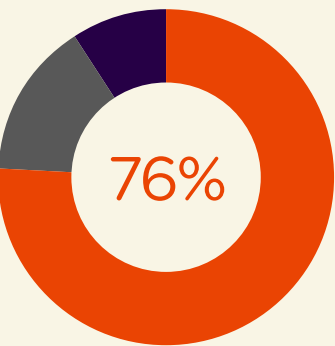
The newly created program provides participants with broad Fund exposure to show the scope and diversity of career pathway opportunities available. The program includes three rotations, three projects and a structured learning pathway. FY24 will see further expansion of our graduate and internship offerings to include London and New York.

2023 annual colleague survey results

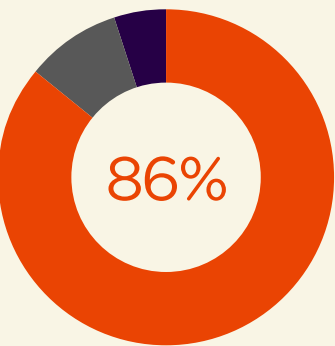
Employee Engagement Index



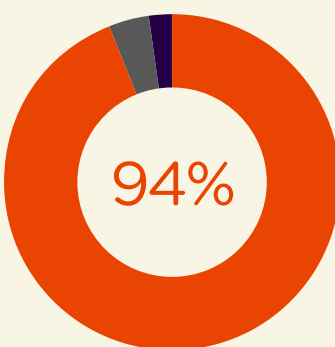
Performance Enablement Index



Manager Effectiveness Index



Diversity Index



Favourable Neutral Unfavourable



Our colleagues cont.

Diversity, equity and inclusion

AustralianSuper aims to be an employer that stands apart for our diversity, equity and inclusion (DEI) efforts.

Diversity and inclusion are key priorities for us to demonstrate to members and what we expect from the organisations in which we invest.

We launched our FY23–25 DEI Plan this year and have worked to implement impactful actions to ensure our workplace positions us as a leading employer and a great place to work, and one where our colleagues belong, are respected and can thrive.

In our annual colleague survey, our colleague population listed 61 different countries of origin, with 41% of colleagues born outside of Australia. Eighty-nine per cent of colleagues felt they belonged at AustralianSuper and could bring their true selves to work.

We continue to drive several diversity, equity and inclusion initiatives, which are regularly reported to our executive and Board. We were delighted to receive the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality citation for the 12th consecutive year.

Our FY23–25 Plan centres around four pillars: driving equity, fostering a culture of inclusion, growing diversity, and belonging and connections.

Key highlights for the year include:

- continuing towards more equal gender representation at all levels of the Fund, demonstrating year-on-year progression
- DEI training as part of the induction program for all new colleagues
- annual DEI refresher training for all colleagues
- launch of the Ally Guide by our Pride Network on IDAHOBIT Day
- Keep in Touch program for those on parental leave, with virtual catch-ups every six months for male and female colleagues
- establishment of Connecting Cultures Network to celebrate diversity and educate about cultural differences
- International Women's Day events held in London, New York, Sydney and Melbourne, in recognition of our global reach.

The Fund continues to work with external experts and networks to ensure our strategies represent contemporary thinking, reflected in our membership of the Pride in Diversity, Diversity Council Australia, Australian Network on Disability and an endorsed employer of WORK180.

Ally
AustralianSuper colleague





Our colleagues cont.

Supporting mental health and wellbeing

The mental health and wellbeing of colleagues continues to be a key focus at AustralianSuper. Our annual health and wellness program helps to foster connectedness and capability through workshops such as *Coping with Change* and *Neurodiversity Awareness* and training for people leaders on leading mentally healthy teams. All our colleagues also have access to the Fund’s Employee Assistance Program.

Developing leaders and colleagues

We have continued our commitment to the continual growth and development of our leaders this year through our Thrive to Lead and Management Excellence programs. In addition to these programs, all leaders have access to tools and development options such as our Leadership Online portal, Developing Leaders program and people leader forums.

All colleagues have access to learning and professional development opportunities. These are categorised into five content areas and include foundation, compliance, role-specific, professional skills, leadership development and cultural learning.



Mental health first aid network – providing support for colleagues

AustralianSuper’s network of Mental Health First Aiders has expanded over the last 12 months.

Over 40 Mental Health First Aiders are based across all locations and are trained to provide initial support to colleagues who are experiencing a mental health problem or a mental health crisis.

They help connect people with appropriate professional services, such as counsellors, doctors and the Fund’s Employee Assistance Program (EAP).

