

# Annual Report 2019/20



**legalsupper**

# About this Annual Report

Unless otherwise specified, all investment returns in this Annual Report are for periods ended 30 June 2020 and are net of all fees and tax except the direct Administration fee (\$1.30 per week). Past performance is not necessarily a guide to future performance.

This Annual Report includes general information only and does not consider your specific needs. You should consider your own financial position, objectives and requirements and read legalsuper's Product Disclosure Statement (PDS) before making any decision in relation to legalsuper. The PDS can be obtained at [legalsuper.com.au](https://legalsuper.com.au).

Legal Super Pty Ltd is the issuer of this Annual Report. This Annual Report was issued in October 2020 by Legal Super Pty Ltd ABN 37 004 455 789, AFSL 246315, as Trustee of legalsuper ABN 60 346 078 879, Level 37, 140 William Street, Melbourne VIC 3000.

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# Introduction

# Who we are

## More than 30 years of specialisation in the legal community

Founded in 1989, legalsuper is the industry super fund dedicated to the legal community. We act in the best interests of our members, returning all profits to members and delivering a tailored service for the community we serve.

For more than three decades, we have dedicated ourselves to empowering the legal community to build wealth for their life in retirement. This long-term commitment means we have a strong understanding and deep empathy for the needs of the community we serve. Our unique insight allows us to focus on the retirement outcomes for those who work in the law.

Our commitment runs deeper than super. We invest in our members and in the legal community, advancing the wealth accumulation of our members as well as helping them to excel professionally. We strive to exceed the high expectations of our community.

# As at 30 June 2020

# 43,088

**Members**

Who have their retirement savings with legalsuper.

# 9,898

**Employers**

Across Australia who pay the super of their staff into legalsuper.

# \$4.1b

**Total funds under management**

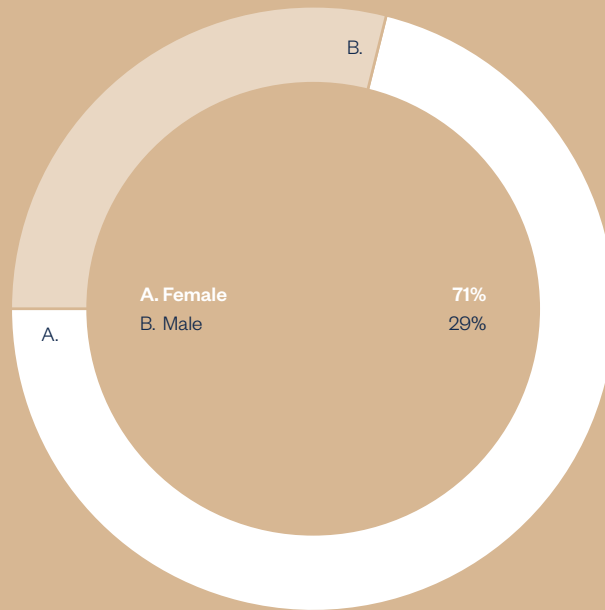
**Our membership equates to 38% of all people working in the Australian legal services industry.**

# Our members

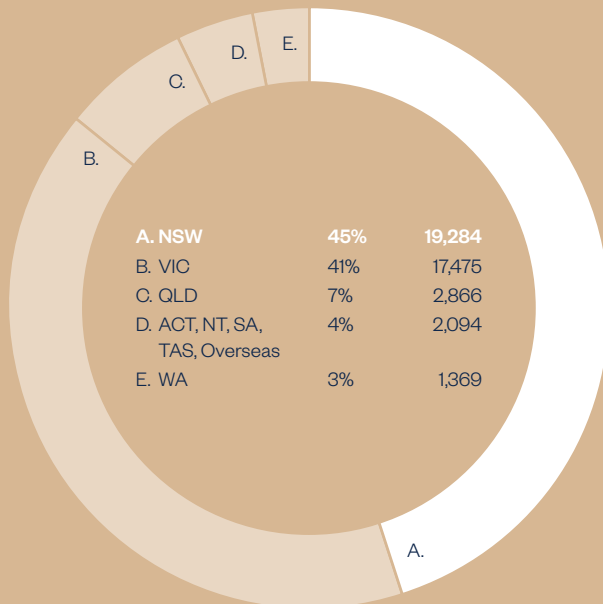
Our unique connection with the legal community enables us to hone our support, services and product offerings to meet the unique needs of our members.

