

2020-21

Annual Report





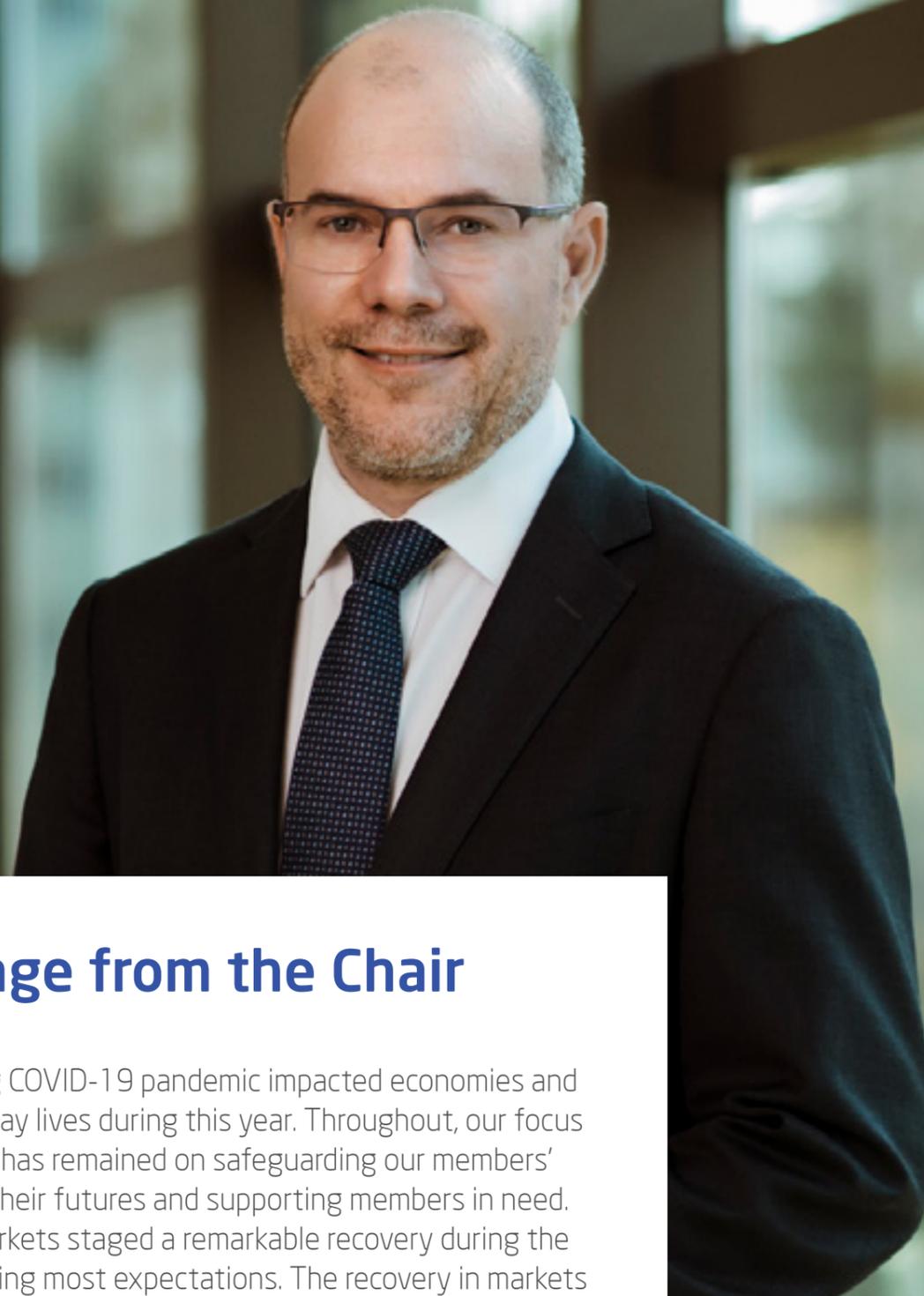
This is the Sunsuper *Annual report* for the 2020-21 financial year. This *Annual report* showcases for our members, their employers and their financial advisers what we have achieved during the year to help our members to live their retirement dreams.



Sunsuper for life | Sunsuper for life Business | Sunsuper for life Corporate

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Message from the Chair

The ongoing COVID-19 pandemic impacted economies and our day-to-day lives during this year. Throughout, our focus at Sunsuper has remained on safeguarding our members' savings for their futures and supporting members in need. Financial markets staged a remarkable recovery during the year, exceeding most expectations. The recovery in markets was notable in the context of the sharpness and depth of the market falls at the onset of the COVID crisis.



Andrew Fraser Chair

This turnaround underpinned a return of more than 20 per cent for Sunsuper's Balanced investment option for the year to 30 June 2021. Again, this is a notable outcome when compared with the challenging return last financial year. Most importantly, it underscores the long-term nature of superannuation investing, and the importance of conviction and commitment to a longer-term strategy.

Growing to benefit members

As Australia's fourth largest super fund by membership and with our profit-for-members philosophy at the heart of all that we do, we are driven by the responsibility to grow, and guard, our members' retirement savings. We know that growth of the membership, and their collective assets, ultimately benefits all members by leveraging our organisational strength to achieve greater economies of scale.

We also know that in an industry that continues to evolve to meet the expectations of regulators and the broader community, growth must be undertaken in a way that manages risk and upholds and promotes members' best financial interests.

In my *Annual report* message last year, I wrote that we had entered a period of exclusive due diligence to progress a merger with QSuper and were optimistic that the merged fund would give us the strength, capacity and scale to offer compelling superannuation and retirement options for Australians around the nation. After significant work from the teams at both funds, subject to a range of conditions, including regulatory, legislative and final Board approvals, our intention is for Sunsuper to merge with QSuper in 2022. Both Sunsuper's and QSuper's Boards believe that the merged fund will be unquestionably strong, with world-class capability and the scale that comes from a membership base of two million Australians and more than \$200 billion in funds under management. The proposed merged fund will be open to all Australians working in all industries, and we are confident that the Trustee of the merged fund will be able to deliver outstanding services, greater efficiencies and lower costs to members.

We were also proud to announce this year that Sunsuper was selected by the Trustee of the Australia Post Superannuation Scheme (APSS) to look after almost 30,000 APSS members' \$8 billion in retirement savings. The signing of the Heads of Agreement with APSS in March 2021 anticipates a transfer of the APSS fund to Sunsuper in the first half of 2022. Australia Post is an iconic business with a deep connection to the history of our country and the many communities that have relied on

its service for more than 200 years. Upon completion in the coming year, the transfer of APSS will be the largest in the corporate sector of the Australian superannuation market. We were up against a number of strong alternatives, so securing the trust of the APSS Trustee in our ability both to effect such a significant transition and to safeguard its members' retirement outcomes is testament to the experience, reputation and capability of our team.

Continuing to receive industry recognition

In a fitting tribute in what shapes to be Sunsuper's last full financial year of operation under the Sunsuper brand, we again cemented our position as one of the super industry's best performers. Nominated for a range of awards in the Chant West Super Fund Awards 2021, Sunsuper came away with Best Fund: Member Services, Best Fund: Advice Services and Corporate Solutions Fund of the Year.

We've won Best Fund: Member Services for seven out of the past nine years, recognising our focus on helping our members to grow their balances as they approach retirement, and beyond. We've won Corporate Solutions Fund of the Year for the last six years in a row for the tailored product offering and services we provide to corporate employer clients. And this is the second time we've been awarded Best Fund: Advice Services for our in-house advice offering and our strong working relationships with external financial advisers.

Sunsuper was also awarded the MyChoice Super of the Year Award 2021 in the SuperRatings and Lonsec Fund of the Year Awards, for the third year in a row.

Looking ahead

As we look forward to the proposed merger with QSuper, I am confident that our combined strength, scale and dedicated service model will enable us to deliver value for our combined membership.

In this final Sunsuper *Annual report*, I would like to both acknowledge and celebrate Sunsuper's proud 34-year history and thank my colleagues on the Sunsuper Board, Chief Executive Officer Bern Reilly, and the entire Sunsuper team for their outstanding performance in 2020-21. As Chair, I am proud of Sunsuper's achievements. I am also privileged to have been part of an organisation with such a singular and enduring focus on helping our members to achieve their best possible retirement.



Message from the Chief Executive Officer

2020-21 proved to be another year of exceptional achievement for Sunsuper despite ongoing impacts from the COVID-19 pandemic. While it may have been the last full financial year of Sunsuper's operations, we achieved a number of "firsts" for the Fund. These bode well as we look ahead to the opportunities our capability will bring to the proposed merger with QSuper and the benefits the merged fund will offer to members.



Bernard Reilly Chief Executive Officer

To 30 June 2021, we achieved top-quartile investment returns over 1, 3, 5, 7 and 10 years for our flagship Balanced investment option for *Super-savings accounts*¹. This stellar performance included a return of 20.7 per cent for the financial year to 30 June 2021 - our strongest financial-year return for more than 25 years.

Member contributions and fund inflows from both new corporate employers and pension members exceeded our ambitious internal targets, and are a testament to our strong product and service offering, our successful member communications and engagement strategy, and our highly productive and trusted working relationships with external financial advisers.

Coupled with these results was our highest employee engagement scores to date, achieved during the complexities of the COVID-19 pandemic with our remote and hybrid workforce.

The end of the COVID-19 early release of super scheme

In March 2020, the federal government announced that eligible individuals affected by COVID-19 could access up to \$10,000 of their superannuation in 2019-20 and a further \$10,000 in 2020-21 to help them financially through the crisis. The 4.8 million applications received and \$36.4 billion in payments made by super funds across the industry speak to the extent of the impact of the pandemic on Australians' financial wellbeing.

Our singular focus in response to the government's early release initiative was to put members' money in their hands quickly and seamlessly. The second tranche of the scheme saw us pay out \$1.6 billion to almost 220,000 members from July to December 2020. In total over the two tranches of the scheme, Sunsuper made almost 486,000 payments to over 333,000 members totalling \$3.4 billion.

Pleasingly, close to 80 per cent of the members who still had a balance in their Sunsuper account after their withdrawal under the scheme have subsequently made contributions into their super.

1. Source: SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2021. Past performance is not a reliable indication of future performance.

In part due to our strong investment performance this year, close to 20 per cent of members who withdrew funds under the scheme have a higher balance than they did before their last withdrawal. Contributions also accounted for part of this result, with 93 per cent of this group also making contributions to their account since their last payment. Further, of the members whose balance dropped to zero following their COVID-19 early release withdrawal, more than 27,000 subsequently made a contribution or consolidated other super into their Sunsuper account, and more than 25 per cent retained their insurance cover.

I commend the many people across Sunsuper who played a role in acting quickly to deliver an integrated solution to implement the government's measure. Whether designing the payment processes and fulfilling member payments, answering member enquiries, updating website content, developing member communications, managing fraud alerts, processing bank payment files, or reporting insights, it took many hands and true collaboration across our entire organisation to deliver for our members.

Looking ahead and thanking the team

Though I have only been with Sunsuper for a relatively short time, I feel enormous pride as I write this message in what shapes to be Sunsuper's final *Annual report*. Sunsuper's achievements are many and varied - from our corporate tender success, to our strong and competitive long-term investment performance, to our robust governance and risk management approach, to the expansive suite of products, services and benefits we provide to our 1.4 million members on a daily basis. However, it is our people, each of whom I know come to work every day with the primary goal to help our members live their retirement dreams, that I am most proud of and feel most privileged to work beside. So I thank each of them, as well as the Sunsuper Board and my executive team.

I also look forward to the future as we embark on finalising our proposed merger with QSuper, the largest in Australian superannuation history, and the opportunities that the merged fund's size, scale and world-class capability will offer to enable us to manage, protect and grow Australians' super and retirement savings.



Message from the Chief Investment Officer

Sunsuper's Balanced investment option for *Super-savings accounts* produced a return of 20.7 per cent for the financial year to 30 June 2021 – the strongest financial-year return for more than 25 years. Longer-term returns also remain strong, with the Balanced investment option posting returns of 8.8 per cent p.a. over the last three years, and 9.1 per cent p.a. over the ten years to 30 June 2021. This performance cemented Sunsuper in the top quartile of similar options over 1, 3, 5, 7 and 10 years. Our diversified Growth, Retirement and Conservative options also outperformed the industry average over 1, 3, 5, 7 and 10 years.²



Ian Patrick Chief Investment Officer

An unprecedented economic recovery

At the height of the COVID-19 pandemic when world share markets fell dramatically, our communications and advice to members focused on reminding them that market downturns, whatever their trigger, are temporary: every crisis, every downturn, every recession comes to an end, bar none.

The market fall in 2020 was indeed temporary, and was also followed by a similarly sharp turnaround. Share markets across the world staged a dramatic recovery that started in the June quarter of 2019-20 and continued throughout 2020-21, albeit with periods of volatility. In particular, shares in the US outperformed those in the Eurozone and Japan, and emerging markets shares produced solid returns, with those in the Middle East and Eastern Europe among the best performers, although generally underperforming the developed markets. Australian shares also performed strongly, particularly in the information technology, financial and consumer discretionary sectors. Over the course of the financial year, the Australian dollar rose in value against a range of currencies, detracting from the performance of both unhedged developed and emerging markets shares.

It was a much weaker period for fixed income returns compared to the prior financial year. Sovereign bonds that were highly sought after during the worst of the COVID crisis were sold as investor sentiment quickly improved. Corporate bonds performed relatively well, however, as confidence in the global economy returned.

Staying true to our strategy

While share market performance undoubtedly underpinned our strong returns in 2020-21, we continue to hold substantial allocations to alternative asset classes, particularly the key unlisted asset classes – property, infrastructure, private equity and private credit – in all of our diversified investment options. As a large superannuation fund with extensive experience and strong relationships in private markets, we have built up well-diversified portfolios of these assets. Importantly, our alternative asset investment strategy has paid off for members, with our unlisted asset investments delivering higher and less-volatile returns than share markets over time, and our alternative strategies portfolio delivering solid net returns above cash. While alternative assets were not immune to the effects of the forced economic slowdown induced by COVID, showing initial declines in value, most have recovered strongly over the last 12 months.

² For Super-savings accounts. Source: SuperRatings Fund Crediting Rate Surveys - SR50 Balanced (60-76) Index; SR50 Growth (77-90) Index; SR25 Conservative Balanced (41-59) Index; SR50 Capital Stable (20-40) Index; to 30 June 2021. Past performance is not a reliable indication of future performance.

The economic outlook and advice to members

While ongoing support from fiscal and monetary policy and the rollout of COVID-19 vaccines are clear positives for the Australian and global economic outlook, periodic setbacks are likely to continue to impact on economic conditions given that a successful and broad-based vaccination program is likely to take considerable time.

As always, our advice to members remains to remember that super is the longest-term investment many of us may ever have. The COVID-19 downturn and subsequent recovery is likely to be just one of many volatile periods members may experience during their working lives. For investments in growth assets such as shares, which make up a significant portion of many of our members' super balances, the trade-off for accepting this kind of short-term market turmoil is the expectation of higher long-term returns. Even for those close to retirement or already retired, super is likely to still be a long-term investment. So to ensure their super lasts as long as possible, members will likely need to keep some money invested in growth assets – including shares. However, it's important to ensure that members' exposure to growth assets is consistent with their retirement plans, as a sharp downturn just before or just after you retire can do significant damage to your savings. It's also important for members to seek financial advice before making any change to their investment strategy.

Looking ahead and thanking the team

As we look ahead to the planned merger with QSuper, we have a significant opportunity to harness the potential of combining Sunsuper's and QSuper's investment teams and asset pools to benefit our combined membership. Investment strategy is a long-term proposition for both Sunsuper and QSuper, and will remain so for the merged fund, and so we will approach the tasks ahead with due consideration. In the short term, members of each fund will continue to have access to the same investment options, invested in accordance with the same investment strategies, as they had before the merge.

In closing, I extend my deep gratitude to the investments teams at Sunsuper for their tireless work and unwavering focus in support of delivering the optimum returns for each of our investment portfolios. The Board Investment Committee is instrumental in stewarding the investment activities of Sunsuper and I also thank the members of the Committee for their guidance and support.



Our purpose is to inspire and empower Australians to fulfil their retirement dreams.

2020-21 highlights

\$90 billion

One of Australia's top-10 super funds by net assets.

20.7% return

for the year to 30 June 2021, Balanced investment option for Super-savings accounts.

Top quartile returns compared to similar options over 1, 3, 5, 7 and 10 years.³

1.4 million members

trust us with their super and retirement savings.

>164,000 participating employers

rely on us to help them meet their super obligations and strengthen their employee value proposition.

>3,700 registered advisers

work closely with us because we believe that great financial advice can change people's lives.

1,042 team members

live our values and share a passion for helping our members to live their retirement dreams.