Actuary Jeff Warner (left) was one of the first cohort of Mental Health First Aiders trained in 2021. Jeff has worked with the Fund for over 10 years and is based in Sydney.

“The program is a really positive initiative, and it shows that AustralianSuper values its people.

“Often the most difficult thing for people experiencing mental health challenges is to speak about their issues.

“As Mental Health First Aiders, we listen first. We don’t provide solutions. Instead, we support and encourage colleagues to get the right professional support.

“Our support continues until they receive professional treatment or until their crisis is resolved.”

Management team by gender as at 30 June 2023

	Female	Male	Total
Board	7	5	12
Chief Executive	0	1	1
Executive*	3	4	7
Senior Leadership Network†	17	23	40
Management‡	96	97	193

Management team by age as at 30 June 2023

	Age under 30	Age 30-50	Age 50+
Board	0	2	10
Chief Executive	0	0	1
Executive*	0	3	4
Senior Leadership Network†	0	26	14
Management‡	4	150	39

Workforce by gender and location as at 30 June 2023

		Female	Male	Total
Asia	Beijing	3	0	3
UK	London	40	38	78
USA	New York	12	14	26
Australia	Adelaide	4	8	12
	Brisbane	20	17	37
	Canberra	1	0	1
	Hobart	1	1	2
	Melbourne	594	568	1,162
	Newcastle	0	1	1
	Perth	14	6	20
	Sydney	61	68	129
Total		750	721	1,471

* Executive is the population that are the direct reports to the Chief Executive. There was one vacant role as at 30 June 2023.
† Senior Leadership Network is the population identified as Chief Executive -2 reporting tiers (CE-2).
‡ Management is the population identified as Chief Executive -3 reporting tiers (CE-3).
Note: The above figures includes 18 day rate contract and 98 maximum term contract colleagues.



Managing risk

AustralianSuper adopts a risk management approach that aligns to good industry practice and regulator expectations and seeks to prudently balance risk and reward for 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 of our strategic decision-making and tactical planning.

Our ERmf formally outlines the way we identify, assess, manage, mitigate and monitor risk. We focus on 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 members' best financial interests front of mind.

We have Fund-wide processes, protocols, controls and reporting platforms to support this: colleagues undergo regular training to make sure they're well-equipped to appropriately manage risk.

Each year, we ask colleagues to complete a stand-alone risk culture survey to measure how we're managing risk within the Fund. The insights from the survey help us shape initiatives and programs of work to improve risk culture across the Fund.

The Fund's dedicated Risk and Compliance Board Committee demonstrates our commitment to continuous improvement of our risk management so that we meet today's ever-evolving challenges.

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

As the digital economy expands, keeping confidential member data secure is crucial to earning and maintaining trust. AustralianSuper remains vigilant in the face of ongoing challenges posed by 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.

Jon
AustralianSuper colleague



Managing risk cont.

Risk influences during the year

This year, the influences on risk and risk-related events included hybrid working, heightened cyber security activity, geopolitical tensions and elevated investment market volatility.

Decisions were shaped around a range of factors, including:

- communicating with and servicing members during a time of continued disruption
- significant market volatility and cost of living pressures
- managing fraud and cyber security risk
- meeting significant and changing regulatory requirements aimed at providing greater protection for stakeholders and members
- climate change
- artificial intelligence.

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.

Risk culture

Risk culture is the way our shared values, assumptions and behaviours influence the management of risk. Nurturing a strong risk culture is important so that we can make better and more innovative decisions.

We monitor and assess the Fund’s risk culture using the Enterprise Risk Culture & Behaviour Index (ERCBI). The basis of the ERCBI and how we measure risk culture is made up of seven risk culture domains (refer to *Managing our risk culture* diagram to the right) and includes the results from the colleague risk culture survey.

The ERCBI results give us a complete picture of the current state of risk culture and guides us on priority areas where risk culture sentiment has lowered. The overall culture of the Fund and risk culture are inextricably linked. The Risk Culture & Conduct Risk team focus efforts on improving risk culture through the development of a range of initiatives to uplift risk culture at the Fund, and where needed, work with Colleagues and Culture to ensure initiatives have the right impact on overall culture.

Risk Management Declaration

At the end of each financial year, we’re required to provide a Risk Management Declaration (RMD) to the Australian Prudential Regulation Authority, signed by two Directors on behalf of the Board, that the ERmf has operated effectively, in all material respects, over the previous year.

For FY23, the Chair of the Board and Chair of the Risk and Compliance Committee signed an unqualified RMD on behalf of the AustralianSuper Board.