# 43,088 MEMBERS

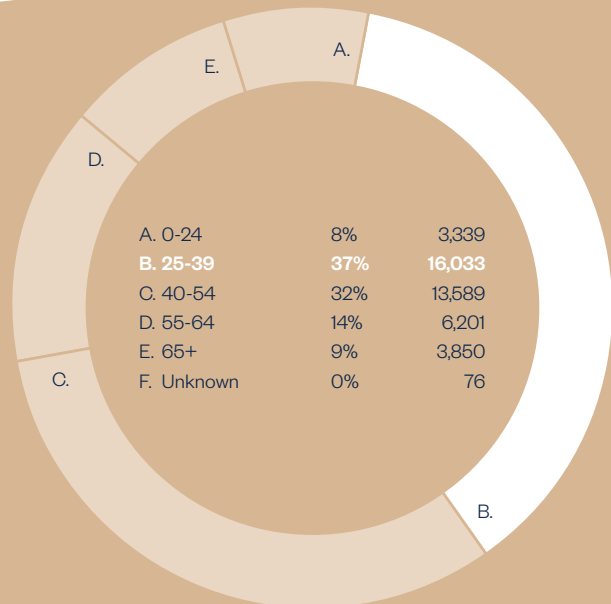
BY GENDER



BY LOCATION



BY AGE



legalsuper

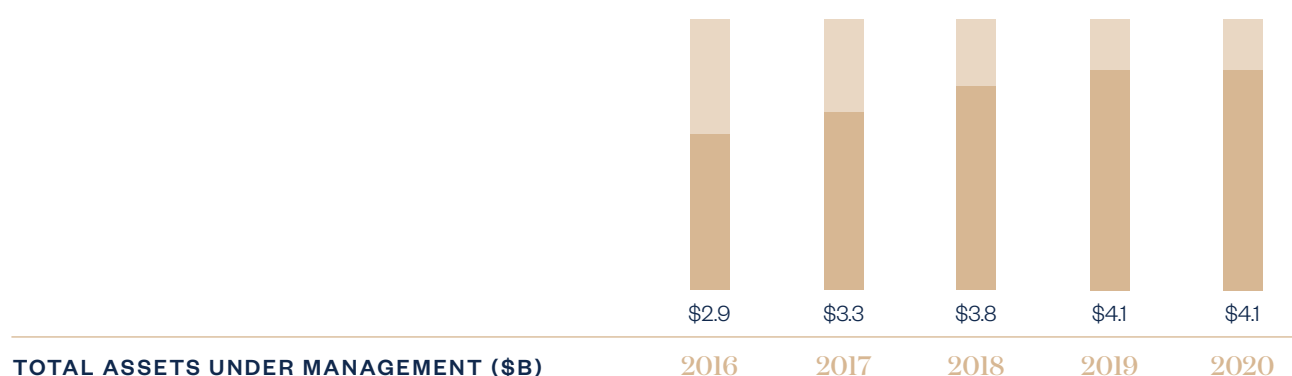