Statistics as at 30 June 2021



Sunsuper was named SuperRating's MyChoice Super of the Year for the second year in a row in 2021.

Chant West named us Best Fund: Member Services 2021 for the seventh time, Best Fund: Advice Services 2021 for the second time, and Corporate Solutions Fund of the Year 2021 for the sixth year in a row.

We're proud to hold Canstar's highest 5-Stars Outstanding Value rating for outstanding value superannuation since 2011. Since 2015, we've held Canstar's highest 5-Stars Outstanding Value Account Based Pension rating.⁴

³ Source: SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2021. Past performance is not a reliable indication of future performance.
⁴ For ratings and awards information, visit sunsuper.com.au/ratings-agencies or click on the relevant logo.

Executive team

Sunsuper's executive team manages the Fund's day-to-day operations and implements the policies and strategies set by the Board.



Bernard Reilly
Chief Executive Officer

Bernard joined Sunsuper in October 2019 and is responsible for leading Sunsuper's strategy and operations.

He brings to the role his extensive global experience in the international banking and finance sector. Prior to joining Sunsuper, Bernard was a member of the Board Investment Committee at NSW Treasury Corporation, which is the asset management arm and financial markets partner of the NSW Government.

Bernard also has 25 years' experience with State Street Global Advisors, most recently based in Boston and Sydney in the role of Executive Vice President, Global Head of Strategy,

He holds a Bachelor of Economics and he is a CFA Charter Holder.



Shane Channells
Acting Chief Financial Officer

Shane joined Sunsuper in 2015 and is responsible for Sunsuper's finance, investment operations, product and tax functions. This includes ensuring Sunsuper's products are industry leading and that our finance, tax and investment operations are efficient and comply with all relevant legislation and regulations.

Shane has over 10 years' experience in the superannuation industry. Before joining Sunsuper, he held a number of senior finance roles across a range of industries in Australia, the UK and South Africa. Prior to his current role, Shane was Sunsuper's Head of Finance and Enterprise Insights.

Shane is a Chartered Accountant and holds a Bachelor of Commerce, Accounting and Business Law and a Masters of Business Administration.



Stevhan Davidson
Executive General Manager,
Customer Engagement

Stevhan joined Sunsuper in 2010 and is responsible for Sunsuper's customer service and insurance services functions, including our member contact centre, and our customer contributions, customer payment and insurance claims processing teams.

He has more than 25 years' financial services industry experience in Australia and overseas, including roles at BT, Adelaide Bank, Citi, Schroders and Commonwealth Bank. Prior to his current role, Stevhan led strategic change projects at Sunsuper.

Stevhan holds a Masters in Business Administration, a Graduate Diploma of Applied Finance, and certifications in project management, process improvement and architecture.



Lachlan East
Chief Risk Officer

Lachlan joined Sunsuper in 2012 and is responsible for Sunsuper's risk, legal, compliance and assurance functions, including Sunsuper's adherence to all relevant legislation and compliance standards, and managing our relationships with key regulators.

He has more than 20 years' experience across the accounting and financial services industries, including more than 12 years working at international banking organisations, predominantly in investment markets compliance roles based in Australia, Hong Kong and Japan.

Lachlan holds a Bachelor of Commerce, is a Fellow of the Financial Services Institute of Australasia, and is an Associate of the Governance Institute of Australia.



Rod Greenaway
Chief Technology Officer

Rod joined Sunsuper in 2018 and is responsible for leading the design, implementation and operation of IT services, architecture, cyber security and applications development in order to meet the Fund's current and future technology requirements.

Rod is a technology and operations executive with more than 30 years' experience, mostly in the financial services sector, including a recent tenure in the NSW government. Rod's career has spanned management consulting, strategy and planning, large-scale outsourcing programs and offshoring, shared services and business process outsourcing, delivery and operations.

Prior to his current role, Rod was Head of Platform Enablement at Sunsuper.



Terri Hamilton
Company Secretary

Terri joined Sunsuper in 2009 and is responsible for supporting the effectiveness and efficient operations of the Sunsuper Board and committees, including ensuring that decisions of the Board are communicated and implemented.

She has had an extensive career in the financial services industry over the last 30 years, including experience as a company director. She was previously a Director of the Association of Superannuation Funds of Australia.

Terri was appointed as Sunsuper's Company Secretary in November 2018. Prior to her current role, she held a number of Sunsuper leadership positions.

Terri holds a Bachelor of Law.

Executive team (cont.)



Danielle Mair

Executive General Manager,
Enterprise Change

Danielle joined Sunsuper in 2010 and is responsible for implementing Sunsuper's significant program of technology and change programs and projects.

Before joining Sunsuper, she held various senior leadership positions with Macquarie, MBF and Suncorp, where she successfully built and led large teams through business transformation programs and cultural change. Prior to her current role, Danielle held a number of Sunsuper leadership positions, including Executive General Manager, Customer Engagement.

Danielle holds a Diploma of Financial Planning and a Masters of Business Administration with a specialisation in Strategic Human Resource Management.



Ian Patrick

Chief Investment Officer

Ian joined Sunsuper in 2015. He and his team are responsible for developing the Fund's investment philosophy and strategy, dynamic asset allocation and executing investments in a broad range of asset classes, all while maintaining a strong emphasis on governance and maximising members' returns.

He has more than 25 years' experience in the institutional investment industry. Prior to joining Sunsuper, Ian was Chief Executive Officer at JANA Investment Advisers from 2008. He was also Head of Global Equities at JANA, and worked previously for Mercer.

Ian is an actuary and holds a Bachelor of Science (Honours) and a Masters of Business Administration from the University of Witwatersrand, Johannesburg. He is also a CFA Charter Holder.



Steven Travis

Chief Member Officer

Steve joined Sunsuper in 2005 and is responsible for retaining and attracting members to Sunsuper. He provides strategic direction for the design and delivery of customer experience, brand and marketing, and our advice capability and offering, including a network of aligned advice practices.

He has had an eclectic career spanning more than 25 years in the financial services industry, including having worked in Vanguard's Retail Direct division based in Philadelphia, owned and operated his own financial planning business, and held various leadership positions across Sunsuper.

Steve holds a Bachelor of Business (Accounting) and Masters degrees in both Applied Finance and Organisational Leadership, and is a Fellow of the Financial Services Institute of Australasia.

Steven left Sunsuper in October 2021.



Petrina Weston

Executive General Manager,
People & Culture

Petrina joined Sunsuper in 2013 and is responsible for setting and leading the people and culture agenda that underpins and enables Sunsuper to embed and sustain high performance.

She has 25 years' experience in human resources. Before joining Sunsuper, Petrina held leadership roles at Origin Energy, Aussie Home Loans, AAMI and Vodafone. Prior to her current role, she held a number of Sunsuper senior People roles where she drew on her expertise in strategic human resources, talent management, industrial relations, engagement, culture change and change management.

Petrina has a Professional Diploma of Human Resource Management, an Associate Diploma of Business Administration and a Cert IV in Coaching.



Teifi Whatley

Chief Strategy and Impact Officer

Teifi joined Sunsuper in 2000 and is responsible for Sunsuper's strategy and vision with particular oversight of the Fund's strategic direction and change, corporate affairs, strategic communications, and corporate social responsibility functions.

She has had an extensive career in the financial services industry with more than 35 years' marketing, customer and product experience in large institutions both in Australia and the UK. She has also been a Director of Super Friend Mental Health Foundation since 2007.

Prior to her current role, Teifi has led Sunsuper's brand and customer marketing, product, and technology functions, and was responsible for the design and delivery of industry-leading product and service experiences for members, employers and advisers through digital and technological capability.

Teifi holds a Bachelor of Business.



Dave Woodall

Executive General Manager,
Employer Growth

Dave joined Sunsuper in 2015 and is responsible for the delivery of our award-winning services to Sunsuper's corporate, institutional, regional and small-business customer segments, and our super-in-payroll solution, Beam.

He has more than 20 years' experience in the financial services industry across retail and institutional markets. Dave has led high-performing teams in sales, relationship management, financial advice, and marketing and communications. Prior to Sunsuper, he held a range of leadership and growth roles at NAB, Plum, ING and AMP. Prior to his current role, Dave was Sunsuper's Head of Corporate and Institutional.

Dave holds a Bachelor of Economics, post-graduate qualifications in finance and investments, and a Diploma of Financial Planning.



Year in review

Confirming our position on climate change

Sunsuper accepts that climate change represents one of the most significant risks of our time, with widespread implications not only for the environment but also global economies, technological developments and broader society.

Globally, policymakers are yet to agree on strong, coordinated action to combat climate change. Nonetheless, we believe the Paris Climate Agreement's aim of keeping global warming to well below 2°C above pre-industrial temperatures, and pursuing efforts to limit warming to 1.5°C, is critical to maintaining the orderly functioning of economies and markets.

We believe that a net-zero emissions target by 2050 will increasingly be accepted by markets as the base case through which economies will operate. We also believe that a net-zero emissions investment portfolio will, in the long term, provide the highest risk-adjusted returns for our members. Consistent with this, Sunsuper's investment strategy includes a commitment to aligning our investment portfolio with net-zero emissions by 2050, on the basis that it will promote members' financial interests.

Our target of a net-zero emissions investment portfolio by 2050 is central to our Climate Action Plan (CAP), which was approved by the Sunsuper Investment Committee in June 2020 on the basis that it will promote the financial interests of our members. Our CAP outlines how we will measure, manage and mitigate climate risk within our investment portfolio to reach our target while always keeping in mind our duties to members. More information about our CAP is in our *Climate action statement*.

You can find our *Climate action statement* and our latest *Responsible investment report* at sunsuper.com.au/responsible-investing.



Opdenenergy Sunsuper Investment since March 2021

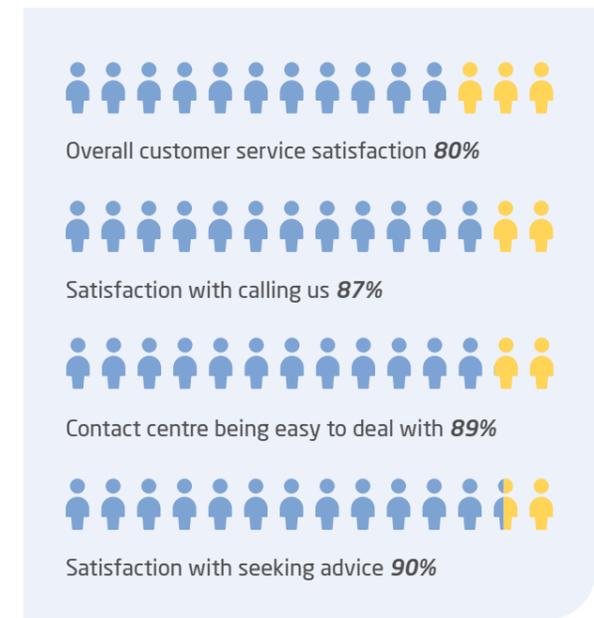
Helping members to live their retirement dreams

As well as strong, long-term investment returns⁵ and lower fees, the services we offer to members can help them understand, engage with, and grow their super savings to help them achieve their best possible retirement outcome.

Increasing members' customer service satisfaction

Measured across over 20 types of member interactions, more than 80 per cent of members surveyed in 2020-21 reported being satisfied or very satisfied with their experience with Sunsuper and indicated that we were easy to deal with.

Members' satisfaction with their experience of calling us reached 87 per cent, with 89 per cent of those surveyed indicating our contact centre was easy to deal with. Member satisfaction with our service when seeking advice was even higher, with 90 per cent satisfied. Insights from the member satisfaction program also enabled us to instigate service and process changes, which contributed to a 20 per cent increase in member satisfaction throughout the year in relation to in-progress insurance claims.



Allowing members to engage with us on their terms

Improvements to the technology, processes and promotion of our digital channels resulted in an increase in members being able to find the answers to their questions without needing to contact us, with the number of members emailing us reducing by 23 per cent during the year.

Since its launch in September 2020, more than 11,000 members have used our automated call-back capability, reducing call wait times by offering members the opportunity for a call-back at a convenient time during our peak call periods. Members' satisfaction with the live chat functionality on our website increased from 75 per cent in quarter 1 to 85 per cent in quarter 4. And our SMS instant-service capability gave more than 9,500 members the information they were looking for without them needing to speak to a contact centre representative.

Increasing digital transactions for members' convenience

During the year, we also introduced the ability for eligible members to renew their binding beneficiary nominations online, rather than through a paper form.

5. Our Balanced option for *Super-savings accounts* has performed in the top quartile of similar options over 1, 3, 5 7 and 10 years. Source: SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2021. Past performance is not a reliable indication of future performance.

Supporting employers to meet their super obligations

Our offer to our participating employer clients spans large, corporate employers to small businesses from a broad range of industries across Australia. We provide services and support to help employers meet their superannuation payment obligations and strengthen their employee value proposition.

Transitioning corporate plan members into Sunsuper

Our team of relationship managers actively services more than 100 large, bespoke corporate plans with combined funds under management of more than \$20 billion and almost 240,000 members. Our offering to our corporate clients is based on our clear, singular purpose to help our members live their retirement dreams. Our relationship managers strive to ensure our corporate employers can efficiently meet their super payment obligations and help their employees to understand and make the most of their super. This year, we transitioned 35,000 new members and their \$4.6 billion in savings into Sunsuper as part of new corporate plans.

Maintaining high satisfaction with our employer services

This year, 97 per cent of account managed employers surveyed said they were satisfied with their Sunsuper relationship management team.

In addition to our relationship management teams actively supporting our large employers, we own and administer the Sunsuper clearing house and provide employers payment functionality through our secure *Employer Online* portal, allowing them to submit contributions for all their employees in a single payment file. More than 80 per cent of small-medium sized businesses reported being satisfied with their service experience across a range of interactions with us. Specifically in relation to *Employer Online*, 85 per cent reported satisfaction with the service and indicated the service was easy to use.

In line with our purpose to inspire and empower Australians to fulfil their retirement dreams, educating our members about how to grow their super and prepare for retirement is a key focus at Sunsuper.

The COVID crisis resulted in a fundamental change to the way we provide education to members, and allowed us to reach significantly more of our members through live and recorded webcasts and podcasts.

Compared to last year, when we delivered 200 face-to-face education seminars to 4,600 members, in 2020-21 we reached more than 28,000 participants through digital events, many of these promoted and delivered as exclusive sessions offered via members' employers.

Of the members surveyed after attending a virtual event, 88 per cent said they were satisfied with the event, 95 per cent said the information presented was easy to understand, and 91 per cent said that after attending they were likely or very likely to take some action on their super.



Partnering with advisers to provide high-quality advice

We make it easy for financial advisers to work with us so they can help as many of our members as possible benefit from high-quality advice that can improve their financial confidence and their lifestyle in retirement.

Offering more adviser support

In 2020-21, we created two new adviser servicing teams. Within our broader customer contact centre, a dedicated team of 13 staff now offer additional support to advisers enquiring or transacting on behalf of their clients who are Sunsuper members. Another dedicated team of nine are improving how we resolve adviser enquiries and connecting advisers with our business development team.

Expanding the business development team

In 2020-21, we also added three phone-based business development managers to our team to support advisers in regional areas. Advisers can now interact with our nine-strong Business Development Manager (BDM) team face-to-face in Brisbane, Sydney and Melbourne, and via phone or video call in other areas.

Enhancing Adviser Online

New triaging processes introduced during the year mean that transactions submitted via *Adviser Online* now receive priority processing. In addition, all Sunsuper forms can now be uploaded and tracked via *Adviser Online*.