Managing our risk culture – seven risk culture domains



Risk strategy
Everyone is aware of and understands how risk management aligns with regulators and their obligations.



Risk leadership
Senior leaders take risk management seriously and clearly articulate risk management expectations.



Risk capabilities
Risk and compliance training provides colleagues with the confidence to understand and evaluate risk.



Risk support
Colleagues understand their department obligations and know where to access risk management support.



Speaking up
Everyone feels encouraged, safe and supported to speak up.



Risk alignment
Policies and processes are aligned to Fund strategy.



Risk dialogue
Colleagues regularly discuss risks, incidents and near misses, with a view to making improvements.



Financial statements

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

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Financial statements

Statement of financial position

as at 30 June 2023

	2023 \$m	2022 \$m
Assets		
Investments	307,962	265,964
Other assets	3,473	5,784
Total assets	311,435	271,748
Liabilities		
Tax liabilities	5,636	3,070
Other payables	5,402	9,694
Total liabilities excluding members' benefits	11,038	12,764
Net assets available for members' benefits	300,397	258,984
Members' benefits	299,124	258,000
Net assets	1,273	984
Equity – Reserves		
Operational risk financial reserve	772	670
Other reserves	501	314
Total reserves	1,273	984

Statement of changes in members' benefits

for the year ended 30 June 2023

	2023 \$m	2022 \$m
Opening balance of members' benefits	258,000	231,870
Contributions received	21,776	18,302
Transfers from other superannuation plans	13,325	19,244
Transfers in from merged funds	-	9,951
Income tax on contributions	(2,658)	(2,028)
After-tax contributions	32,443	45,469
Benefit payments to members or beneficiaries	(12,693)	(9,923)
Insurance premiums charged to members	(848)	(823)
Death and disability benefits credited to members	352	296
Net benefits/(losses) allocated to members	21,870	(8,889)
Closing balance of members' benefits	299,124	258,000

Income statement

for the year ended 30 June 2023

	2023 \$m	2022 \$m
Revenue		
Investment income	24,292	(10,436)
Sundry income	211	222
Total revenue	24,503	(10,214)
Expenses		
Investment expenses	(700)	(664)
Administration expenses	(472)	(320)
Trustee services fees	(6)	(144)
Trustee risk reserve fee	(22)	(32)
Total expenses	(1,200)	(1,160)
Operating result before income tax	23,303	(11,374)
Income tax expense/(benefit)	1,144	(2,528)
Operating result after income tax	22,159	(8,846)
Net (benefits)/losses allocated to members	(21,870)	8,889
Net operating result	289	43

Statement of changes in reserves

for the year ended 30 June 2023

	Operational risk financial reserve \$m	Investment reserve \$m	Administration reserve \$m	Insurance reserve \$m	Total reserves \$m
Balance at 30 June 2021	566	90	134	102	892
Balance at 30 June 2022	670	(70)	139	245	984
Net transfers between reserves	157	(164)	7	-	-
Operating result	(55)	205	(4)	143	289
Balance at 30 June 2023	772	(29)	142	388	1,273

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**.

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 Fund’s reserve policies set out how the reserve levels are maintained and replenished through investment earnings and operational surplus. They also outline 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 Standard SPS 114. The Board has assessed an Operational risk financial reserve of 0.25% (2022: 0.25%) of net assets as appropriate for the Fund. The reserve is funded from the Investment reserve.

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 increases in the Operational risk financial reserve.

The purpose of the Administration reserve is to fund the operations of AustralianSuper, which seek to enhance the delivery of member services, extend the Fund’s product range and achieve operational efficiencies in the administration of members’ accounts and insurance arrangements. The reserve is funded by administration fees charged to members and a margin on insurance premiums used to fund insurance-related administration costs.

The purpose of the Insurance 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 (PAM) (incorporated in the Fund’s insurance contract) depending upon claims experience. In addition to PAM adjustments, the reserve is funded by a margin on insurance premiums. This margin aims to provide relative stability to the level of annual member insurance premiums.