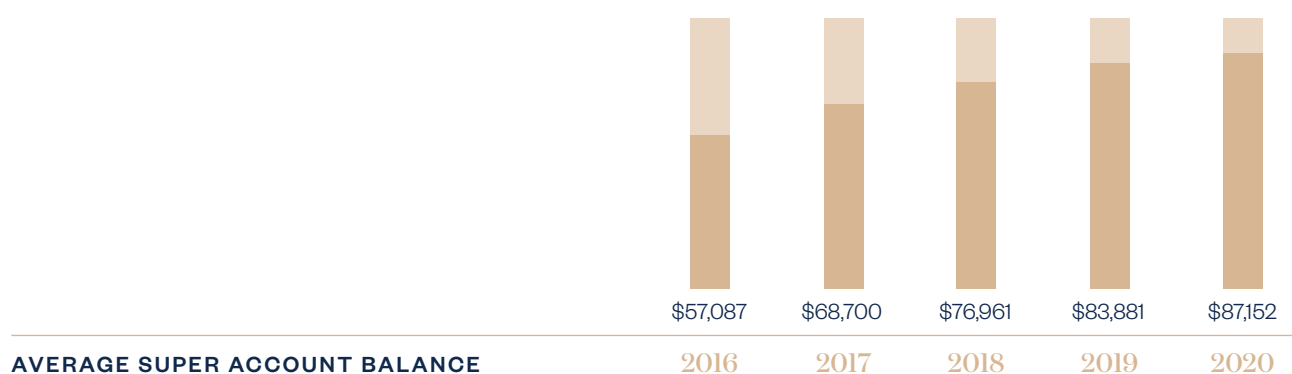
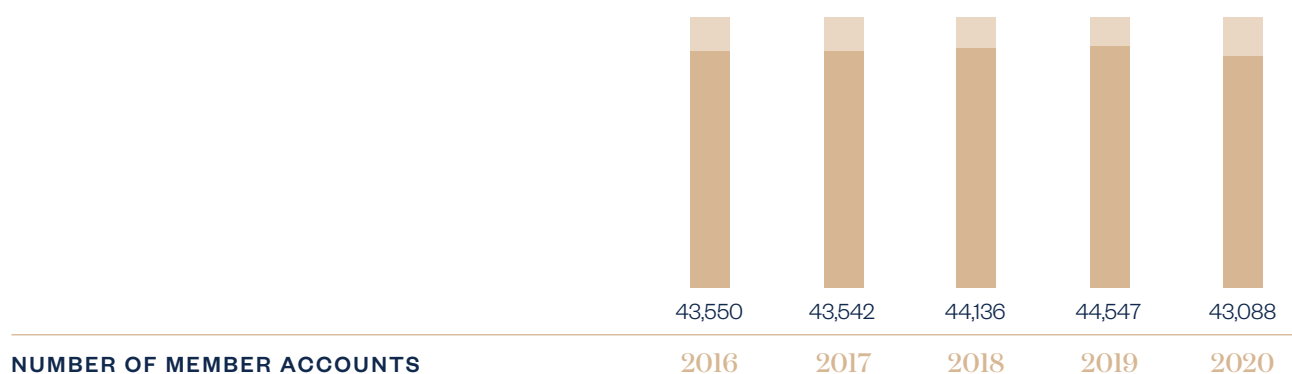
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