Achieving efficiencies through data feeds

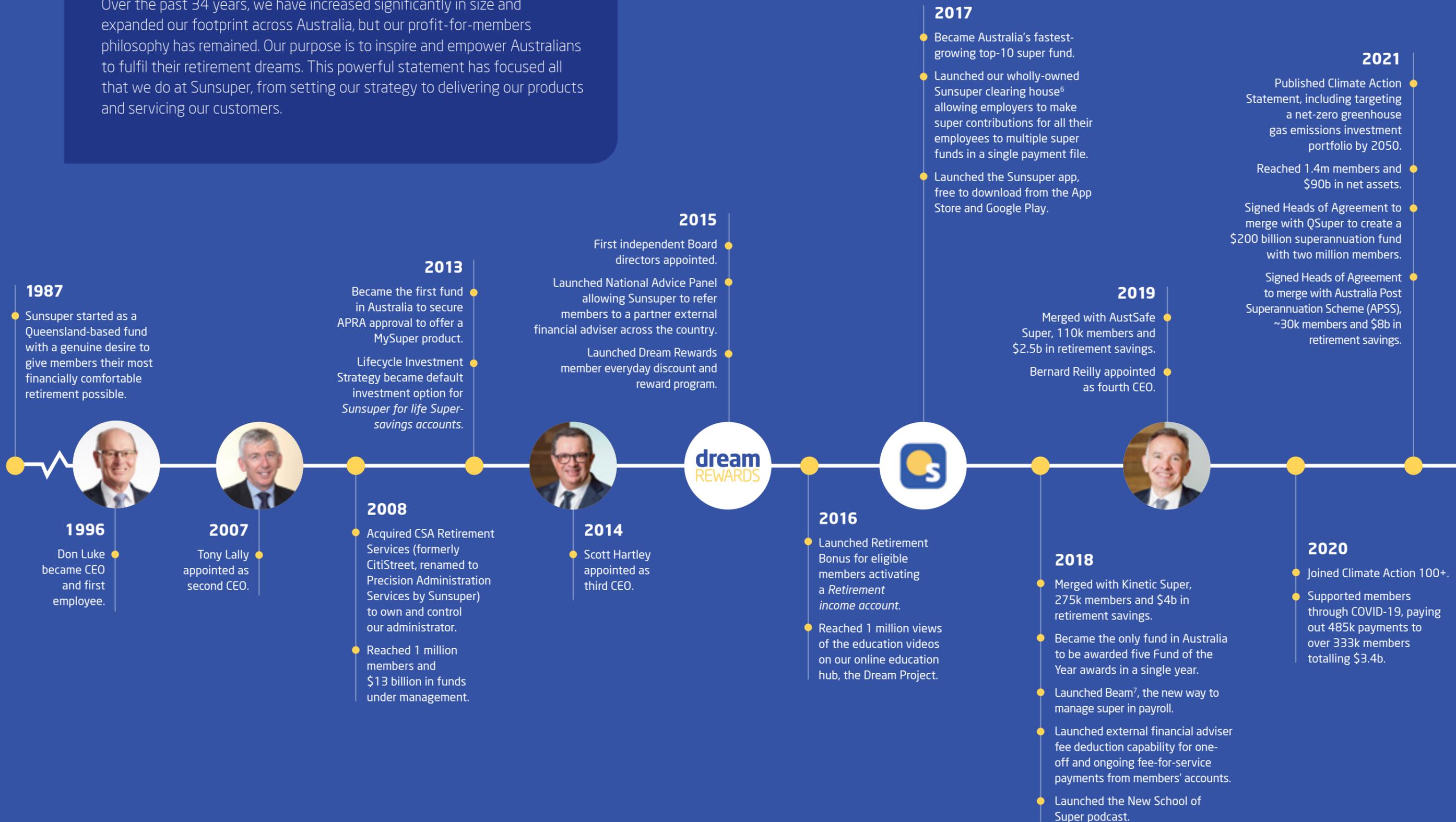
In a significant step in making it easy for advisers to work with Sunsuper on behalf of their clients, data feed capability was finalised during 2020-21. Sunsuper members' account data can now be automatically delivered to advisers' software platforms, allowing advisers to track their clients' Sunsuper investments and investment performance as a part of their clients' overall asset portfolios.



A proud history

Sunsuper 1987-2021

Over the past 34 years, we have increased significantly in size and expanded our footprint across Australia, but our profit-for-members philosophy has remained. Our purpose is to inspire and empower Australians to fulfil their retirement dreams. This powerful statement has focused all that we do at Sunsuper, from setting our strategy to delivering our products and servicing our customers.



1987
Sunsuper started as a Queensland-based fund with a genuine desire to give members their most financially comfortable retirement possible.



1996
Don Luke became CEO and first employee.



2007
Tony Lally appointed as second CEO.

2013
Became the first fund in Australia to secure APRA approval to offer a MySuper product.
Lifecycle Investment Strategy became default investment option for Sunsuper for life Super-savings accounts.

2008
Acquired CSA Retirement Services (formerly CitiStreet, renamed to Precision Administration Services by Sunsuper) to own and control our administrator.
Reached 1 million members and \$13 billion in funds under management.



2014
Scott Hartley appointed as third CEO.



2015
First independent Board directors appointed.
Launched National Advice Panel allowing Sunsuper to refer members to a partner external financial adviser across the country.
Launched Dream Rewards member everyday discount and reward program.

2016
Launched Retirement Bonus for eligible members activating a Retirement income account.
Reached 1 million views of the education videos on our online education hub, the Dream Project.



2017
Became Australia's fastest-growing top-10 super fund.
Launched our wholly-owned Sunsuper clearing house⁶ allowing employers to make super contributions for all their employees to multiple super funds in a single payment file.
Launched the Sunsuper app, free to download from the App Store and Google Play.

2019
Merged with AustSafe Super, 110k members and \$2.5b in retirement savings.
Bernard Reilly appointed as fourth CEO.



2018
Merged with Kinetic Super, 275k members and \$4b in retirement savings.
Became the only fund in Australia to be awarded five Fund of the Year awards in a single year.
Launched Beam⁷, the new way to manage super in payroll.
Launched external financial adviser fee deduction capability for one-off and ongoing fee-for-service payments from members' accounts.
Launched the New School of Super podcast.

2021
Published Climate Action Statement, including targeting a net-zero greenhouse gas emissions investment portfolio by 2050.
Reached 1.4m members and \$90b in net assets.
Signed Heads of Agreement to merge with QSuper to create a \$200 billion superannuation fund with two million members.
Signed Heads of Agreement to merge with Australia Post Superannuation Scheme (APSS), ~30k members and \$8b in retirement savings.

2020
Joined Climate Action 100+.
Supported members through COVID-19, paying out 485k payments to over 333k members totalling \$3.4b.

6,7. Sunsuper clearing house and Beam are issued by Precision Administration Services Pty Ltd (ABN 47 098 977 667, AFSL No. 246604), which is wholly owned (via its custodian) by Sunsuper Pty Ltd as Trustee for the Sunsuper Superannuation Fund.

A proud history

Sunsuper 1987-2021



Our people have made the difference

In 1996, Don Luke became Sunsuper's Chief Executive Officer and first employee. Twenty-five years later, more than 1,000 Sunsuper people live our values of leadership, collaboration, candour, accountability, trust, and, most importantly, customer first. In this Sunsuper *Annual report*, some of Sunsuper's longest-serving people reflect on their time with Sunsuper.

Derek Hudepohl, Manager, Corporate & Business in Sunsuper's Product team, started with Sunsuper on 4 August 1997. He remembers his first fortnight well.

"We started off with a two-week induction and it included lunch with the Board, presentations from multiple investment managers and introductions to the administrators that were working on the Fund.

"I was payroll number six. There were three of us that started on the same day. The whole company sat around a table."

His final interview for the job had been with Don Luke, then Sunsuper's CEO, and now both Chair of QSuper and soon-to-be-Chair of the new merged fund.

Derek remained in Mackay for "the best part of 10 years" until January 2006, when he came down to Brisbane. He's been here ever since.

Derek has fond memories of his early years at Sunsuper. "We were building something fresh. The Fund had been in existence for 10 years at that point. The-then administrator, Suncorp, filled all the roles, overseen by the Board," he says.

"I was lucky enough to come in when there was only a handful of us, and we knew we were building something special. There were people who came from AMP, I came from Colonial, there were people from Suncorp and we tried to pick the best of what we had done before and eliminate the bad points.

"Don [Luke] and the executive team appointed the right people in the right roles, they were able to build a bespoke team, and I was lucky enough to be part of that.

"In the current terms we were incredibly agile but because there were so few of us, we had to be. When we had our team meetings - this is back in the day before video conferences - all of us would be on the phone together.

"It was an exciting time because we were building something new, and the Fund was quite small in today's terms. When I started, the Fund was about \$800 million. Now we get more in contributions than that every couple of months."

Close on Derek's heels for the title of longest-serving Sunsuper employee is Facilities Manager Linda Tucker, who has become well-known (and well-relied upon) by everyone in Sunsuper's Brisbane office since September 1997.

"I was probably about the ninth or tenth employee at Sunsuper," she says.

"I can't think of the exact title when I started but it was basically performing an office manager role.

"I used to pay invoices, do normal facility tasks - we had just one photocopier/printer - and I would take the pool car and get signatures from the directors and perform general office duties."

"Derek was there a month before me, he always stirs me about working here longer. But he was up in Mackay, he wasn't really *in* Sunsuper," she jokes.

"When we first started, we were so small, we were like a family. Our partners were involved, everybody knew everyone, we all worked hard, but we had fun."

"When companies get bigger, it's hard to transfer that family environment, the community, into a big company. Luckily, we have kept a lot of the long-term history and loyalty from staff and combined with the new blood, it's been enough to keep the culture."

Linda has loved her time at Sunsuper and says while she's been here for more than two decades, no workday is the same.

Another Sunsuper employee who's seen variation in his role is Mark Haines, Sunsuper's Regional Manager North Queensland. He's held the title since October 1999.

While Mark's title hasn't changed, "that's not to be confused with I do exactly the same thing," he says.

"The landscape has certainly changed in the 22 years I've worked for Sunsuper."

Back then, he says, compulsory super contributions were at 7 per cent, and the employer chose what fund to pay super into, not the employee.

"The employer had a yearly deadline to pay super, as opposed to a quarterly or monthly deadline. So come 30 June, or 28 July, it was crazy-busy [for super funds] - end of financial year on steroids!"



"My job was to be regional manager in Mackay. What that meant was I was to be the face of the Fund in the region and to get involved in the business community. I was quite literally given a phone and a laptop - one of those old chunky laptops - and a phone number of where I might be able to get a desk. That was it. There was no office, there was no email at that point."

Derek Hudepohl
Manager, Corporate & Business



"Sometimes I think people think I've been here so long I'm not into change, it's only new people or young people that like that. But it's probably Derek and I that have changed the most in our roles. I looked after nine people [when I started] and now I look after 900 people!"

Linda Tucker
Facilities Manager

A proud history

Sunsuper 1987-2021

One of the many factors that has kept Mark in a role that he loves for so many years is the community connection it brings.

"We're seen as a strong brand and a leader in the industry and the interesting thing in my role is I'm seeing generations of the same family join Sunsuper. In the past I might have helped out the parents and their children, and now their children are coming to me with children of their own."

"When I first started, Sunsuper had 500,000 members, approximately, and only \$1.6 billion in funds under management."

He's also seen some of his corporate clients develop exponentially.

"I've got a couple of employers that have grown from nothing to having about \$70 million in funds under management."

Sunsuper's Chief Strategy and Impact Officer, Teifi Whatley, started less than a year after Mark, in June 2000, as Marketing Manager.

"It was a very small team," she reflects.

"In total, within Sunsuper itself, there were probably about 20 [people]. In my team there was me, plus one, plus a half."

"I recall my first day as being incredibly welcoming. Everybody was helpful. People were interested in me as an individual. I remember it being somewhat like an extended family."

She can also remember Linda Tucker from her first day.

"That's part of Linda's charm, she is just that kind of person who is that welcoming person, to make sure you have what you need."

"I do remember where I sat was pretty much in a hallway, in our office in McDougall Street [in Milton, Brisbane]," she laughs.

Teifi says her most significant moments at Sunsuper revolve around the times the Fund has won member services awards.

"It's the feeling that our people have of the contribution they've made to the outcomes for members - because that's what we're all here for."

"They are really proud moments when you can stand behind your team and say 'you did that and you've been recognised for what you have done, you have led the industry.'"

Another pivotal moment for the Fund from Teifi's perspective is when Sunsuper decided to bring the administration of the Fund in-house in 2008.

"That really drove the next period of growth for the organisation," she says.

There's another huge change now on the horizon for Sunsuper: the forthcoming merger with QSuper.

"I will miss colleagues who will leave because that's what happens in a merger and that's to be expected," Teifi says.

"But the rest of it is about what we do with the opportunity [of the merged fund] that sits in front of us, the difference we can make, the voice we can have."

"We should never lose sight of the difference, collectively, we can make to our members' lives - which is phenomenal."

"[When the merger goes ahead] we'll be representing two million members and \$200 billion plus of their retirement savings."

"There's a responsibility on this organisation to help to shape this industry so it is better for all Australians and their retirement savings."

Mark Haines welcomes the changes too.

"There will be an uplift of skills that I'll need, but I'm looking forward to that learning opportunity," he says.

"I think I wouldn't still be doing the role if I wasn't adaptable and flexible to change, and that's probably an asset I've been able to bring to the company. I wouldn't think I'd still be here if that wasn't the case."

Linda Tucker is looking forward to the unknown, and to sharing knowledge with her soon-to-be new colleagues.

"From day one [of the merged fund] I'll have twice as many people to look after, and I won't know everyone. All of a sudden, I'm coming in new like everyone else."

Derek Hudepohl is optimistic.

"I'm looking forward. I'm not thinking we are leaving anything behind. I'm thinking we're bringing everything with us. It's a new challenge, a new experience," he says.

"In my mind we're not losing anything as part of the merger, we're gaining it."

"It's been a hell of a ride."



"[Bringing the administration of the fund in-house was] a real change to the way we thought about our business and gave Sunsuper absolute control and ownership over the end-to-end experience for our members. We were all working to the same result - a better retirement for members."

Teifi Whatley

Chief Strategy and Impact Officer



"I think it's a trust thing, and a local thing, that some of these people prefer to deal with someone face-to-face. Because you're the face of the brand regionally, they seek you out."

Mark Haines

Regional Manager North Queensland



Chant West Super Fund Awards 2019



Sunsuper's longest-serving employee leaderboard

24 years

Derek Hudepohl,
joined 4 August 1997

Linda Tucker,
joined 29 September 1997

22 years

Mark Haines,
joined 11 October 1999

21 years

Teifi Whatley,
joined 19 June 2000

20 years

Brett Ensinger,
joined 9 April 2001

Donna Brady,
joined 30 April 2001

Gail Clark,
joined 30 April 2001

Julie Halpin,
joined 30 April 2001

Connie Hughes,
joined 30 April 2001

Anna Gastaldello,
joined 30 April 2001

Rose Ibrahim,
joined 30 April 2001

Sue Reynolds,
joined 30 April 2001

Lynda Rogers,
joined 30 April 2001

Nicola Lovell,
joined 28 May 2001

Paul Sivyver,
joined 17 September 2001

Focusing on strong governance and culture

We are in the privileged position at Sunsuper to have our members as our singular focus.

This clarity of purpose has shaped our strategy, and the decisions and actions we make on a day-to-day basis to safeguard and grow our members' super savings. We have a board structure comprising an equal number of member and employer-nominated and independent directors. This strong governance framework and our profit-for-members focus has created a powerful model for improving members' retirement outcomes.

Acquiring our administrator, Precision Administration Services, in 2008 has allowed us to control the priority and speed of service improvements for our members and other customers, and means we are not exposed to third-party provider risk in relation to our administration.

Sunsuper's culture is based on shared values with a focus on outcomes. Our values are Trust, Accountability, Candour, Collaboration, Leadership and Customer First. Our people promise is to create the optimum environment for our people, to provide opportunities to grow, and to reward and recognise individuals in a way that's unique and special in order to attract and retain talent to deliver on our purpose.

Offering unique investment options and delivering strong, long-term returns

Our MySuper investment option - the Lifecycle Investment Strategy - is a default strategy with a member-centric glide path that individually de-risks members over the 10 years prior to them turning age 65. We also offer a broad range of 18 other investment options, provided on a cost-to-invest basis, including diversified and single-class options, and actively managed and passive (index) options.

Our strong, long-term investment performance can be seen in our Balanced investment option for *Super-savings accounts* returning 20.7 per cent for the year and 9.1 per cent p.a. for the past 10 years to 30 June 2021, which places it in the top quartile of similar options.⁸ This performance is testament to our broad strategies around diversification, building our internal team's talent and culture, using an efficient mix of active and passive investment managers, and taking advantage of our ability and mature approach to investing in alternative assets across private markets and alternative strategies.

To best protect and manage investments for the long term, we consider environmental, social and governance risks, impacts and opportunities in our investment decision-making process. In particular, we believe that climate change represents one of the most significant risks of our time, with widespread implications not only for the environment but also global economies, technological developments and broader society. Sunsuper's investment strategy includes a commitment to aligning our investment portfolio with net-zero emissions by 2050, on the basis that it will promote members' financial interests.

8. Source: SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2021. Past performance is not a reliable indication of future performance.

A proud history

Sunsuper 1987-2021



Sunsuper cycling team 2011

Providing services to members

The building blocks to help our members achieve their best possible retirement outcome include our lower-fee super and retirement products, strong, long-term investment returns⁹, digital tools and other member services, and advice offering.