Appendices

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

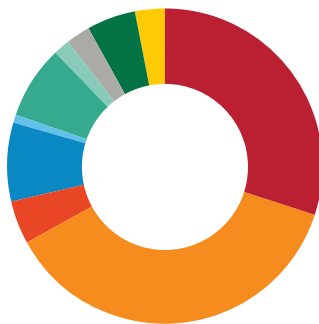
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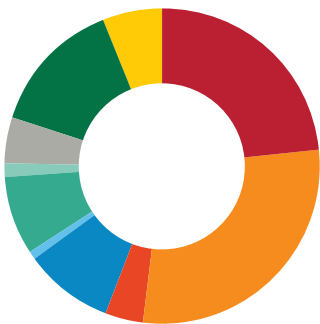
Strategic asset allocation 2023-2024

High Growth



- Australian shares 30.0% (20-50%)
- International shares 37.0% (20-50%)
- Private equity 4.5% (0-15%)
- Unlisted infrastructure 8.0% (0-30%)
- Listed infrastructure 1.0% (0-10%)
- Unlisted property 7.5% (0-30%)
- Listed property 1.5% (0-10%)
- Credit 2.5% (0-20%)
- Fixed interest 5.0% (0-20%)
- Cash 3.0% (0-15%)
- Other assets 0.0% (0-5%)

Balanced



- Australian shares 23.5% (10-45%)
- International shares 28.5% (10-45%)
- Private equity 4.0% (0-15%)
- Unlisted infrastructure 9.0% (0-30%)
- Listed infrastructure 1.0% (0-10%)
- Unlisted property 8.0% (0-30%)
- Listed property 1.5% (0-10%)
- Credit 4.5% (0-20%)
- Fixed interest 14.0% (0-25%)
- Cash 6.0% (0-20%)
- Other assets 0.0% (0-5%)

Socially Aware



- Australian shares 23.5% (10-45%)
- International shares 28.5% (10-45%)
- Private equity 4.0% (0-15%)
- Unlisted infrastructure 9.0% (0-30%)
- Listed infrastructure 1.0% (0-10%)
- Unlisted property 8.0% (0-30%)
- Listed property 1.5% (0-10%)
- Credit 4.5% (0-20%)
- Fixed interest 14.0% (0-25%)
- Cash 6.0% (0-20%)
- Other assets 0.0% (0-5%)

Indexed Diversified



- Australian shares 31.5% (20-50%)
- International shares 38.5% (20-50%)
- Listed infrastructure 0.0% (0-10%)
- Listed property 0.0% (0-10%)
- Fixed interest 25.0% (0-30%)
- Cash 5.0% (0-30%)
- Other assets 0.0% (0-5%)

Conservative Balanced



- Australian shares 16.0% (5-35%)
- International shares 20.0% (5-35%)
- Private equity 3.0% (0-10%)
- Unlisted infrastructure 8.0% (0-25%)
- Listed infrastructure 1.0% (0-10%)
- Unlisted property 7.0% (0-25%)
- Listed property 1.5% (0-10%)
- Credit 6.0% (0-25%)
- Fixed interest 26.0% (0-40%)
- Cash 11.5% (0-30%)
- Other assets 0.0% (0-5%)

Stable



- Australian shares 9.0% (0-20%)
- International shares 11.0% (0-20%)
- Private equity 1.0% (0-10%)
- Unlisted infrastructure 7.0% (0-20%)
- Listed infrastructure 0.5% (0-10%)
- Unlisted property 6.5% (0-15%)
- Listed property 1.0% (0-10%)
- Credit 6.0% (0-25%)
- Fixed interest 34.0% (0-45%)
- Cash 24.0% (0-50%)
- Other assets 0.0% (0-5%)

Major shareholdings

Top 20 Australian shareholdings

as at 30 June 2023

Holding	Asset class %
BHP Group Ltd	12.49
Commonwealth Bank of Australia	9.40
CSL Ltd	7.64
National Australia Bank Ltd	5.05
Woodside Energy Group Ltd	4.52
Woolworths Group Ltd	4.33
Macquarie Group Ltd	3.88
Wesfarmers Ltd	3.46
Westpac Banking Corp	3.27
Transurban Group	3.27
QBE Insurance Group Ltd	3.19
Origin Energy Ltd	2.93
Aristocrat Leisure Ltd	2.68
Computershare Ltd	2.42
ANZ Group Holdings Ltd	2.39
Lottery Corp Ltd/The	1.95
James Hardie Industries PLC	1.86
Endeavour Group Ltd/Australia	1.51
Orica Ltd	1.50
Ampol Ltd	1.43

Top 20 international shareholdings

as at 30 June 2023

Holding	Asset class %
Microsoft Corp	3.59
Amazon.com Inc	3.32
Alphabet Inc	2.59
Apple Inc	1.82
LVMH Moet Hennessy Louis Vuitton SE	1.74
Meta Platforms Inc	1.68
Taiwan Semiconductor Manufacturing Co Ltd	1.58
Visa Inc	1.39
Accenture PLC	1.20
Roche Holding AG	1.13
UnitedHealth Group Inc	1.11
ASML Holding NV	1.09
L'Oréal SA	1.08
Diageo PLC	1.07
ResMed Inc	1.02
Samsung Electronics Co Ltd	1.02
Procter & Gamble Co/The	0.97
NVIDIA Corp	0.97
Linde PLC	0.97
Thermo Fisher Scientific Inc	0.88

International shares

AustralianSuper invests in more than 50 global share markets.