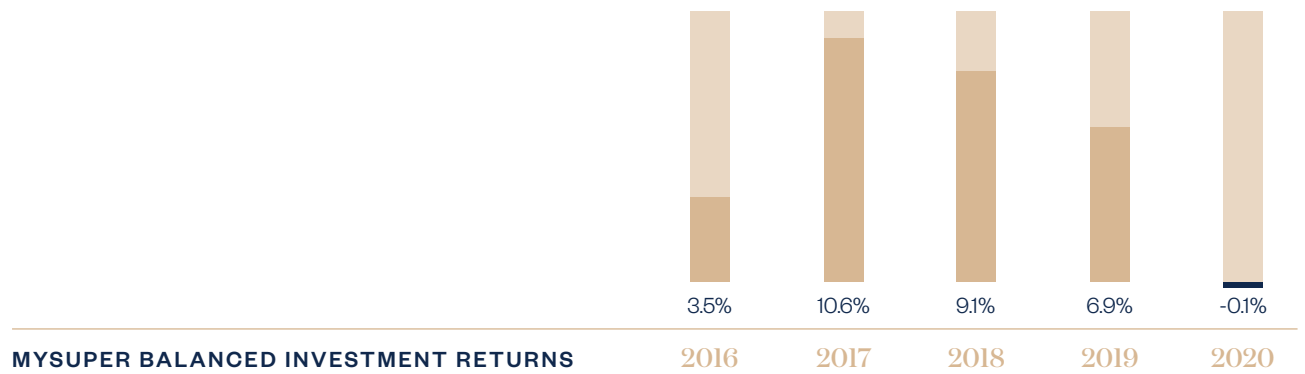
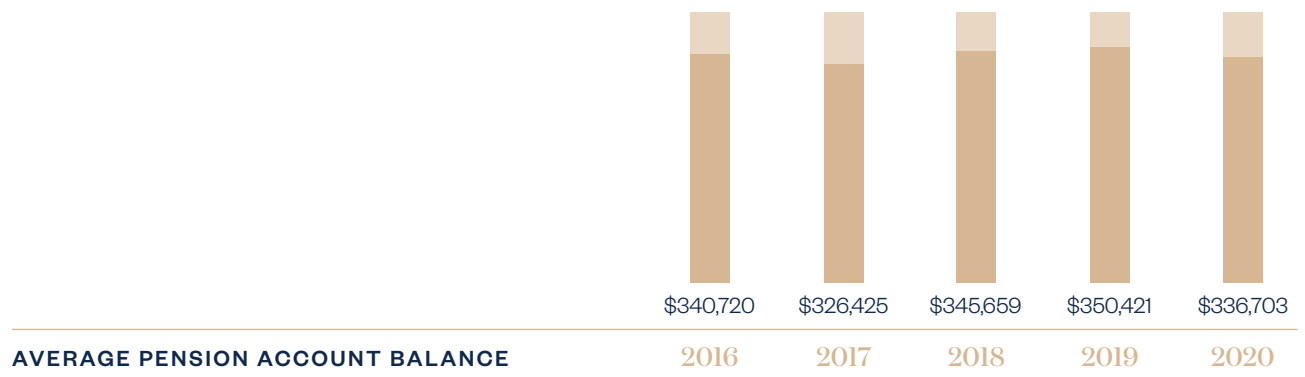
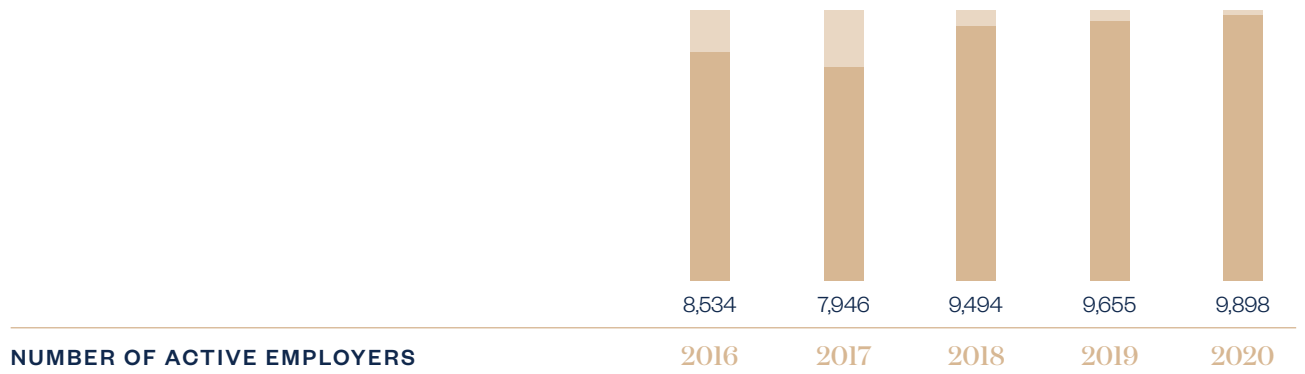
# Five years at a glance