We support our members through all phases of their journey to retirement by offering a seamless transition from our *Super-savings account* to our *Income accounts*, with access to superannuation advice at no additional cost. Whether a member has a question about their Sunsuper account or needs help with more complex financial planning strategies, we have the experience and knowledge to help. Our customer contact centre representatives are all Sunsuper staff members based in Brisbane and Melbourne and trained to provide information and/or general advice to members about their Sunsuper account. The qualified financial advisers in Sunsuper's Member Growth and Advice team provide personal advice to members about their super with Sunsuper, including strategies for investment choice, contributions, insurance cover, and our *Transition to retirement and Retirement income accounts*. If members need more complex advice about more than their super with Sunsuper, including investments outside of super, or business or estate planning, or a comprehensive financial plan for their future, we will refer them to one of our partner external adviser practices located across the country.

Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 ASFL No. 227867) (SFS) wholly owned (via its custodian) by Sunsuper Pty Ltd as Trustee for the Sunsuper Superannuation Fund. Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper is not responsible for the advice provided by those advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

9. Our Balanced option for *Super-savings accounts* has performed in the top quartile of similar options over 1, 3, 5, 7 and 10 years. Source: SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60-76) Index to 30 June 2021. Past performance is not a reliable indication of future performance.

We encourage members to engage with their super and retirement planning through the information and tools on our website, including our podcast and recorded webcasts. Members can access and transact on their super account 24/7 through our secure *Member Online* portal and the Sunsuper mobile app. Members who download the Sunsuper app can also access everyday rewards, offers and discounts through our Dream Rewards program. The app is free to download from the App Store and Google Play.

Supporting employer clients

We provide corporate employers from a broad range of industries across Australia services and support to help them meet their superannuation payment obligations and support their employee value proposition, including those who have Defined Benefit arrangements. In the last six years alone, we have successfully transitioned \$11.7 billion in savings for close to 72,000 new members into 65 new corporate employer plans. We also finalised the mergers between Sunsuper and Kinetic Super in May 2018 and between Sunsuper and AustSafe Super on 30 March 2019. The merger with Kinetic Super brought 275,000 new members and \$4 billion of their savings into Sunsuper. Upon finalising the merger between Sunsuper and AustSafe Super, one in five Queenslanders became a Sunsuper member. This merger successfully brought 110,000 new members and \$2.5 billion into Sunsuper.

Sunsuper is the only fund in Australia to own and administer our own clearing house, which we do via Precision Administration Services Pty Ltd (ABN 47 098 977 667, AFSL No. 246 604), which is wholly owned (via its custodian) by Sunsuper Pty Ltd as Trustee for the Sunsuper Superannuation Fund. The Sunsuper clearing house allows employers to efficiently make employee super payments to multiple super funds. Owning a clearing house means we can provide a single

solution for employers to make all their employee super contributions, control the end-to-end payment process, offer a range of payment options, and staff a dedicated internal support team who can rapidly respond to employers' needs. And our *Employer Online* portal provides a simple and intuitive technology solution that allows employers to submit contributions for all employees in a single payment file.

Partnering with financial advisers

We recognise that many of our members already work with their own financial adviser. Since 2015, we have actively partnered with the financial adviser community to build advisers' awareness of the strengths and benefits of our products for their clients, and to make it easy for advisers to work with Sunsuper on behalf of their clients. Today we work with individual advisers, adviser practices and large adviser licensees to support our members with quality financial advice so they achieve better retirement outcomes.

Adviser Online is our secure, online adviser portal, enabling our more than 3,700 registered advisers to quickly and easily view account information for any clients who are Sunsuper members and they have a third-party authority for. The platform also allows advisers to transact digitally on behalf of their clients and deduct advice fees related to their clients' Sunsuper accounts.

Our dedicated business development and adviser services teams are focused on supporting current and potential registered advisers with the goal of helping as many of our members as possible benefit from high-quality financial advice. We are also committed to communicating with registered advisers early, openly and transparently, including through regular newsletters, email updates, live webinars and face-to-face presentations.

Giving back to the community

As a profit-for-members fund, we care about our members and the communities where they live, and so connecting, supporting and engaging with communities across Australia to make a positive difference is an important area of focus for all of us at Sunsuper.

Since 2019, we have supported the First Nations Foundation's Big Super Day Out, which provides free, local information and support about superannuation to First Nations people.

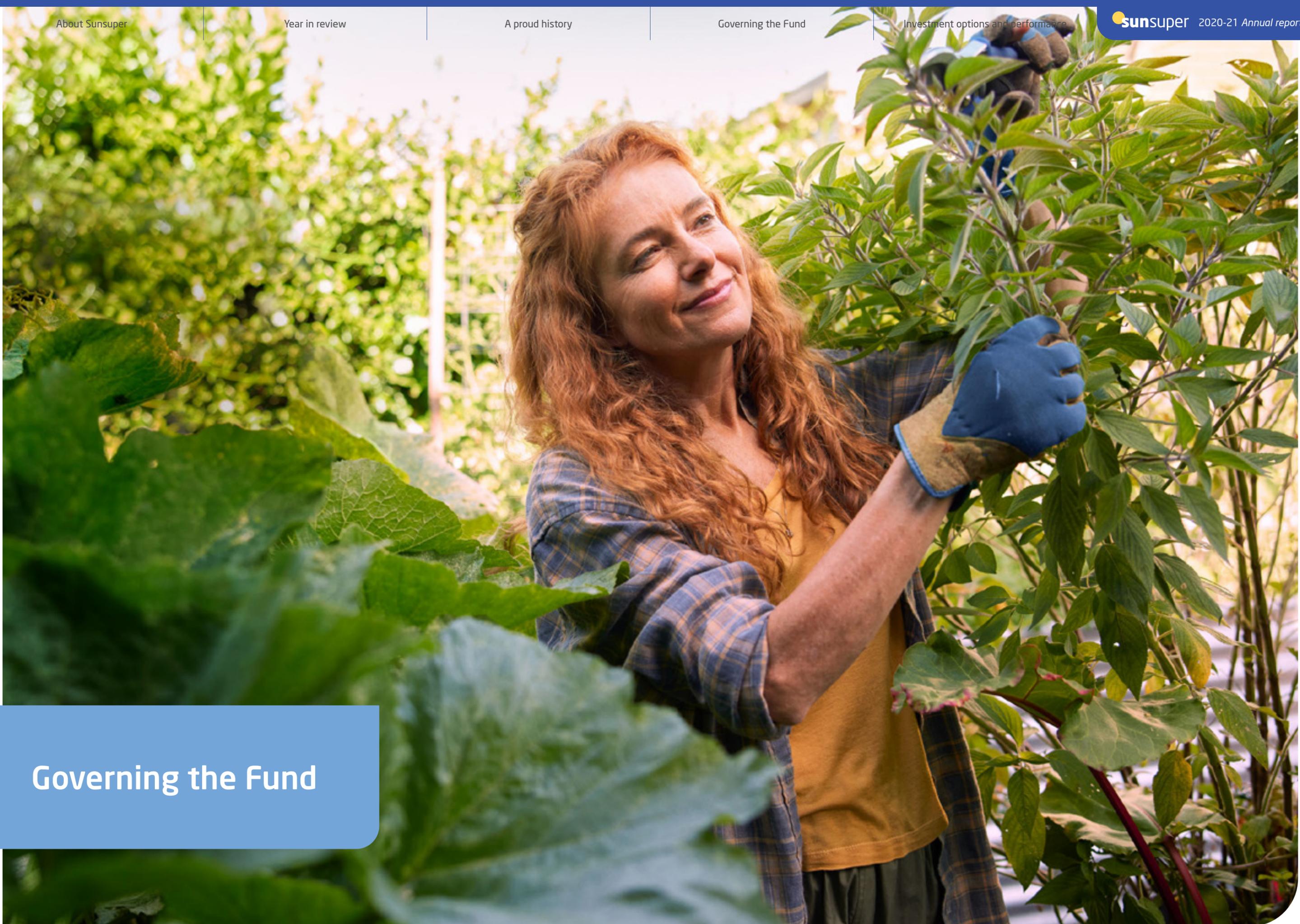
Through our Dreams for a Better World community grants program, since 2011, we have partnered with more than 132 grassroots charities and social enterprises to help improve the lives of thousands of Australians.

From 2011 to 2014, Sunsuper was naming-rights sponsor of the Ride to Conquer Cancer, helping to raise millions of dollars for cancer research at the QIMR Berghofer Medical Research Institute in Brisbane, the Chris O'Brien Lifehouse in Sydney and the Harry Perkins Institute of Medical Research in Perth.

In 2017, we were the foundation sponsor of SheStarts, the only venture-backed accelerator program for women-led tech startups in Australia.

We are also proud to have been associated with Nine Telethon in Brisbane since 2015 to help raise funds for the Children's Hospital Foundation. As well as donating our call centre in Milton, many of our people have volunteered their time to take over-the-phone donations.

Additionally, as part of our Employee Promise, every team member is able to take a paid Growth Day each year to volunteer for a charity close to their heart.



Governing the Fund

Board of Directors



Andrew Fraser

Chair
Independent Director since
September 2015.

Andrew is a professional director and serves on a range of boards across various industry sectors. He has been Chair of Sunsuper since 2018 and is former Chair of the Investment Committee (from 2016-18).

He is an Independent Director of BESIX Watpac Ltd, the Chair of Motorsport Australia and Deputy Chancellor of Griffith University.

In addition to chairing Orange Sky Australia, Andrew also serves in other not-for-profit roles as a Director of 3rd Space and the Hear and Say Centre. Previously he was the Head of Strategy & Investment at the National Rugby League (NRL) and has served as Director of the Rugby League World Cup 2017 Ltd, and on the Australian Sports Commission.

Andrew served as a Minister in two governments, including as Treasurer of Queensland from 2007 to 2012. He was appointed as Queensland's youngest Deputy Premier in 2011.

A graduate of Griffith University, Andrew has a First Class Honours Degree in Law and a Bachelor of Commerce and won the University Medal.



Michael Clifford

Deputy Chair
Director since February 2016.

Michael is the General Secretary of the Queensland Council of Unions and has served on superannuation boards since 2013.

He was a Director of Intrust Super from February 2013 to December 2015 and Chair of the Marketing Committee.

Michael has been a passionate advocate for improved superannuation for more than two decades in his roles as Coordinator with United Voice from 2012 to 2015, Queensland Secretary of the Finance Sector Union of Australia (FSU) from 2001 to 2012, and National Industrial Officer for the FSU from 1997 to 2001.

Michael was also the inaugural Chair of the Australian Labor Party's Queensland Policy Coordination Council and prior to that was the Deputy Chair of the Economic and Infrastructure Policy Committee.

Michael worked in the community sector for six years, having advocated for people in his role as community worker, and for working people during his time in the union movement.

Michael has a Bachelor of Arts from the University of New South Wales with Majors in Industrial Relations and History.



Mark Goodey

Director since January 2020.

Mark is the Chief Finance Officer of the Australian Workers Union Queensland. He previously worked as the Accountant for the Australian Services Union (SA/NT) in South Australia.

For over 30 years as a chartered accountant, Mark has worked with regulatory authorities in connection with audit compliance, tax compliance and investigation work for individuals and corporates, and worked for listed companies.

As well as his accountancy qualification he holds a Bachelor Degree in Environmental Sciences and a Masters in Human Resource Management, has completed the AIST Trustee Directors' Course (GAIST) and RG146, and is an active member of the Board and the Audit, Compliance and Risk Management Committee.



Elizabeth Hallett

Director since March 2014.

Elizabeth is an experienced non-executive director and chair of audit and risk committees in the financial services and infrastructure sectors. She is a non-executive Director on the Boards of NPP Australia Limited (which is responsible for the New Payments Platform), the Civil Aviation Safety Authority, Lynch Group Holdings Limited (ASX: LGL) and NSW Land Registry Services. Elizabeth is a reappointed member of the Takeovers Panel and sits on the Advisory Committee of the John Sample Group.

Elizabeth was formerly a corporate partner with an international law firm for 22 years, where she held global and national leadership roles. Elizabeth brings legal and regulatory, corporate governance, risk management and strategy development skills and experience to the Board.

Elizabeth holds a Bachelor of Commerce and a Bachelor of Laws from the University of Melbourne, is a graduate of the AICD Company Directors' Course and a graduate of the AIST Trustee Directors' Course.



Mark Harvey

Director since July 2016.

Mark has played a key role in the formation and growth of over 20 organisations, which has included managing research and development, operations, finances, fund raising and intellectual property commercialisation.

Mark has been on the board of directors of ASX- and NASDAQ-listed public companies, CEO and partner of two venture capital companies, a member of the investment committee of several venture funds, and on the Board of Directors of Toowoomba and Surat Basin Enterprise and the Queensland Cyber Infrastructure Foundation.

Mark is currently the Vice-President (Business Development) at Queensland University of Technology and Vice President of the Chamber of Commerce & Industry Queensland.

Originally trained as a biomedical scientist, Mark has a PhD and an MBA.



Jenni Mack AM

Independent Director since July 2015.

Jenni is an experienced consumer advocate and company director.

She is a former Chair of Australia's leading consumer group CHOICE and until June 2021 chaired one of Australia's largest community services providers, CoAct.

Jenni has particular expertise with member-based, not-for-profit organisations operating in commercial environments. She also has deep expertise in consumer policy, including an understanding of drivers of consumer behaviour, consumer information needs, standards setting, complaints and compensation schemes. She has worked on consumer issues in superannuation, retirement incomes and financial advice for more than 25 years.

Jenni is a member of the Red Cross Lifeblood Board and Superannuation Consumers' Australia. She is a former member of ASIC's External Advisory Panel and chaired ASIC's Consumer Advisory Panel for nearly ten years. She was also a member of ASIC's inaugural Fintech Advisory Committee.

Jenni has a BA, a Masters of Administrative Law and Policy, and a Graduate Diploma in Applied Finance. She is an AICD graduate and has completed the AIST Trustee Directors' course. Jenni was made a Member of the Order of Australia in 2020 in recognition of her significant service to business through consumer advocacy roles.

Board of Directors (cont.)



Michael Traill AM

Independent Director since September 2015.

Michael joined Social Ventures Australia (SVA) as founding CEO in 2002 after 15 years as a co-founder and Executive Director of Macquarie Group's private equity arm, Macquarie Direct Investment. He was also closely involved in the creation of the unique GoodStart non-profit syndicate.

He maintains a balance of primarily social purpose non-executive involvements. As well as being Executive Director of For Purpose Investment Partners, Michael is Chair of the Paul Ramsay Foundation and a Director of MH Carnegie & Co, Hearts & Minds Investments, Catalyst Education and Australian Philanthropic Services. He is an Adjunct Professor at the Centre for Social Impact at UNSW and author of *Jumping Ship*, winner of the 2017 Ashurst Business Literature Prize.

He holds a BA (Hons) from the University of Melbourne and an MBA from Harvard University. Michael was recognised as a *Financial Review* *BOSS Magazine* 'True Leader' in 2007. He was made a Member of the Order of Australia in 2010 in recognition of his service to the Australian non-profit sector through the work of SVA.



Georgina Williams

Director since July 2018.

Georgie is a professional director and serves on a number of boards. As well as Sunsuper, she is currently a Director on ASX-listed Lifestyle Communities Ltd and East 33. She also serves on the Boards of People's Choice Credit Union and UN Women Australia. Georgie also serves as the Chair of the Audit Committee for East 33 and is a member of the Audit Committee for Lifestyle. She has previously been a Director and Audit Committee member for ASX-listed Reece Ltd.

Georgie has over 25 years' experience in banking and superannuation, including roles as Chief Executive Officer, Food and Wine Victoria; Group Executive Engagement, Advocacy and Brand at AustralianSuper; and Head of Brand and Marketing at the Bank of Melbourne. She also held a number of executive positions at NAB over many years in both Australia and the UK.

She was recognised as one of Australia's Top 50 CMOs in 2016 by *CMO Magazine*. She served as a judge on the Top 50 CMO panel 2020 determining Australia's top marketers.

Georgie has a Bachelor of Commerce and a Bachelor of Arts from the University of Melbourne. She is also a member of the Australian Institute of Company Directors and a graduate of the AICD Company Directors' Course.



Catherine Wood AM

Director since December 2019.

Catherine has worked in the profit-for-member superannuation sector for over 20 years starting as an Executive and Director of AGEIST Super then serving as a Fund Director and Chair of CareSuper. She has also served as a Director of the Industry Super Property Trust (ISPT Pty Ltd) and industry bodies AIST (President), Industry Super Australia and Women in Super (Chair).

Catherine was a Director of the Victorian Legal Services Board and is currently a member of the Professional Standards Councils. She was a Director of the Mother's Day Classic Foundation.

Catherine has served on fund committees dealing with investment, audit compliance and risk, insurance, member services, people and culture, governance and merger. She has participated in the development and advocacy of industry policy, including measures to improve retirement outcomes for women, governance codes and professional development through her involvement with industry bodies.

Catherine has a Bachelor of Arts, is a graduate of the AIST Directors' Course and is a Fellow of AIST. Catherine was made a Member of the Order of Australia in 2020 in recognition of her significant service to the superannuation sector, to women and to trade unions.