International shares location of holdings
as at 30 June 2023

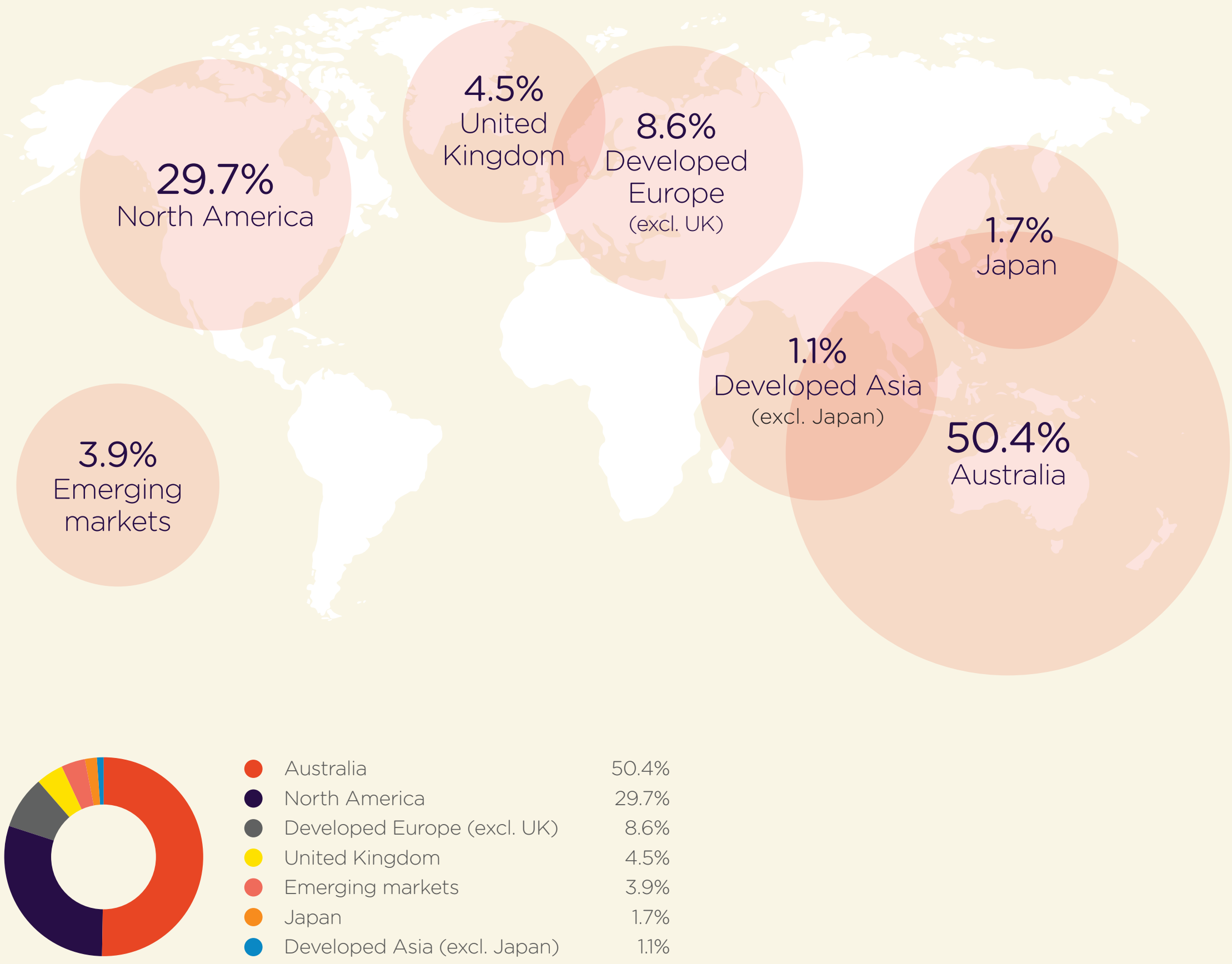
Location	Weight %	Location	Weight %
Argentina	0.00	Jersey	0.00
Austria	0.02	Luxembourg	0.39
Belgium	0.02	Macao, SAR China	0.01
Bermuda	0.13	Malaysia	0.03
Brazil	0.78	Malta	0.00
Canada	1.96	Mexico	0.13
Cayman Islands	0.05	Netherlands	2.44
Chile	0.02	New Zealand	1.69
China	2.57	Norway	0.15
Colombia	0.01	Peru	0.00
Czech Republic	0.00	Philippines	0.00
Denmark	0.10	Poland	0.03
Egypt	0.00	Portugal	0.01
Finland	0.38	Qatar	0.03
France	6.64	Singapore	0.29
Germany	2.52	South Africa	0.07
Greece	0.01	South Korea	1.72
Guernsey	0.00	Spain	0.27
Hong Kong	0.64	Sweden	0.09
Hungary	0.02	Switzerland	3.87
India	1.50	Taiwan	1.94
Indonesia	0.40	Thailand	0.26
Ireland	0.99	Tunisia	0.00
Isle of Man	0.00	Turkey	0.07
Israel	0.24	UAE	0.02
Italy	0.78	United Kingdom	4.24
Japan	2.21	United States	60.26