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Past performance is not necessarily a guide to future performance.



# Ratings, awards and accolades

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SUPERRATINGS PLATINUM RATING 2020 FOR

MyChoice Super  
MySuper balanced  
Pension  
Personal

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HERON

2020 Five Star Quality Rating  
2019/20 Top 10 Insurance Features

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SUPER REVIEW

Nominated as a finalist in the Best Industry Fund  
category for this year's Super Review Fund of the Year awards

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CHANT WEST

legalsuper's MySuper balanced option was in the  
top 10 performing super funds for the year  
ended 31 December 2019

Finalist: Specialist Fund of the Year

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LEGALSUPER WEBSITE

Official Honoree in the Financial Services/Banking  
category in the 24th Annual International Webby Awards

Gold winner, Digital – Corporate,  
2019 Sydney Design Awards

# How we compare

Our MySuper balanced investment option, where most members are invested, delivered a return of -0.1% for the year, outperforming the SuperRatings median\* of -0.8% by +0.7%. Investment returns for all investment options are on the following pages. The performance shown here is net of all fees and tax except the direct Administration fee (\$1.30 per week).



\*According to SR50, a survey of the top 50 super funds based on certain criteria and compiled by 'SuperRatings', an independent research provider for the superannuation industry. SR50 medians are calculated by SuperRatings for the fifty investment options with the highest level of assets. Its research helps super funds monitor and improve their performance and benchmark themselves against their peers.

# Welcome from the Chair and Chief Executive

We commend our 2019/20 Annual Report to you. It provides a comprehensive view of legalsuper's performance and development through the twelve months to 30 June 2020.

As all members will understand, for almost half the period reported on within this document, Australia along with the rest of the world was significantly impacted by COVID-19.

While the depth and breadth of ongoing impacts of the pandemic will continue to play out for many years to come, we are pleased to present information in this report showing how we as a fund supported members, employers, and the wider legal community while remaining focused on being the best possible stewards of our members' retirement investments.

## Our purpose

For more than thirty years, legalsuper has been driven by its purpose of empowering the Australian legal community to build wealth for their life in retirement. As an industry fund, we conduct ourselves only to benefit you. We will always act in your best interests. All profits are returned to our members. We do not pay commissions. No dividends are paid to our shareholders.

## Investing for your future

legalsuper navigated the highly volatile investment environment brought on by COVID-19 to preserve members' funds and deliver above industry median\* returns for the year to 30 June 2020.

Our members have received detailed information regarding investment performance for their own accounts in their member statements delivered in October 2020. More detail is provided in the investments section (pages 35-59 of this report).

We continue to offer a diversified range of investment options so our members can make choices that best suit their risk and return objectives.

## Reforms in superannuation

The superannuation sector continues to experience changes and reforms brought on by a range of factors as diverse as the Hayne Royal Commission through to the COVID-19 pandemic. In the period, the Protecting Your Super Package (PYSP) came into effect on 1 July 2019, Putting Members' Interests First (PMIF) came into effect on 1 April 2020 and the first tranche of the Early Access to superannuation initiative came into effect on 20 April 2020.

\*According to SR50, a survey of the top 50 super funds based on certain criteria and compiled by 'SuperRatings', an independent research provider for the superannuation industry. Its research helps super funds monitor and improve their performance and benchmark themselves against their peers.

### Changes in Board members

Our Board includes members of the legal community, so you can be confident you are a member of a well-run fund with a rigorous approach to governance. We thank Chris Joyce who retired this year and welcome Nikhil Mishra as a new Director.

### Improving your member experience

legalsuper has always placed the highest emphasis on providing personal and direct engagement and support to all our members.

The arrival of COVID-19 brought into sharp focus how important this personal contact is to our members, employers, stakeholders and partners and we provide detail in the 'Putting members first' section (pages 19-33) of the range of innovations and initiatives implemented to enhance our members' experience with us.

### In closing

Looking to the future, legalsuper will continue to serve our members' interests first, creating greater long-term value for our members.



**Kirsten Mander**

Independent Chair



**Andrew Proebstl**

Chief Executive

# Adjusting to the COVID-19 environment

legalsuper continues to see evidence of the value placed on personal service through annual research and direct feedback from individual members and employers.

This value was firmly reinforced as the restrictions on how we all live and work in a COVID-19 world were imposed across Australia.

Throughout the latter part of 2019/20, legalsuper increased our focus on keeping in touch with members and employers to answer questions and provide information, assistance and reassurance.

Using telephone or online tools, we increased the direct contact we have with our members and employers including, for example, direct contact with every member affected by the Federal Government's Putting Members' Interests First Act to provide timely, practical support and information, about the impacts for members' insurance.