Trustee information

The Trustee of the Sunsuper Superannuation Fund is Sunsuper Pty Ltd (ABN 88 010 720 840), which is licensed by the Australian Prudential Regulation Authority (APRA) under a Registrable Superannuation Entity (RSE) licence and holds an Australian Financial Services Licence (AFSL) (AFSL No. 228975) from the Australian Securities and Investments Commission (ASIC).

The Trustee is responsible for managing the Fund and ensuring it operates in the best interests of all members and continues to comply with all legal requirements.

Sunsuper Pty Ltd has a Board of Directors comprised of an equal number of member and employer nominated and independent directors.

The Board of Directors is independent of the management of Sunsuper Pty Ltd and free of any business relationship or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board annually reviews the positions and associations of each of the directors in order to ensure this independence is maintained.

As at 30 June 2021, there are five standing Board Committees that assist the Board in the discharge of its responsibilities. These committees are the Investment Committee, the Audit, Compliance and Risk Management Committee, the Nominations and Remuneration Committee, the Member Outcomes and Claims Committee and the Corporate Plans Committee. All are governed by their own charters as approved by the Board, and their membership is approved by the Board.

These committees review matters for consideration by the Board, or make decisions as a delegate of the Board. A number of these Board Committees have appointed external experts as advisers, as outlined below.

The Investment Committee is responsible for reviewing, monitoring and making recommendations and

decisions on the investment activities of the Sunsuper Superannuation Fund. In addition to the director members, the committee has appointed a non-director member as an external Investment Expert, Rodney Green. The committee is also advised by an external adviser, Gus Sauter.

The Audit, Compliance and Risk Management Committee is responsible for reporting to and advising the Board on audit, compliance and risk management issues. All members of the Audit, Compliance and Risk Management Committee are directors of the Trustee. The committee is advised by an external adviser, Jeff Pollock.

The Member Outcomes and Claims Committee is responsible for assisting the Board with ensuring Sunsuper's products, services and corporate strategy deliver member outcomes consistent with acting in members' best interests and the requirements of Prudential Standard SPS 515. The committee also provides oversight of the Fund's Death, Disability and Terminal Illness claims and advises on the effectiveness of claims management. All members of the Member, Outcomes and Claims Committee are directors of the Trustee. The committee was advised by an external adviser, Jane Dorter. Jane resigned from this position effective as at 24 August 2020.

Sunsuper has developed and implemented a comprehensive risk management framework, which focuses on the identification, analysis, evaluation, treatment, monitoring and communication of risks. The risk management framework is subject to limited annual assurance from Sunsuper's external auditor in accordance with prescribed auditing standards as well as further comprehensive review from Sunsuper's internal audit function in accordance with the requirements of APRA's SPS 220 - Risk Management.

Members of the Board

As at 30 June 2021

Member nominated directors		Nominated by
Michael Clifford		Qld Council of Unions
Catherine Wood		Qld Council of Unions
Mark Goodey		Australian Workers Union of Employees Qld
Employer nominated directors		Nominated by
Elizabeth Hallett		Chamber of Commerce and Industry Queensland (CCIQ)
Mark Harvey		Chamber of Commerce and Industry Queensland (CCIQ)
Georgina Williams		Chamber of Commerce and Industry Queensland (CCIQ)
Independent directors		Nominated by
Andrew Fraser (Chair)		Sunsuper Board
Jennifer Mack		Sunsuper Board
Michael Traill		Sunsuper Board

Evaluation of Board and executives

The Board has implemented a process for the periodic review and evaluation of its performance and the performance of its committees, individual directors and executives.

Sunsuper's Chief Executive Officer (CEO), in conjunction with the Nominations and Remuneration Committee, makes recommendations to the Board for the approval of the performance objectives and measures for executives, and provides input into the evaluation of performance against these objectives.

Performance evaluations for the 2020-21 financial year have been conducted in accordance with the approved process for the executives and the Board.

Remuneration of directors and executives

Director remuneration consists of Board and committee fees and superannuation guarantee contributions. The fees reflect the demands on and responsibilities of those directors. Director remuneration was paid by Sunsuper Pty Ltd.

For the 2021 financial year, the Board decided to take a 10 per cent reduction in directors' fees between 1 July 2020 to 31 December 2020, in acknowledgement of the effect COVID-19 had on the Fund.

Executive remuneration comprises salaries, superannuation contributions, and short-term incentive bonuses. The Board, in conjunction with the Nominations and Remuneration Committee and the CEO, is responsible for determining the remuneration of key management personnel. The Nominations and Remuneration Committee reviews the CEO's remuneration. The committee makes recommendations to the Board for approval of the CEO's remuneration.

Director and executive remuneration including the CEO's, is reviewed at least annually. Remuneration levels are benchmarked against independent external sources. The directors and executives are paid in accordance with Remuneration Policies. In the case of directors, fees may be paid to the Director, paid to the employer of the Director or salary sacrificed as superannuation contributions.

Remuneration paid and payable

The following tables set out the detailed remuneration paid and payable to directors and key management personnel.

Year ended 30 June 2021	Base director fees and salary including short-term leave ⁽²⁾ \$	Chair fees, Board and Committee ⁽³⁾ \$	Incentive and other bonus \$	Non-monetary benefits - reportable fringe benefits \$	Superannuation contributions, (including salary sacrifice superannuation payments) \$	Long service leave \$	Termination benefits \$	Total ⁽⁶⁾ \$
Andrew Fraser	145,126	-	-	-	19,592	-	-	164,718
Michael Clifford ⁽¹⁾	63,846	37,418	-	-	13,553	-	-	114,817
Mark Goodey ⁽⁴⁾	63,846	-	-	-	8,619	-	-	72,465
Mary Elizabeth Hallett	63,846	37,418	-	-	13,553	-	-	114,817
Mark Harvey	63,846	12,472	-	-	10,264	-	-	86,582
Jennifer Mack	63,846	37,418	-	-	13,553	-	-	114,817
Michael Traill	63,846	24,946	-	-	11,909	-	-	100,701
Georgina Williams	63,846	37,418	-	-	13,553	-	-	114,817
Catherine Wood	63,846	9,546	-	-	9,869	-	-	83,261
Bernard Reilly	737,932	-	124,728	-	109,374	-	-	972,034
Ian Patrick	466,271	-	455,602	-	122,496	-	-	1,044,369
Shane Channells	60,983	-	8,659	-	9,592	-	-	79,234
Stevhan Davidson	285,604	-	113,593	-	53,633	4,246	-	457,076
Lachlan East	310,626	-	115,776	-	56,624	5,039	-	488,065
Rodney Greenaway ⁽⁵⁾	307,424	-	134,041	-	59,277	-	-	500,742
Teresa Hamilton	287,171	-	144,052	-	56,231	4,700	-	492,154
Danielle Mair	266,563	-	118,047	-	51,849	4,414	-	440,873
Jason Sommer	420,186	-	150,000	-	59,479	-	56,280	685,945
Steven Travis	391,524	-	192,941	-	77,661	-	-	662,126
Petrina Weston	245,192	-	125,286	-	50,794	29,353	-	450,625
Teifi Whatley	315,216	-	130,777	-	60,768	4,890	-	511,651
David Woodall	398,457	-	184,785	2,626	74,915	-	-	660,783

(1) Director fees were paid to the employer of the Director, Queensland Council of Unions.

(2) The figures exclude amounts that have been salary sacrificed as superannuation payments.

(3) Additional Board and Committee allowances are paid for the following positions: Investment Committee Chair, Audit Compliance and Risk Management Committee Chair, Nominations and Remuneration Committee Chair, and Claims Committee Chair. Director chairs who sit as a chair on one or more Committees are only entitled to one chair allowance. Directors who sit on two or more committees are also provided an additional committee allowance (and only one committee allowance is paid).

(4) Director fees were paid to the employer of the Director, The Australian Workers' Union of Employees.

(5) Rodney Greenaway's employment changed to the Fund 30 September 2020 and prior to this he was remunerated by Precision Administration Services Pty Ltd.

(6) Reporting is in line with accounting standards and this may not agree to cash physically paid in the financial year.

Year ended 30 June 2020	Base director fees and salary including short-term leave ⁽²⁾ \$	Chair fees, Board and Committee ⁽³⁾ \$	Incentive and other bonus \$	Non- monetary benefits - reportable fringe benefits \$	Superannuation contributions, (including salary sacrifice superannuation payments) \$	Long service leave \$	Termination benefits \$	Total ⁽⁶⁾ \$
Andrew Fraser	158,243	-	-	-	20,557	-	-	178,800
Michael Clifford ⁽¹⁾	66,989	52,515	-	-	15,746	-	-	135,250
Mark Goodey ⁽⁴⁾	33,494	-	-	-	4,278	-	-	37,772
Mary Elizabeth Hallett	66,989	39,628	-	-	14,393	-	-	121,010
Mark Harvey	66,989	13,209	-	-	10,827	-	-	91,025
Jennifer Mack	66,989	39,628	-	-	14,393	-	-	121,010
Roslyn McLennan ⁽¹⁾	5,446	3,222	-	-	305	-	-	8,973
Benjamin Swan	33,494	6,605	-	-	5,413	-	-	45,512
Michael Traill	66,989	26,419	-	-	12,610	-	-	106,018
Georgina Williams	66,989	29,564	-	-	13,035	-	-	109,588
Catherine Wood	38,062	-	-	-	5,138	-	-	43,200
Bernard Reilly	513,202	-	-	-	64,323	-	-	577,525
Ian Patrick	459,841	-	-	-	59,602	-	-	519,443
Stevhan Davidson	261,898	-	-	-	35,230	4,258	-	301,386
Lachlan East	300,952	-	-	-	40,764	38,875	-	380,591
Rodney Greenaway ⁽⁵⁾	76,636	-	-	-	10,106	-	-	86,742
Teresa Hamilton	293,068	-	-	-	36,643	4,712	-	334,423
Danielle Mair	265,012	-	-	-	35,775	4,425	-	305,212
Jason Sommer	421,491	-	-	-	56,440	-	-	477,931
Steven Travis	383,224	-	-	-	46,659	-	-	429,883
Petrina Weston	248,718	-	-	-	33,750	-	-	282,468
Teifi Whatley	321,938	-	-	-	42,936	7,168	-	372,042
David Woodall	377,754	-	-	11,356	49,778	-	-	438,888
Scott Hartley	283,145	-	-	-	33,639	-	-	316,784

(1) Director fees were paid to the employer of the Director, Queensland Council of Unions.

(2) The figures exclude amounts that have been salary sacrificed as superannuation payments.

(3) Additional Board and Committee allowances are paid for the following positions: Investment Committee Chair, Audit Compliance and Risk Management Committee Chair, Nominations and Remuneration Committee Chair, and Claims Committee Chair. Director chairs who sit as a chair on one or more Committees are only entitled to one chair allowance. Directors who sit on two or more committees are also provided an additional committee allowance (and only one committee allowance is paid).

(4) Director fees were paid to the employer of the Director, The Australian Workers' Union of Employees.

(5) Rodney Greenaway is employed and remunerated by Precision Administration Services Pty Ltd.

(6) Reporting is in line with accounting standards and this may not agree to cash physically paid in the financial year.

Short-term incentive plan

The short-term incentive plan rewards individual executives for achievement of goals and attributes. Performance goals are set at the beginning of the financial year to which they relate and are measured over the course of each financial year (July to June). Performance goal results are assessed through the remuneration review process that occurs annually.

A comprehensive explanation of remuneration for key management personnel can be found on our website at [sunsuper.com.au/governance-and-reporting/prescribed-information](https://www.sunsuper.com.au/governance-and-reporting/prescribed-information) under Executive Officer Remuneration.

The following table sets out information about the short-term incentive bonuses that were paid or payable to each executive in the years ended 30 June 2021 and 30 June 2020. For the 2020 financial year, executives decided to forfeit their incentive payments in acknowledgement of the effect COVID-19 had on the Fund. Terms and conditions covering the payment of short-term incentive are described above.

Name	Incentive bonus inclusive of superannuation payment \$	Financial year the bonus was paid/will be payable	Financial year the performance relates to	% of incentive bonus that was paid/will be payable	% of incentive bonus that was forfeited
Scott Hartley	181,203	2020	2019	50%	50%
Ian Patrick	444,928	2020 & 2021 (1)	2019	95%	5%
Stevhan Davidson	38,185	2020 & 2021 (1)	2019	75%	25%
Lachlan East	113,106	2020 & 2021 (1)	2019	93%	7%
Teresa Hamilton	105,255	2020 & 2021 (1)	2019	75%	25%
Danielle Mair	114,837	2020 & 2021 (1)	2019	75%	25%
Jason Sommer	216,177	2020 & 2021 (1)	2019	88%	12%
Steven Travis	155,414	2020 & 2021 (1,3)	2019	54%	46%
Petrina Weston	35,296	2020 & 2021 (1)	2019	70%	30%
Teifi Whatley	143,844	2020 & 2021 (1)	2019	75%	25%
David Woodall	48,667	2020 & 2021 (1)	2019	75%	25%
Bernard Reilly	141,567	2022, 2023 & 2024 (4)	2021	91%	9%
Ian Patrick	517,108 (2)	2022, 2023 & 2024 (4)	2021	95%	5%
Shane Channells	9,871	2022 & 2023 (7)	2021	88%	12%
Stevhan Davidson	128,928	2022, 2023 & 2024 (4)	2021	84%	16%
Lachlan East	131,406	2022, 2023 & 2024 (4)	2021	97%	3%
Rodney Greenaway	152,137	2022, 2023 & 2024 (4)	2021	84%	16%
Teresa Hamilton	163,499	2022, 2023 & 2024 (4)	2021	97%	3%
Danielle Mair	133,984	2022, 2023 & 2024 (4)	2021	84%	16%
Petrina Weston	142,200	2022, 2023 & 2024 (4)	2021	95%	5%
Teifi Whatley	148,432	2022, 2023 & 2024 (4)	2021	84%	16%
David Woodall	209,731	2022, 2023 & 2024 (4)	2021	95%	5%
Jason Sommer	150,000	2021 (5)	2021	100%	0%
Steven Travis	218,988	2022, 2023 & 2024 (4,6)	2021	95%	5%

(1) 75% of the total incentive payment will be paid in FY 2020 and remaining 25% will be paid in FY 2021.

(2) 66.67% of the total incentive payment will be paid in FY 2020 and remaining 33.33% will be paid in FY 2021.

(3) Sign on bonus paid in 2019.

(4) 60% of the total incentive payment will be paid in FY 2022 20% will be paid in FY 2023 and the remaining 20% paid in FY2024.

(5) Retention bonus incurred and paid in 2021. FY2021 incentive payment was 100% forfeited.

(6) Steven Travis' role was retrenched and he is expected to leave Sunsuper 8 October 2021. The deferred amount will remain on-foot and payable on the 2 year schedule at Board discretion.

(7) 75% of the total incentive payment will be paid in FY 2022 and remaining 25% will be paid in FY 2023.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member).

	Board	Audit, Compliance and Risk Management Committee	Investment Committee	Nominations and Remuneration Committee	Member Outcomes and Claims Committee	Corporate Plans Committee
Numbers of meetings held in the year	13	8	5	6	15	9
Directors	Number of meetings attended					
Andrew Fraser	13 (13)	8 (8)	5 (5)	6 (6)	N/A	N/A
Catherine Wood	13 (13)	N/A	5 (5)	N/A	9 (9)	N/A
Elizabeth Hallett	13 (13)	8 (8)	5 (5)	6 (6)	N/A	9 (9)
Georgina Williams	13 (13)	N/A	5 (5)	N/A	15 (15)	9 (9)
Jenni Mack	13 (13)	N/A	N/A	6 (6)	15 (15)	9 (9)
Mark Goodey	13 (13)	8 (8)	N/A	N/A	N/A	N/A
Mark Harvey	12 (13)	6 (8)	N/A	N/A	14 (15)	N/A
Michael Clifford	12 (13)	N/A	5 (5)	6 (6)	N/A	N/A
Michael Traill	10 (13)	N/A	4 (5)	N/A	N/A	N/A

Important notes:

- Numbers shown in brackets represent the number of meetings each Director was eligible to attend and are based on 1 July 2020 to 30 June 2021. The Board approves a charter for each committee. Eligibility to attend meetings may be less than the number of meetings held in the year due to appointment and resignation of directors and rotation of committee membership.
- Members of the Audit, Compliance and Risk Management Committee at 30 June 2021 were Elizabeth Hallett, Andrew Fraser, Mark Goodey and Mark Harvey.
- Members of the Investment Committee at 30 June 2021 were Michael Traill, Andrew Fraser, Catherine Wood, Elizabeth Hallett, Georgina Williams and Michael Clifford.
- Members of the Nominations and Remuneration Committee at 30 June 2021 were Michael Clifford, Andrew Fraser, Elizabeth Hallett and Jenni Mack.
- Members of the Member Outcomes and Claims Committee at 30 June 2021 were Jenni Mack, Catherine Wood, Georgina Williams, and Mark Harvey.
- Members of the Corporate Plans Committee at 30 June 2021 were Georgina Williams, Elizabeth Hallett and Jenni Mack.