Locations that represent a weight of less than 0.005% of the international shares holdings are shown with a 0.00% weight.

Investing globally

AustralianSuper invests \$299 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 2023, we have \$150.8 billion invested in domestic assets and \$148.2 billion in international assets.

Total Fund exposure
as at 30 June 2023



Investment managers

As at 30 June 2023, the following investment managers represented more than 5% of total Fund assets: AustralianSuper: 58.3%, IFM Investors Pty Ltd: 15.1%. For additional disclosure of portfolio holdings, see the What we invest in section of our website australiansuper.com/investments/what-we-invest-in

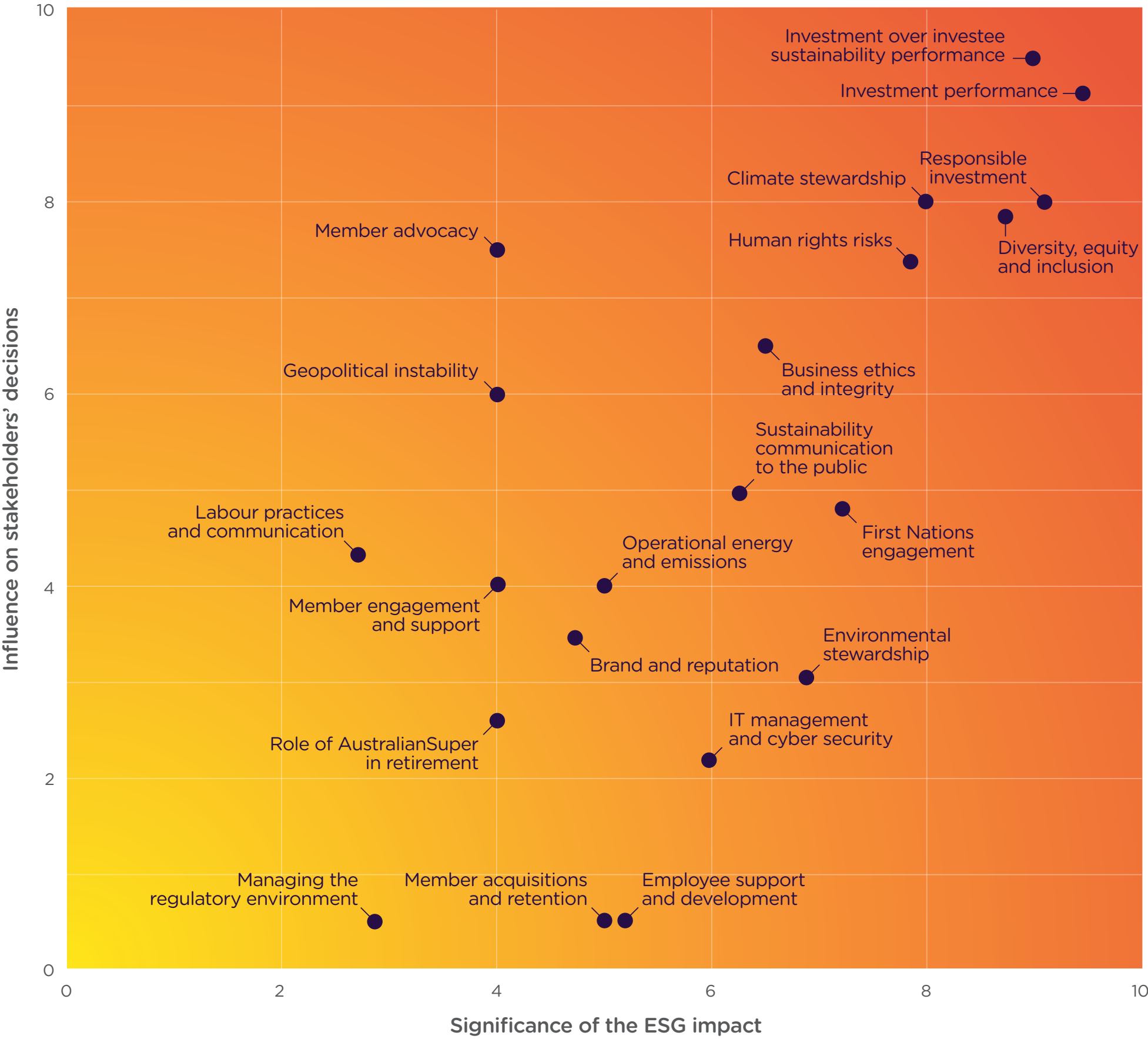
Investment manager	Asset class	Investment manager	Asset class	Investment manager	Asset class	Investment manager	Asset class
AustralianSuper	Australian shares	Goldman Sachs	Private Equity	Uniseed	Private Equity	QIC	Unlisted Property
IFM Investors Pty Ltd	Australian shares	Hamilton Lane	Private Equity	VenCap International	Private Equity	Russell Investments	Unlisted Property
Alphinity Investment Management Pty Ltd	International shares	HarbourVest Partners	Private Equity	Vista Equity Partners	Private Equity	State Street Global Advisors Australia Limited	Listed Property
AustralianSuper	International shares	IFM Investors Pty Ltd	Private Equity	Weathergage Capital, LLC	Private Equity	AustralianSuper	Credit
Baillie Gifford Overseas Ltd	International shares	KPS Capital Partners, LP	Private Equity	AustralianSuper	Unlisted Infrastructure	Barings LLC	Credit
C WorldWide Asset Management	International shares	Leonard Green & Partners	Private Equity	Brookfield	Unlisted Infrastructure	Bentham Asset Management Pty Ltd	Credit
DFA Australia Pty Ltd (Dimensional Fund Advisors)	International shares	Mesirow Financial	Private Equity	Generate Capital	Unlisted Infrastructure	Churchill Asset Management	Credit
GQG Partners LLC	International shares	Montreux Equity Partners	Private Equity	IFM Investors Pty Ltd	Unlisted Infrastructure	IFM Investors Pty Ltd	Credit
LSV Asset Management	International shares	New Mountain Capital	Private Equity	Infrastructure Capital Group	Unlisted Infrastructure	Marathon Asset Management, LP	Credit
MFS Institutional Advisors, Inc	International shares	Northgate Capital	Private Equity	KKR	Unlisted Infrastructure	MaxCap Group Pty Ltd	Credit