## Resources and member updates

In addition to updating relevant areas of our website, we added two new information hubs:

- COVID-19, a dedicated collection of resources and FAQs on the coronavirus and super; and
- end of financial year support for members and employers.

We also issued regular email updates to either specific, relevant member cohorts or to all members and employers, advising of pertinent information related to matters including investment market updates and Government reforms.

## COVID-19 early release of super

legalsuper immediately recognised the importance of members being able to access their super as a result of COVID-19 hardship. Up until 28 June 2020, payments were made to 2,956 members totalling \$25.7m. 96.4% of all payments were made within 5 business days. A survey of members who accessed their super during this period showed that 91% of respondents were very happy with the process giving a satisfaction score of 9 or greater out of 10.



## COVID-19 early release scheme

Up until **28 June 2020**, payments were made to

**2,956**  members

**\$25.7m**  paid

**96.4%** of all payments were made within **5** business days.

### Supporting the legal community

Despite the restrictions, we continued our support of the legal community through conducting information and professional development webinars including:

- Law Institute of Victoria – COVID-19 and investment update
- Law Society of Western Australia – Superannuation and investment choices
- Victorian Bar – Bar Reader Course
- Law Society of New South Wales – Practice Management during COVID-19

### Supporting the legalsuper team

Our team continued to work from home throughout the latter part of the 2019/20 and like many organisations, we implemented a range of measures to ensure we all remained connected, supported and healthy.

Monthly pulse check team surveys were completed gauging levels of concern (personal, business-related and more broadly), productivity and support. It is pleasing to report there was an overall improvement across all metrics from the first survey onwards during the period.



KAREN

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# Putting members first

# Putting members first

Our members are at the heart of everything we do. We are driven to deliver tailored and personal solutions with a constant focus on better retirement outcomes for the legal community.



## Our unique connection with the legal community

For over 30 years legalsuper has been dedicated to helping members of the legal community build wealth for life in retirement. This long-term involvement and commitment enables us to respond directly to the unique needs of the legal community.



## In-person support

Our research tells us that our members value personalised service. Despite the change in the way we conduct meetings since COVID-19, our national team of Client Service Managers continue to provide education and support to our members; boosting confidence and financial literacy. We're here to empower our members to make informed decisions for better outcomes in retirement.



## Hands-on approach to feedback

We remain committed to listening to and resolving member feedback and concerns. Our team works to identify the root cause of concerns and acts to prevent issues from recurring.

We actively seek feedback on the experience of our members and employers so we can evaluate the way we operate and make positive improvements.



### **Uplifting our digital capabilities**

We are continuously uplifting our digital capabilities to engage and educate members and employers; leveraging new technologies to deliver tools and platforms which redefine and refine how we can connect with and help our members.

In response to the COVID-19 crisis, legalsuper launched a specialised digital hub on our website to ensure every member has easy access to the information they need and in a timely fashion.



### **Data security**

We continue to invest in independent reviews and auditing of the security of our members' data and our IT environment to continually strengthen our digital security.



### **Investment choice and control**

We offer our super members a choice of 13 investment options, including the Direct Investment option, which gives members the ability to invest in a selection of Shares, Listed Investment Companies, Exchange Traded Funds, and Term Deposits. This SMSF-style alternative offers real time trading, for those who want to be more hands-on with their investments.



### **Improving our service to employers**

We have a dedicated employer team in our contact centre, which can be accessed for fast and skilled assistance. We also visit our employers in person; we are on hand to help set up their systems, answer questions, resolve day-to-day issues and support their staff with educational seminars.

# What our members are saying

“Your consultant was fabulous, professional and extremely informative. Your customer service is outstanding and your online membership access is informative.”

- LEGALSUPER MEMBER, JANUARY 2020

“I’ve always had a good experience dealing with legalsuper, but if I say “Met my expectations” then I have to explain what you could do better - there’s nothing I can think of! Thank you for your kind assistance, your consultant answered all my queries helpfully and patiently - very happy.”