Reserves

The Trustee maintains a number of reserves in the Fund. The Trustee is required to maintain adequate financial resources to address losses arising from operational risks that may affect its business operations. The operational risk financial requirement (ORFR) is the target amount of financial resources that the Trustee determines is necessary to respond to these losses.

The Trustee sets an ORFR target amount at 0.25 per cent of Fund net assets plus 0.10 per cent of Sunsuper Pooled Superannuation Trust (PST) net assets. The PST is 100 per cent owned by Sunsuper Superannuation Fund and has the same Trustee as the Fund.

The Trustee may call upon the resources held to meet the ORFR target amount to make a payment to address an operational risk that has materialised and caused one or more beneficiaries in the Fund or in the PST to sustain a loss, or to be deprived of a gain, to which they otherwise would have been entitled, in relation to their benefits in the Fund or in the PST. Initial funding of the ORFR and future top-up or replenishment is from the general reserve. The ORFR is invested in the Balanced investment option.

Over the past three years, Sunsuper's ORFR has been:

As at 30 June	2021	2020	2019
Reserve (\$M)	238	183	180
Reserve attributed to the PST (\$M)	11.1	9.5	9.3

The ORFR balance is disclosed in the statement of financial position on page 47 of this report.

The Trustee maintains a general reserve in the Fund for the benefit of members. The general reserve is maintained in order to:

- assist meeting the operating expenses of the Fund,
- assist with the management of the operational risks of the Fund, including meeting losses from events not covered by insurance, or not claimed under insurance policies and not met from the ORFR,
- assist the ORFR,
- assist the timing differences between the level of investment tax and the investment costs incurred and the level of investment tax and investment fees charged to members, and
- assist expenses and capital investments in assets designed to enhance the efficiency of the Fund's operations.

The Trustee does not maintain the general reserve for the purpose of smoothing investment earnings for any investment option. Members' accounts are credited or debited with the actual earnings of their investment option or options via daily unit prices (member balances are calculated by multiplying the number of units they have in each investment option by the unit price for each option).

The general reserve may only be invested in:

- the Balanced investment option,
- low volatility investments (e.g. cash) to fund significant short-term liabilities (e.g. taxes),
- new investment options up to a combined total of \$5 million to provide seed funding on a temporary basis, and
- any other investments approved by the Trustee.

Over the past five years, Sunsuper's general reserve has been:

As at 30 June	2021	2020	2019	2018	2017
Reserve (\$M)	406	224	319	304	195

The general reserve balance is disclosed in the statement of financial position on page 47 of this report.

As part of our arrangements with insurer AIA Australia, we may receive a refund of premiums depending on the level of claims members make against their insurance policies. We pass on any refunded premiums through adjustments to future premiums members pay, or use them to improve our insurance administration.

Any refunded premiums that we have received but not yet passed on or used are allocated to an insurance reserve.

Over the past five years, Sunsuper's insurance reserve has been:

As at 30 June	2021	2020	2019	2018	2017*
Reserve (\$M)	1.0	1.0	4.0	Nil	0.0

* The insurance reserve for 2017 was \$16,643.

Compliance

Sunsuper complies

Sunsuper is a regulated fund under the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*, and has been a complying fund since its inception in 1987. Sunsuper was granted an RSE licence by the Australian Prudential Regulation Authority (APRA) on 21 October 2005.

It is the Trustee's responsibility to ensure that Sunsuper meets its licensing obligations, including compliance with the RSE licensee laws and the maintenance of a risk management strategy and plan. As a result of its complying fund status, Sunsuper members benefit from the lower tax rates that apply to complying funds. The Trustee lodges a return each year with APRA indicating the Fund's compliance with relevant legislation, including the SIS Act.

As an Australian Financial Services licensee, Sunsuper must also have arrangements in place to ensure that it complies with its licensee obligations as determined by the Australian Securities and Investment Commission (ASIC).

These obligations relate to conduct and disclosure; the provision of financial services; the competence, knowledge and skills of its responsible officers, as well as their fitness and propriety; the training and competence of its staff and representatives; and dispute resolution and compensation arrangements.

Sunsuper has planned and implemented compliance measures, processes and procedures designed to ensure it meets these obligations.

Further information

Further information to help you understand your benefits or entitlements, the main features of the Fund, the management and financial condition of the Fund, and the Fund's investment performance or investment strategies is available by calling us on **13 11 84** or visiting [sunsuper.com.au](https://www.sunsuper.com.au)

Insurance

The Trustee has implemented a comprehensive insurance program, which includes liability and professional indemnity insurance policies. This program is designed to transfer some of the financial risks faced by the Trustee and the Fund to other parties. The nature and extent of the insurance policies in place have been determined through risk analysis and consultation with external risk advisers.

Sunsuper's professional indemnity insurance policies cover claims in relation to the conduct of both past and present representatives of Sunsuper.

Superannuation surcharge

This surcharge was abolished from 1 July 2005; however, surcharge amounts may have been advised by the Australian Taxation Office (ATO) and been deducted from members' accounts during the previous financial year.

Sunsuper as the Trustee is responsible for the collection and the remittance of these amounts to the ATO and will deduct any surcharge payable from your account.

Concerns and complaints

If you are unhappy with our service or super fund, we offer a complaint resolution process at no additional cost to you.

Customer Service Team:

13 11 84

Sunsuper Customer Relations Team
GPO Box 2924 Brisbane Qld 4001

[sunsuper.com.au/contact-us](https://www.sunsuper.com.au/contact-us)

We will do everything we can to resolve the issue as quickly as possible. If you are not happy with our response you can contact the Australian Financial Complaints Authority (AFCA). This is an independent body set up by the federal government to help resolve disputes between financial institutions and their customers.

You can also choose to take your complaint directly to AFCA. In some circumstances, AFCA may refer your complaint back to Sunsuper.

AFCA's contact details are as follows:

Australian Financial Complaints Authority

GPO Box 3 Melbourne VIC 3001

Call: 1800 931 678

Email: info@afca.org.au

Web: www.afca.org.au

Access to AFCA is free of charge.

AFCA will advise you if they can deal with your complaint, and, if so, what information you need to supply. It is possible that AFCA cannot deal with your matter.

Please note, under AFCA's Operational Guidelines, only businesses, organisations and other entities with less than 100 employees are able to submit a complaint to AFCA to resolve. For detailed information on this restriction, please review the Operation Guidelines on AFCA's website or contact AFCA directly for more information.

Unit pricing error compensation

Sunsuper has put in place comprehensive controls in order to minimise the chance of unit pricing errors. Should an error occur and Sunsuper determines that compensation is payable to members that have been adversely affected, we aim to ensure existing Sunsuper members are in the same financial position as if the error did not occur. For exited members only amounts \$20 or greater will be compensated. Sunsuper's policy is in line with industry standards and regulatory guidelines.

Professional advisers

Administrator	Precision Administration Services Pty Ltd*
Custodian	State Street Australia Limited
Auditor	Deloitte Touche Tohmatsu
Investment consultants	JANA Investment Advisers Pty Ltd Aksia LLC Mercer Investments (Australia) Limited Stepstone Group LP
Insurers	AIA Australia Limited MetLife Insurance Limited Hannover Life Re of Australasia Ltd OnePath Life Limited Colonial Mutual Assurance Society Limited MLC Limited
Actuaries	Sunsuper Financial Services Pty Ltd Aon Solutions Australia Limited Mercer Consulting (Australia) Pty Ltd Towers Watson Australia Pty Ltd

* Wholly owned (via its custodian) by Sunsuper Pty Ltd as Trustee of the Sunsuper Superannuation Fund.

Financial statements

The financial statements identify:

- all contributions to the Fund,
- where the Fund's money was invested and how much income it earned,
- expenses the Fund incurred and other revenue the Fund earned,
- the net assets in the Fund available to pay future benefits, and
- the amount the Fund paid out in benefits.

The Trustee is satisfied that the following abridged financial information derived from the audited Financial Statements of the Fund represents a true and fair record of the Fund's financial position as at 30 June 2021 and the results of its operations, cashflows, changes in reserves and changes in members' benefits for the year ended 30 June 2021. Audited Financial Statements and the Independent Report by the Fund's auditors are available on our website at sunsuper.com.au/annual-reports

You can also contact us on **13 11 84** to request a copy to be sent to you.

Income statement for the year ended 30 June 2021

	2021 \$M	2020 \$M
Superannuation activities		
Revenue		
Interest revenue	289	330
Dividend revenue	1,080	1,069
Distribution income	361	538
Rental and other income	60	55
Changes in fair value of investments	14,044	(3,501)
Total revenue	15,834	(1,509)
Expenses		
Direct investment expenses	(240)	(173)
Administration services expense	(142)	(122)
Other operating expenses	(86)	(85)
Total expenses	(468)	(380)
Results from superannuation activities before income tax expense	15,366	(1,889)
Income tax (expense)/benefit attributable to net result	(1,209)	417
Results from superannuation activities after income tax expense	14,157	(1,472)
Net benefits allocated to defined contribution members	(13,509)	1,378
Net change in defined benefit member benefits	(12)	(72)
Operating result after income tax	636	(166)

Statement of financial position as at 30 June 2021

	2021 \$M	2020 \$M
Assets		
Investments		
Australian shares	24,733	18,033
International shares	22,557	14,198
Private capital	6,547	4,945
Property	7,366	6,342
Infrastructure	5,063	5,348
Fixed interest	10,743	8,879
Alternative strategies	3,837	3,289
Cash	4,182	4,193
Diversified strategies	-	1,094
Total investments	85,028	66,321
Other assets		
Cash and cash equivalents	8,645	4,414
Receivables and other assets	126	147
Total other assets	8,771	4,561
Total assets	93,799	70,882
Liabilities		
Benefits payable and other liabilities	264	264
Current tax liabilities	1,015	484
Deferred tax liabilities	1,653	727
Total liabilities	2,932	1,475
Net assets available for member benefits	90,867	69,407
Member liabilities		
Defined contribution member liabilities	87,690	67,371
Defined benefit member liabilities	1,858	1,353
Total member liabilities	89,548	68,724
Total net assets	1,319	683
Equity		
General reserve	406	224
Insurance reserve	1	1
Operational risk financial requirement (ORFR)	238	183
Defined benefits surplus	674	275
Total equity	1,319	683

Statement of changes in reserves for the year ended 30 June 2021

	General reserve \$M	Insurance reserve \$M	Operational risk financial requirement (ORFR) \$M	Defined benefits surplus \$M	Total \$M
Opening balance as at 1 July 2020	224	1	183	275	683
Successor fund transfers	-	-	-	-	-
Successor fund transfers - prior year distributed	-	-	-	-	-
Operating result	198	-	39	399	636
Transfer to ORFR	(16)	-	16	-	-
Closing balance as at 30 June 2021	406	1	238	674	1,319
Opening balance as at 1 July 2019	319	4	180	375	878
Successor fund transfers	-	-	1	-	1
Successor fund transfers - prior year distributed	(30)	-	-	-	(30)
Operating result	(60)	(3)	(3)	(100)	(166)
Transfer to ORFR	(5)	-	5	-	-
Closing balance as at 30 June 2020	224	1	183	275	683

Statement of changes in member benefits for the year ended 30 June 2021

	Defined contribution member benefits \$M	Defined benefit member benefits \$M	Total \$M
Opening balance as at 1 July 2020	67,371	1,353	68,724
Employer contributions	5,057	47	5,104
Member contributions	1,190	1	1,191
Transfers from other funds	3,587	-	3,587
Successor fund transfers	3,197	527	3,724
Income tax on contributions	(802)	(7)	(809)
Net after tax contributions and rollovers	12,229	568	12,797
Benefits to members	(3,663)	(59)	(3,722)
Benefits to members - Early release COVID-19	(1,760)	-	(1,760)
Insurance proceeds credited to members' accounts	253	-	253
Insurance premiums charged to members' accounts (net of tax)	(264)	(1)	(265)
Transfers from defined benefit account to defined contribution account	15	(15)	-
<i>Net benefits allocated, comprising:</i>			
Net investment income	13,662	-	13,662
Net administration fees	(153)	-	(153)
Net change in defined benefit member benefits	-	12	12
Closing balance as at 30 June 2021	87,690	1,858	89,548
Opening balance as at 1 July 2019	66,101	1,330	67,431
Employer contributions	4,518	29	4,547
Member contributions	862	-	862
Transfers from other funds	3,525	-	3,525
Successor fund transfers	465	-	465
Income tax on contributions	(701)	(4)	(705)
Net after tax contributions and rollovers	8,669	25	8,694
Benefits to members	(4,245)	(50)	(4,295)
Benefits to members - Early release COVID-19	(1,823)	-	(1,823)
Insurance proceeds credited to members' accounts	288	-	288
Insurance premiums charged to members' accounts (net of tax)	(264)	(1)	(265)
Transfers from defined benefit account to defined contribution account	23	(23)	-
<i>Net benefits allocated, comprising:</i>			
Net investment income	(1,230)	-	(1,230)
Net administration fees	(148)	-	(148)
Net change in defined benefit member benefits	-	72	72
Closing balance as at 30 June 2020	67,371	1,353	68,724

Statement of cash flows for the year ended 30 June 2021

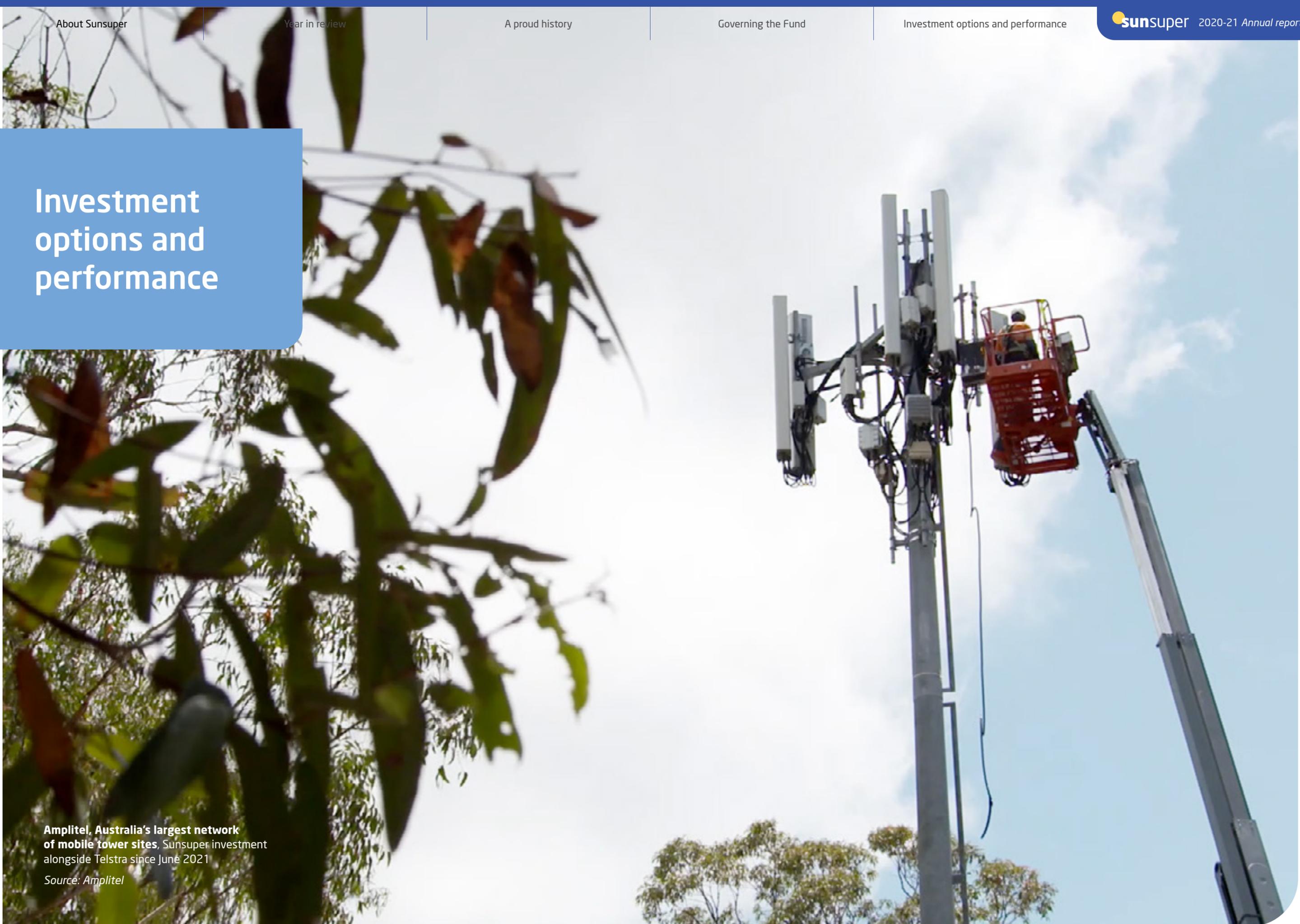
	2021 \$M	2020 \$M
Cash flows from operating activities		
Interest received	329	301
Dividends and distributions received	1,134	1,598
Rental and other income received	144	53
Insurance proceeds received	268	324
Administration service expense paid	(128)	(132)
Direct investment expense paid	(247)	(181)
Other operating expenses paid	(67)	(128)
Group life insurance premiums paid	(308)	(317)
Income tax paid	(516)	(365)
Net inflows of cash from operating activities	609	1,153
Cash flows from investing activities		
Purchase of investments	(42,179)	(38,497)
Proceeds from sale of investment	39,756	37,699
Net outflows of cash from investing activities	(2,423)	(798)
Cash flows from financing activities		
Employer contributions received	5,104	4,548
Member contributions received	1,191	862
Transfers from other funds	3,587	3,525
Successor fund transfers	1,697	431
Benefits paid	(5,534)	(6,163)
Net inflows of cash from financing activities	6,045	3,203
Net increase/(decrease) in cash held	4,231	3,558
Cash and cash equivalents at the beginning of the financial year	4,414	856
Cash and cash equivalents at the end of the financial year	8,645	4,414

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Investment options and performance

Amplitel, Australia's largest network of mobile tower sites, Sunsuper investment alongside Telstra since June 2021

Source: Amplitel



Investment options and performance

For more information about our investment options, refer to the *Sunsuper for life Investment guide*. For more information on investment fees and costs, refer to the *Sunsuper for life guide*. For our current *Product Disclosure Statements* and *guides* and any updates refer to [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds). *Sunsuper for life Business* and *Sunsuper for life Corporate* members should refer to their relevant employee microsite.