Orbis Investment Management Limited	International shares	Pantheon Ventures	Private Equity	Macquarie	Unlisted Infrastructure	Oak Hill Advisors LP	Credit
Sanders Capital LLC	International shares	Platinum Equity	Private Equity	Morgan Stanley	Unlisted Infrastructure	Perpetual	Credit
Sustainable Growth Advisers, LP	International shares	Pomona Capital	Private Equity	NIIF	Unlisted Infrastructure	State Street Global Advisors Australia Limited	Credit
State Street Global Advisors Australia Limited	International shares	QIC Private Capital Pty Ltd	Private Equity	Palisade Investment Partners Limited	Unlisted Infrastructure	Ardea Investment Management Pty Ltd	Fixed Interest
Macquarie Investment Management Europe S.A.	International shares	Resolution Life	Private Equity	Quinbrook	Unlisted Infrastructure	AustralianSuper	Fixed Interest
Actis	Private Equity	Roark Capital Group	Private Equity	Stonepeak	Unlisted Infrastructure	AXA Investment Managers Australia Ltd	Fixed Interest
Advent	Private Equity	ROC Capital Pty Limited	Private Equity	State Street Global Advisors Australia Limited	Listed Infrastructure	Brandywine Global Investment Management, LLC	Fixed Interest
Affinity Equity Partners	Private Equity	Sentient Equity Partners	Private Equity	AustralianSuper	Unlisted Property	IFM Investors Pty Ltd	Fixed Interest
AirTree	Private Equity	Siguler Guff & Company	Private Equity	Blackstone	Unlisted Property	Jamieson Coote Bonds Pty Ltd	Fixed Interest
AustralianSuper	Private Equity	Silver Lake	Private Equity	Centuria	Unlisted Property	Putnam Advisory Company, LLC	Fixed Interest
BGH Capital	Private Equity	Snow Phipps Group	Private Equity	Charter Hall	Unlisted Property	State Street Global Advisors Australia Limited	Fixed Interest
Blackbird Ventures	Private Equity	Southern Cross Group	Private Equity	Dexus	Unlisted Property	Western Asset Management Company Pty Ltd	Fixed Interest
BlackRock	Private Equity	Square Peg Capital	Private Equity	GPT	Unlisted Property	AustralianSuper	Cash
Brandon Capital Partners	Private Equity	Stafford Capital Partners	Private Equity	ISPT	Unlisted Property	IFM Investors Pty Ltd	Cash
Catalyst Investment Pty Ltd	Private Equity	Talu Ventures	Private Equity	LaSalle	Unlisted Property	Wadhwani	Other assets
Cinven	Private Equity	TH Lee	Private Equity	Lend Lease	Unlisted Property	AustralianSuper	Overlays
Continuity Capital Private Equity	Private Equity	TPG	Private Equity	Morgan Stanley	Unlisted Property		