- LEGALSUPER MEMBER, MARCH 2020

“[The legalsuper Client Service Manager] displayed exceptional knowledge and addressed my concerns in a manner that was easy to understand as I don’t come from a finance background.”

- LEGALSUPER MEMBER, APRIL 2020



MADELEINE



MARY

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# Supporting a thriving community



## Wellbeing in the legal community

We understand that the wellbeing of the legal profession is increasingly important which is why legalsuper advocates for it across the legal profession. We build and foster collaborative partnerships with organisations focused on wellbeing, including working closely with our insurer – OnePath Life Limited – to continually improve insurance offerings for those in the legal community.



## Women in Super

legalsuper has joined Women in Super, an organisation advocating for a super system devoid of gender-based inequality by working on behalf of its members and women generally with government, unions, employer organisations, regulators and superannuation funds.



## Mental Health First Aid training

legalsuper is actively supporting the development of Mental Health First Aid (MHFA) training, specifically designed for the legal industry. MHFA training is designed to enable non-health professionals to assist a person experiencing mental health problems through education, practical tools and strategies until appropriate professional help is received. Our initiative involves facilitating training across legal organisations to give legal professionals the tools they need to support their peers and thrive.

# Committed to the success of our members

## Supporting professional development

We sponsor continuing professional development (CPD) programs across Australia for all law societies, the Australasian Legal Practice Management Association (ALPMA), conveyancing associations and law student associations. Ongoing professional development is an important way for members of the legal community to maintain and enhance their professional skills and promote career development and longevity. Through the year, our team attended many CPD events across the country - both in person, and online.



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### Supporting practice management

We are an Australian Corporate Partner of the Australasian Legal Practice Management Association (ALPMA), the peak body for legal practice managers and leaders across Australia. ALPMA provides an authoritative voice on issues relevant to legal practice management.



### Partnership with Leo Cussen Centre for Law

legalsuper is a partner of Leo Cussen Centre for Law, which provides education, training and professional development to strengthen and support the administration of justice and the legal system. Leo Cussen provides Practical Legal Training via the Graduate Diploma in Legal Practice. It also provides CPD for lawyers, traineeship programs for entry-level lawyers, training for overseas lawyers seeking admittance to the Australian profession and for lawyers needing to re-qualify, as well as courses for legal support staff.



### Assisting Australian law students

We are a partner of ALSA, Australian Law Students' Association, a national, not-for-profit representing approximately 40,000 law students nationwide. The core functions of ALSA are:

- to advocate the interests and concerns of Australian law students;
- to gather and disseminate information of interest and concern to Australian law students;
- the exchange of information between law student societies within Australia, and to collaborate with international counterparts; and
- to initiate activities of a social, intellectual, and competitive nature among law students at a national level.

# Partnering with leading organisations

We are committed to helping our members achieve their best possible financial future in a continually changing industry landscape. We work closely with the following organisations who all support legalsuper with this commitment.



## Industry Super Australia

Industry Super Australia (ISA) is a collective body acting on behalf of 15 industry funds including legalsuper. All industry super funds are run in the best interest of members with a common goal of providing the best possible retirement outcome for members. ISA manages collective projects on behalf of industry super funds with the objective of maximising the retirement savings of five million industry super members. These projects include research, policy development, government relations and advocacy as well as the industry super fund advertising program.



## Australian Council of Superannuation Investors

legalsuper is a member of the Australian Council of Superannuation Investors (ACSI). ACSI exists to provide a strong, collective voice on environmental, social and corporate governance (ESG) issues on behalf of its members. ACSI provides research and advice on ESG risks and opportunities which have a material impact on investment outcomes. With the assistance of ACSI, we collaborate to achieve genuine, measurable and permanent improvements in the ESG practices and performance of the companies in which we are invested. ACSI actively contributes to government, parliamentary committees and other relevant public policy forums to promote a regulatory system that is equitable and effective for long-term investors.



### Association of Superannuation Funds of Australia

legalsuper is a member of the Association of Superannuation Funds of Australia (ASFA). ASFA is the peak policy, research and advocacy body for Australia's superannuation industry. Their purpose is to work alongside government bodies and superannuation funds to achieve both good public policy and industry best practice. ASFA is not-for-profit and exists to ensure that policy translates into the best outcome for all retirees.