Investment objectives and strategies

Sunsuper's overall investment objectives are to:

- maximise the real, long-term investment returns (after investment tax and investment fees) subject to the expected risk profiles for each investment option,
- implement an investment manager configuration for each investment option that will in the long term outperform the benchmark return and peer groups,
- avoid exposing each investment option to inappropriate risk through diversification of investments and of managers, and
- maintain sufficient liquid assets so as to pay all benefit and expense obligations in full when due.

Investment options

Diversified	Lifecycle Investment Strategy (<i>Super-savings account</i>)
	Growth
	Balanced
	Balanced - Index
	Socially Conscious Balanced
	Diversified Alternatives
	Retirement
	Conservative
Single Asset Class	Shares
	Australian Shares
	Australian Shares - Index
	International Shares - Index (hedged)
	International Shares - Index (unhedged)
	Emerging Markets Shares
	Property
	Australian Property - Index
	Diversified Bonds
	Diversified Bonds - Index
	Cash

The investment objectives, benchmarks, returns, fees and asset allocations for each of the investment options are set out in the panels on pages 55-62.

The panels on pages 55-62 show the objectives and performance benchmarks effective 30 June 2021.

Changes to investment options

As noted in last year's *Annual report*, some changes to investment options took effect from 1 October 2020, including objective changes for the Balanced-Index, Australian Shares and Shares options, and a change to both the objective and performance benchmark for the Diversified Bonds option. The Capital Guaranteed option was closed from 1 January 2021. Further changes were made to investment options on 1 July 2021, including to the performance benchmarks of the Shares and Property options, and the asset allocations of all of Sunsuper's diversified options (plus the Balanced and Retirement Pools of the Lifecycle Investment Strategy). The description of the Property asset class was updated on 12 August 2021.

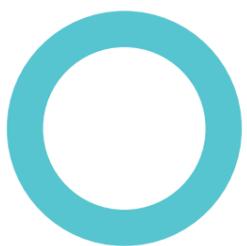
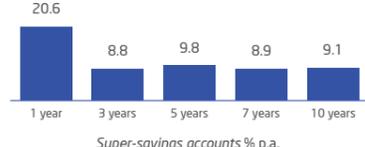
Details of changes made to investment options over the last two years are made available at [sunsuper.com.au/significant-event-notifications](https://www.sunsuper.com.au/significant-event-notifications)

How does Sunsuper use derivatives?

Sunsuper's policy is to allow or instruct our investment managers to use derivatives such as forwards, futures, options and swaps to achieve their investment objectives. However, the managers must operate within specific investment guidelines. Derivatives are used particularly for the purpose of managing risk and rebalancing investment options to their target asset allocations using a combination of derivatives to reflect the risk characteristics of each asset class.

Investment options

Lifecycle Investment Strategy

Balanced Pool	Retirement Pool	Cash Pool																																		
<p>Objectives Beat inflation by 3.5% p.a. over 10-year periods (after investment fees and costs and investment taxes).</p>	<p>Objectives Beat inflation by 2.75% p.a. over 10-year periods (after investment fees and costs and investment taxes).</p>	<p>Objectives Match or exceed the Bloomberg AusBond Bank Bill Index (before investment tax but after investment fees and costs).</p>																																		
Minimum suggested timeframe: 5 years.																																				
<p>Actual % asset allocation at 30 June 2021</p>  <table border="1"> <tr><td>Australian shares</td><td>26.7</td></tr> <tr><td>International shares</td><td>27.3</td></tr> <tr><td>Private capital</td><td>6.5</td></tr> <tr><td>Property</td><td>9.5</td></tr> <tr><td>Infrastructure</td><td>7.5</td></tr> <tr><td>Fixed interest</td><td>13.0</td></tr> <tr><td>Alternative strategies</td><td>5.5</td></tr> <tr><td>Cash</td><td>4.0</td></tr> </table>	Australian shares	26.7	International shares	27.3	Private capital	6.5	Property	9.5	Infrastructure	7.5	Fixed interest	13.0	Alternative strategies	5.5	Cash	4.0	<p>Actual % asset allocation at 30 June 2021</p>  <table border="1"> <tr><td>Australian shares</td><td>19.2</td></tr> <tr><td>International shares</td><td>15.5</td></tr> <tr><td>Private capital</td><td>6.0</td></tr> <tr><td>Property</td><td>9.5</td></tr> <tr><td>Infrastructure</td><td>6.5</td></tr> <tr><td>Fixed interest</td><td>24.8</td></tr> <tr><td>Alternative strategies</td><td>7.0</td></tr> <tr><td>Cash</td><td>11.5</td></tr> </table>	Australian shares	19.2	International shares	15.5	Private capital	6.0	Property	9.5	Infrastructure	6.5	Fixed interest	24.8	Alternative strategies	7.0	Cash	11.5	<p>Actual % asset allocation at 30 June 2021</p>  <table border="1"> <tr><td>Cash</td><td>100</td></tr> </table>	Cash	100
Australian shares	26.7																																			
International shares	27.3																																			
Private capital	6.5																																			
Property	9.5																																			
Infrastructure	7.5																																			
Fixed interest	13.0																																			
Alternative strategies	5.5																																			
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Fixed interest	24.8																																			
Alternative strategies	7.0																																			
Cash	11.5																																			
Cash	100																																			
<p>Investment returns to 30 June 2021^{1,2}</p>  <p style="text-align: center;"><i>Super-savings accounts % p.a.</i></p>	<p>Investment returns to 30 June 2021^{1,2}</p>  <p style="text-align: center;"><i>Super-savings accounts % p.a.</i></p>	<p>Investment returns to 30 June 2021^{1,2}</p>  <p style="text-align: center;"><i>Super-savings accounts % p.a.</i></p>																																		
<p>Fees³</p> <p>Actual investment fees and costs for 2020-21 Inv. Base fee: 0.24% p.a. Inv. Performance-related fee: 0.09% p.a. Indirect cost ratio: 0.73% p.a. Total: 1.06% p.a.</p>	<p>Fees³</p> <p>Actual investment fees and costs for 2020-21 Inv. Base fee: 0.24% p.a. Inv. Performance-related fee: 0.08% p.a. Indirect cost ratio: 0.73% p.a. Total: 1.05% p.a.</p>	<p>Fees³</p> <p>Actual investment fees and costs for 2020-21 Inv. Base fee: 0.08% p.a. Inv. Performance-related fee: 0.00% p.a. Indirect cost ratio: 0.00% p.a. Total: 0.08% p.a.</p>																																		

1. The Balanced, Retirement and Cash Pools commenced on 4 October 2013. The three Pools have identical investments to the respective investment options being the Balanced, Retirement and Cash options. To show our performance for each Pool we have shown the returns of the respective investment options (adjusted to reflect fee differences where applicable) up to 4 October 2013 with returns of each Pool from 4 October 2013.

2. Past performance is not a reliable indication of future performance. Returns are after investment fees and costs and investment taxes but before all other fees and costs.

3. It is important to read the information on page 63. For more information on investment fees refer to the *Sunsuper for life guide*. The Investment Base and Performance-related fees apply to the Lifecycle Investment Strategy as a whole. The indirect cost ratio reflects costs incurred by each individual Pool.

Investment options

Diversified - Multi-asset

Growth

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 4% p.a. and *Retirement income account* by 4.5% p.a. (after investment fees and costs and where applicable investment taxes).¹

Minimum suggested timeframe

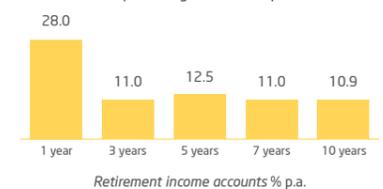
7 years

Actual % asset allocation at 30 June 2021



Australian shares	34.0
International shares	32.0
Private capital	10.0
Property	8.5
Infrastructure	8.5
Fixed interest	2.0
Alternative strategies	5.0

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.24% p.a.
Inv. Performance-related fee: 0.11%p.a.
Indirect cost ratio: 0.90% p.a.
Total: 1.25% p.a.

Balanced

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 3.5% p.a. and *Retirement income account* by 4% p.a. (after investment fees and costs and where applicable investment taxes).¹

Minimum suggested timeframe

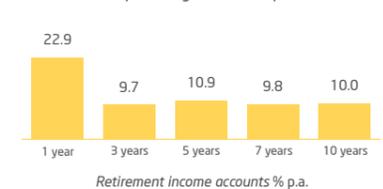
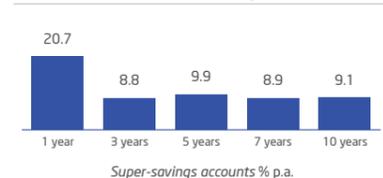
5 years

Actual % asset allocation at 30 June 2021



Australian shares	26.7
International shares	27.3
Private capital	6.5
Property	9.5
Infrastructure	7.5
Fixed interest	13.0
Alternative strategies	5.5
Cash	4.0

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.24% p.a.
Inv. Performance-related fee: 0.09% p.a.
Indirect cost ratio: 0.73% p.a.
Total: 1.06% p.a.

Balanced - Index

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 3.25% p.a. and *Retirement income account* by 3.75% p.a. (after investment fees and costs and where applicable investment taxes).¹

Minimum suggested timeframe

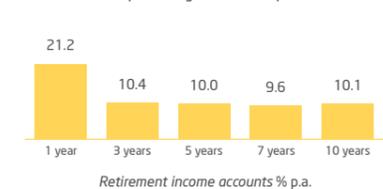
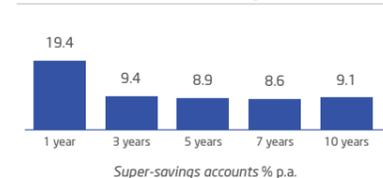
5 years

Actual % asset allocation at 30 June 2021



Australian shares	31.1
International shares	39.4
Fixed interest	29.5

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.09% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.03% p.a.
Total: 0.12% p.a.

Investment options

Diversified - Multi-asset (cont.)

Socially Conscious Balanced

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 3.5% p.a. and *Retirement income account* by 4% p.a. (after investment fees and costs and where applicable investment taxes).¹

Minimum suggested timeframe

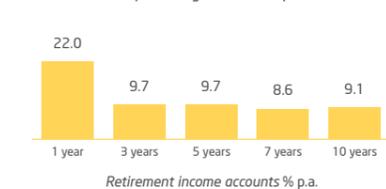
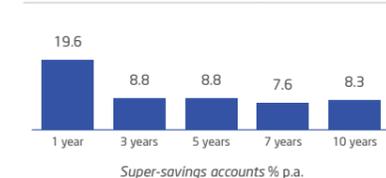
5 years

Actual % asset allocation at 30 June 2021



Australian shares	28.0
International shares	28.9
Private capital	3.8
Property	18.9
Fixed interest	16.3
Cash	4.1

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.22% p.a.
Inv. Performance-related fee: 0.10% p.a.
Indirect cost ratio: 0.32% p.a.
Total: 0.64% p.a.

Diversified Alternatives

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 4.5% p.a. after investment fees and costs and investment taxes and *Retirement income account* by 5% p.a. after investment fees and costs but before investment taxes.¹

Minimum suggested timeframe

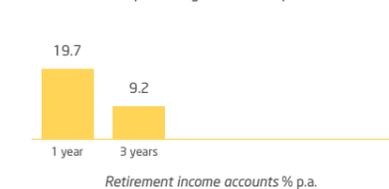
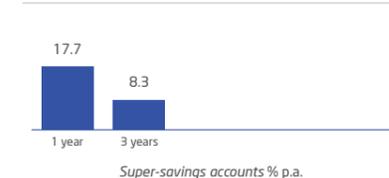
7 years

Actual % asset allocation at 30 June 2021



Private capital	35.6
Infrastructure	33.9
Alternative strategies	25.5
Cash	5.0

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.26% p.a.
Inv. Performance-related fee: 0.37% p.a.
Indirect cost ratio: 2.83% p.a.
Total: 3.46% p.a.

Retirement

Objectives

Beat inflation over 10 years: *Super-savings account* and *Transition to retirement income account* by 2.75% p.a. and *Retirement income account* by 3.25% p.a. (after investment fees and costs and where applicable investment taxes).¹

Minimum suggested timeframe

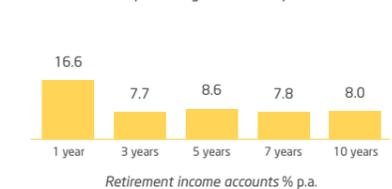
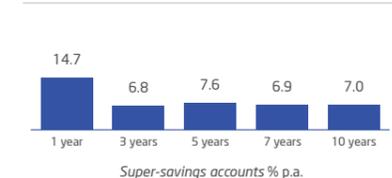
5 years

Actual % asset allocation at 30 June 2021



Australian shares	19.2
International shares	15.5
Private capital	6.0
Property	9.5
Infrastructure	6.5
Fixed interest	24.8
Alternative strategies	7.0
Cash	11.5

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.24% p.a.
Inv. Performance-related fee: 0.08% p.a.
Indirect cost ratio: 0.73% p.a.
Total: 1.05% p.a.

Investment options

Diversified - Multi-asset

Conservative

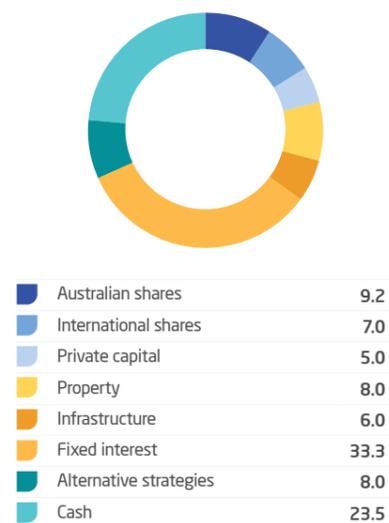
Objectives

Returns (after investment fees and costs and where applicable investment taxes)¹ of 1% p.a. above the Bloomberg AusBond Bank Bill Index after investment tax (where applicable) over a 3-year period.

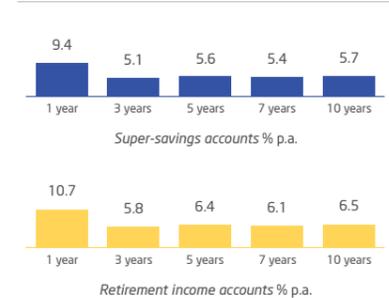
Minimum suggested timeframe

3 years

Actual % asset allocation at 30 June 2021



Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.24% p.a.
 Inv. Performance-related fee: 0.07% p.a.
 Indirect cost ratio: 0.67% p.a.
 Total: 0.98% p.a.