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.



Chloe
AustralianSuper member

Definitions and important information

Calculating performance

AustralianSuper calculates the performance for each investment option using crediting rates, which are the investment returns less investment fees and costs, transaction costs and taxes. Crediting rates are calculated for each investment option except Member Direct. They may be zero, positive or negative, depending on the performance of investment markets. For more information, see australiansuper.com/CreditingRates

Insurance Reserve

The Insurance Reserve has increased by \$143 million during the year ended 30 June 2023, primarily due to an annual premium adjustment received from the Fund’s insurer TAL as a result of lighter-than-expected claims experience and also due to an allowance in members’ premiums, which flowed into the Insurance Reserve.

Derivatives

Derivatives are instruments that 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 FY23.

Privacy and compliance

During FY23, 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 these notifications or AustralianSuper’s compliance with the Privacy Act 1988.

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 AUD) 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

Definitions and important information cont.

Complaints

AustralianSuper is committed to the efficient, fair and honest resolution of complaints. We use complaints received to inform programs to deliver better services to members. Our internal dispute resolution (IDR) services are outsourced to our Administrator which provides the Fund with member administration services. AustralianSuper makes sure appropriate monitoring, supervision and engagement is in place to oversee the delivery of this critical function.

This year is the first full year of reporting following the implementation of ASIC’s regulatory guide, RG 271 in October 2021. Since this date, external and internal forces have significantly affected complaint volumes for AustralianSuper and the industry and in FY23 the Fund has experienced record volumes of complaints:

Complaints received	FY22	FY23
Administration and other (excl. Insurance)	5,555	29,640
Insurance	1,911	6,910

Complaints resolved	FY22	FY23
Resolved in five days or less	n/a*	65%
Resolved in six or more days	n/a	35%

* Complaints resolved within five days were not required to be recorded prior to 5 October 2021.

External dispute resolution (EDR)

Members who are not satisfied with AustralianSuper’s IDR process can refer their complaint to the Australian Financial Complaints Authority (AFCA). The volume of EDR complaints also increased in FY23:

	FY22	FY23
Complaints escalated to AFCA after IDR	444	884

Contact us

Member feedback is important to us. You can get in touch with us in a number of ways.

Call

1300 300 273

+ 61 3 9067 2108 (overseas callers)
8am to 8pm weekdays AEST/AEDT

Email

australiansuper.com/email

Mail

Superannuation address:
GPO Box 1901 Melbourne VIC 3001

Retirement address:
Locked Bag 6 Carlton South VIC 3053

Message

You can message us 24/7 through our AustralianSuper mobile app and Facebook Messenger. You can also chat with ASH (AustralianSuper Helper Bot) via our website and our contact centre agent staff.

Web messaging is also available on our website at australiansuper.com/contact-us between 8am and 8pm AEST/AEDT weekdays.

Translation services

A free over-the-phone translation service in just about any language is available. Our consultants can arrange for you or a family member to talk to someone about your super in the language you understand best. To be referred to the translation service, call **1300 300 273** 8am to 8pm weekdays AEST/AEDT.

Talk to an adviser

For tailored and comprehensive advice*, 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.

Seminars

To attend a free retirement and financial planning seminar, visit australiansuper.com/seminars

* 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.



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