Note: These footnotes apply to the investment options on pages 56-62.

- No investment tax generally applies for *Retirement income accounts*. Refer to the *Sunsuper for life guide* for information on investment tax.
- Past performance is not a reliable indication of future performance.** Returns are after investment fees, costs and taxes (where applicable) but before administration fees and costs. *Transition to retirement income account* returns from 1 July 2017 are the same as for *Super-savings accounts*. Prior to 1 July 2017, *Transition to retirement income account* returns were the same as *Retirement income account* returns. Visit [sunsuper.com.au/performance](https://www.sunsuper.com.au/performance) for historical return information.
- It is important to read the information on page 63. For more information on fees and costs, refer to the *Sunsuper for life guide*.

Investment options

Single asset class

Shares

Objectives

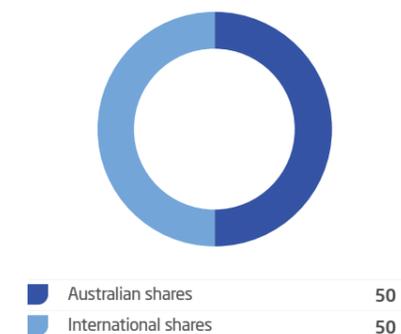
Beat the performance benchmark by 0.25% p.a. before investment taxes¹ but after investment fees and costs over rolling 3-year periods.

Performance benchmark: 50% S&P/ASX 300 Accumulation Index and 25% MSCI ACWI ex Australia Investable Market Index (IMI) in \$A and 25% MSCI ACWI ex Australia IMI hedged to \$A.

Minimum suggested timeframe

7 years

Actual % asset allocation at 30 June 2021



Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.22% p.a.
 Inv. Performance-related fee: 0.02% p.a.
 Indirect cost ratio: 0.05% p.a.
 Total: 0.29% p.a.

Australian Shares

Objectives

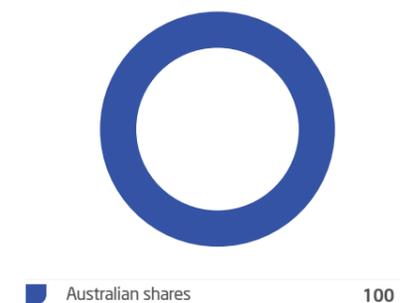
Beat the performance benchmark by 0.25% p.a. before investment taxes¹ but after investment fees and costs over rolling 3-year periods.

Performance benchmark: S&P/ASX 300 Accumulation Index.

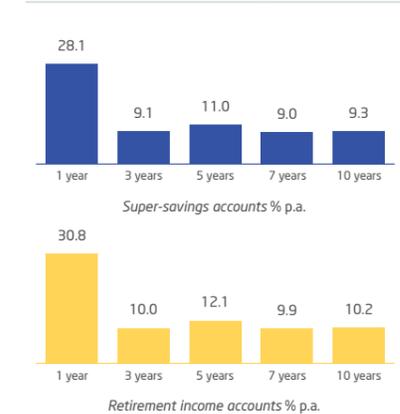
Minimum suggested timeframe

7 years

Actual % asset allocation at 30 June 2021



Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.26% p.a.
 Inv. Performance-related fee: 0.07% p.a.
 Indirect cost ratio: 0.10% p.a.
 Total: 0.43% p.a.

Australian Shares - Index

Objectives

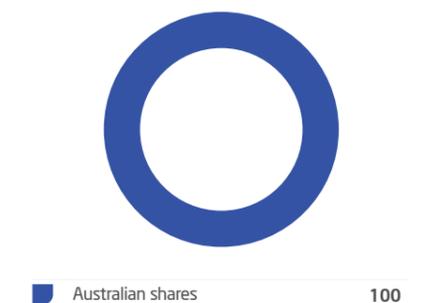
Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

Performance benchmark: S&P/ASX 300 Accumulation Index.

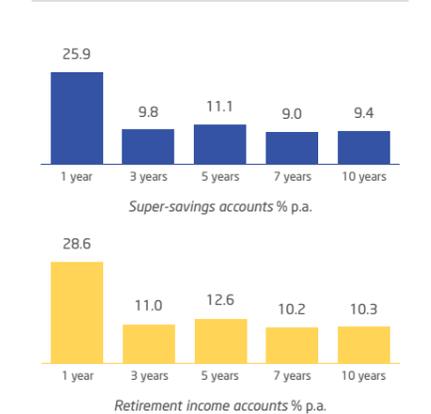
Minimum suggested timeframe

7 years

Actual % asset allocation at 30 June 2021



Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.10% p.a.
 Inv. Performance-related fee: 0.00% p.a.
 Indirect cost ratio: 0.00% p.a.
 Total: 0.10% p.a.

Investment options

Single asset class (cont.)

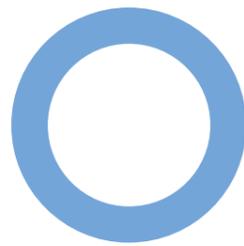
International Shares - Index (hedged)

Objectives
Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

Performance benchmark:
MSCI World ex-Australia Investable Market Index (IMI) in \$A (hedged).

Minimum suggested timeframe
7 years

Actual % asset allocation at 30 June 2021



International shares 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.11% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.02% p.a.
Total: 0.13% p.a.

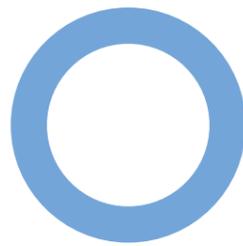
International Shares - Index (unhedged)

Objectives
Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

Performance benchmark:
MSCI World ex-Australia Investable Market Index (IMI) in \$A (unhedged).

Minimum suggested timeframe
7 years

Actual % asset allocation at 30 June 2021



International shares 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.11% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.01% p.a.
Total: 0.12% p.a.

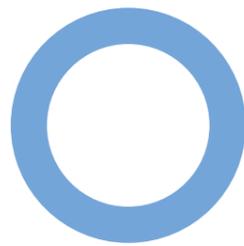
Emerging Markets Shares

Objectives
Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

Performance benchmark:
MSCI Emerging Markets Investable Market Index (IMI) in \$A (unhedged).

Minimum suggested timeframe
7 years

Actual % asset allocation at 30 June 2021



International shares emerging 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.12% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.03% p.a.
Total: 0.15% p.a.

Investment options

Single asset class (cont.)

Property

Objectives
Beat the performance benchmark before investment tax¹ but after investment fees and costs over rolling 5-year periods.

Performance benchmark:
25% FTSE EPRA/NAREIT Global REIT A\$ (A\$ hedged), 45% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index, 18.75% NCREIF Open End Diversified Core Equity Index (A\$ hedged) and 11.25% MSCI Pan-European Quarterly Property Fund Index (A\$ hedged).

Minimum suggested timeframe
7 years

Actual % asset allocation at 30 June 2021



Property 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.19% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.89% p.a.
Total: 1.08% p.a.

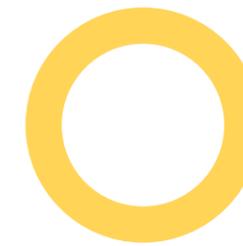
Australian Property - Index

Objectives
Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

Performance benchmark:
S&P/ASX 300 A-REIT Accumulation Index.

Minimum suggested timeframe
7 years

Actual % asset allocation at 30 June 2021



Property 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.07% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.04% p.a.
Total: 0.11% p.a.

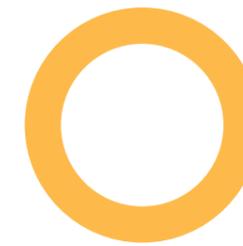
Diversified Bonds

Objectives
Beat the performance benchmark by 0.3% p.a. before investment tax¹ but after investment fees and costs over rolling 3-year periods.

Performance benchmark:
50% Bloomberg Barclays Global Aggregate Index (\$A hedged); and 50% Bloomberg AusBond Composite 0+Yr Index.

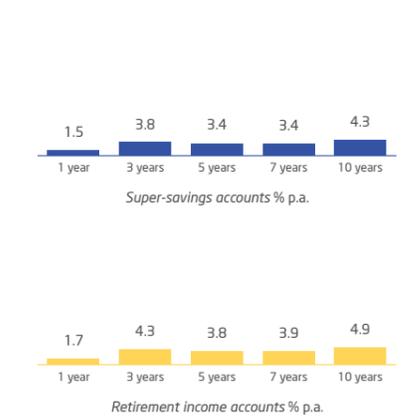
Minimum suggested timeframe
3 years

Actual % asset allocation at 30 June 2021



Fixed Interest 100

Investment returns to 30 June 2021²



Fees³
Actual investment fees and costs for 2020-21
Inv. Base fee: 0.25% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.04% p.a.
Total: 0.29% p.a.

Investment options

Single asset class (cont.)

Diversified Bonds - Index

Objectives

Closely match the return of the performance benchmark before investment tax¹ and investment fees and costs.

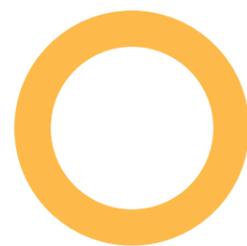
Performance benchmark:

50% Bloomberg Barclays Global Aggregate Index (\$A hedged); and 50% Bloomberg AusBond Composite 0+Yr Index.

Minimum suggested timeframe

3 years

Actual % asset allocation at 30 June 2021



Fixed Interest 100

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.07% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.08% p.a.
Total: 0.15% p.a.

Cash

Objectives

Match or exceed the returns of the performance benchmark before investment tax¹ but after investment fees and costs.

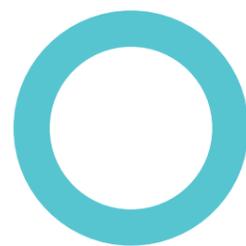
Performance benchmark:

Bloomberg AusBond Bank Bill Index.

Minimum suggested timeframe

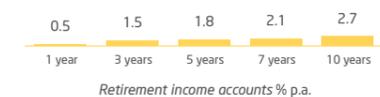
1 year

Actual % asset allocation at 30 June 2021



Cash 100

Investment returns to 30 June 2021²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.08% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.00% p.a.
Total: 0.08% p.a.

Capital Guaranteed

(Closed from 1 January 2021)

Objectives

Beat the performance benchmark after investment tax (where applicable)¹ and investment fees and costs over rolling 3-year periods.

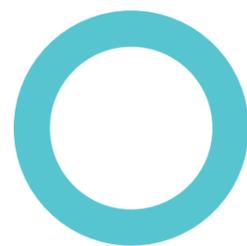
Performance benchmark:

Bloomberg AusBond Bank Bill Index after investment tax (where applicable).¹

Minimum suggested timeframe

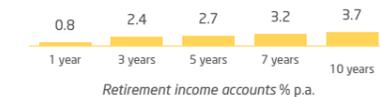
3 years

Actual % asset allocation at 31 Dec 2020



Deposits with ADIs and Capital Guaranteed Investments 100

Investment returns to 31 Dec 2020²



Fees³

Actual investment fees and costs for 2020-21

Inv. Base fee: 0.06% p.a.
Inv. Performance-related fee: 0.00% p.a.
Indirect cost ratio: 0.13% p.a.
Total: 0.19% p.a.

Actual investment fees and costs for 2020-21

Investment fees

At Sunsuper we report the investment fees in two components: the Base fee and the Performance-related fee.

Investment fees cover the costs of investing and managing investments for members. Sunsuper sets investment fees to match expected costs.

The actual investment Base and Performance-related fees for each investment option for 2020-21 are shown in the investment panels on pages 55-62. Actual investment fees may differ from our estimates in some instances as a result of outperformance resulting in higher than expected Performance-related fees. Sunsuper believes paying fees for performance to its investment managers encourages sustained investment performance and avoids rewarding investment managers for underperformance.

If an investment manager who has the potential to earn a fee for performance underperforms their performance target, the investment manager needs to overcome their underperformance in future periods before another fee for performance can be earned.

Indirect cost ratio

Indirect costs are expenses incurred in managing members' investments in addition to investment fees. They are not paid by Sunsuper, but rather are incurred indirectly by our investment managers and as such are included in members' net investment returns.

The indirect cost ratios are the sum of indirect costs expressed as a percentage of the funds in each investment option.

The indirect cost ratios shown in the investment panels on pages 55-62 were calculated after the end of the financial year, using actual costs incurred in 2020-21 where possible. Where actual costs were not available, reasonable estimates of actual costs were used.

For the most up-to-date investment fees and costs and investment option details refer to the current *Product Disclosure Statements* and *guides* at sunsuper.com.au/pds

Investment managers

Customised Investment Management Agreements

As at 30 June 2021

Manager	Asset classes	\$M
Acadian Asset Management (Australia) Ltd	Australian Shares	2,418.1
Affirmative Investment Management Partners Ltd	Fixed Income	151.6
Allegro Funds Pty Ltd	Property	892.6
AMP Capital Investors Limited	Infrastructure, Property	939.7
AQR Capital Management, LLC	International Shares (Emerging)	440.7
Ardea Investment Management Pty Ltd	Cash	559.7
Arrowstreet Capital, Limited Partnership	International Shares	1,941.9
Baillie Gifford Overseas Limited	International Shares	630.1
Bain Capital Credit, LP	Fixed Income	419.1
Barwon Investment Partners Pty Ltd	Private Capital	8.1
Blackrock Investment Management (Australia) Ltd	International Shares (Emerging)	741.2
Colchester Global Investors Ltd	Fixed Income	354.7
Core and Value Advisors, LLC	Property	436.5
Firetrail Investments Pty Ltd	Australian Shares	555.5
First Sentier Investors (Australia) RE Ltd	Infrastructure	371.0
GMO Australia Ltd	International Shares (Emerging)	234.1
Hermes Investment Management Ltd	Socially Conscious	174.9
Hosking Partners LLP	International Shares	1,829.1
H.R.L. Morrison & Co. Private Markets Pty Ltd	Infrastructure	202.3
Lazard Asset Management Pacific Co	Fixed Income	424.3
Loomis, Sayles & Company, LP	Fixed Income	363.8
Macquarie Investment Management Global Limited	Fixed Income	2,095.9
Macquarie Specialised Asset Management Limited	Infrastructure	2,258.7
Maple-Brown Abbott Limited	Australian Shares	1,448.1
Morgan Stanley Investment Management (Australia) Pty Limited	Fixed Income	2,295.4
Origin Asset Management LLP	International Shares (Emerging)	231.2
Payden & Rygel Global Ltd	Fixed Income	514.2

Manager	Asset classes	\$M
Platypus Asset Management Pty Ltd	Australian Shares	775.0
PineBridge Investments LLC	Fixed Income	5.4
Pzena Investment Management, LLC	International Shares, International Shares (Emerging)	2,165.1
QIC Limited	Cash, Asset Overlay, DAA	1,337.4
Robeco Hong Kong Ltd	Fixed Income	302.1
Schroder Investment Management Australia Limited	Fixed Income	1,051.0
State Street Global Advisors, Australia, Limited	Cash, International Shares	2,761.0
StepStone Group Real Asset, LP	Alternative Strategies, Infrastructure	904.7
TCW Asset Management Company	Fixed Income	769.8
Tanarra Capital Australia Pty Ltd	Australian Shares, Private Capital	489.2
Tribeca Investment Partners Pty Ltd	Australian Shares	803.2
TT International (Hong Kong) Ltd	International Shares (Emerging)	400.6
Vanguard Investments Australia Ltd	Australian Shares, International Shares, and International Shares (Emerging)	20,661.6
Vinva Investment Management Limited	Australian Shares	7,332.7
WaveStone Capital Pty Ltd	Australian Shares	1,234.2
WCM Investment Management	International Shares	1,442.2
Wellington International Management Company Pty Ltd	Fixed Income	566.5

New investment managers since 30 June 2021

Since 30 June 2021, Sunsuper has appointed the following additional managers:

- IFM Investors Pty Ltd
- Mirvac Funds Management Ltd

The following manage portfolios for the purpose of active currency overlay:

- AQR Capital Management, LLC
- P/E Global LLC
- Record Currency Management Ltd

Sunsuper Pooled Superannuation Trust

The Trustee of Sunsuper is also the Trustee of the Sunsuper Pooled Superannuation Trust (PST). Some investments of Sunsuper are made via the PST. No other entities invest money in the PST. As at 30 June 2021, the PST's net investments were \$11.0 billion.



what dreams are made of

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🖱 [sunsuper.com.au](https://www.sunsuper.com.au)

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🌐 linkedin.com/company/sunsuper

Sunsuper Pty Ltd
ABN 88 010 720 840
AFSL No. 228975

Sunsuper Superannuation Fund
ABN 98 503 137 921
Unique Super Identifier (USI) 98 503 137 921 001

MySuper Authorisation 98 503 137 921 996



Sunsuper is a member of The Association of
Superannuation Funds of Australia Limited (ASFA).

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