### Australian Institute of Superannuation Trustees

legalsuper is a member of the Australian Institute of Superannuation Trustees (AIST). AIST is a national not-for-profit organisation and is the principal advocate and peak representative body for the profit-to-member superannuation sector. AIST plays a key role in policy development and is a leading provider of research. AIST provides professional training and support for trustees and fund professionals to help them meet the challenges of managing superannuation funds and advancing the interests of their fund members.



### OnePath Life Limited

For 15 years, legalsuper has worked closely with its insurer, OnePath Life Limited. We combine our deep and growing understanding of our members' insurance needs with our insurer's capacity to work with us; designing and delivering a range of insurance options tailored for the needs of members of the legal community.

# Practical, personalised support and advice

Our deep understanding of the legal community enables us to deliver tailored, timely and personalised service to our members and employers. Our customer-focused service model is designed to suit the needs of the legal community.



## Phone and online support

We have a skilled and dedicated contact centre which supports our employers and members over the phone, via email and through online chat.



## Employer support

A dedicated employer team exists to offer fast and reliable support to our employers.



## One-on-one support

Our national team of Client Service Managers provides one-on-one education and support to boost confidence, build financial literacy and help members make informed decisions for better outcomes.

- One-on-one in-person (prior to the onset of COVID-19), video and phone meetings for confidential discussions about superannuation and retirement planning.
- Workplace seminars about super topics tailored to suit the needs of the workplace.
- Employer briefings and updates regarding super obligations.
- Hands-on help with streamlining super administration.

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# 799

meetings with law firms across Australia

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# 2,382

in-person meetings with members

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# 231

seminars and presentations

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# Your Client Service Managers

Every member and employer has access to personalised service from a Client Service Manager.

OUR CLIENT SERVICE MANAGERS ASSIST ALL AROUND AUSTRALIA.

## Julianne White

National Manager, Member Services  
0475 999 044  
jwhite@legalsuper.com.au

## Rebecca Metuisela

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ANNA

# Investments

# 2019/20 in review

**2019/20 was an unprecedented year for financial markets with the spread of COVID-19 creating economic, social and health impacts that will be felt for many years to come.**

The share market selloff during February and March 2020 was the sharpest decline in modern history, whilst the rally in share markets from April to June 2020 was also the quickest ever recovery.

Other significant events influencing financial markets for the period included the U.S. and China trade war, Brexit, an oil price crash and the Reserve Bank of Australia cutting interest rates to record lows.

Absolute returns by legalsuper's investment options were mixed for 2019/20. Depending on the risk profile of the option, investment returns ranged from slightly negative to slightly positive.

legalsuper's default MySuper balanced option, where the majority of members are invested, had a return for the year ended 30 June 2020 of -0.1%. This outperformed the median of the top 50 largest balanced superannuation funds in Australia by +0.7%<sup>1</sup>.

Importantly, returns for our MySuper balanced option over 3, 5 and 10 years to 30 June 2020 have remained strong at 5.2%, 5.9% and 7.5% p.a. respectively.

Despite the events of 2019/20, the sharp decline in markets and subsequent recovery highlights the risks of allowing short-term market movements and headlines to drive decisions about your super.

Super is an investment most members will hold for many years until they retire. As returns fluctuate, it is important to focus on long-term returns and select an investment option which suits your needs and risk appetite.

## Other updates

- Four new investment managers were appointed: Magellan, Macquarie, Bluebay and Wellington.
- Appointment of Norman Zhang as Chief Investment Officer in March 2020.
- Appointment of Dr Joe Fernandes as Investment Expert in March 2020.
- Appointment of Australian Council of Superannuation Investors (ACSI) as legalsuper's proxy voting adviser.

<sup>1</sup>According to SR50, a survey of the top 50 super funds based on certain criteria and compiled by 'SuperRatings', an independent research provider for the superannuation industry. Its research helps super funds monitor and improve their performance and benchmark themselves against their peers.

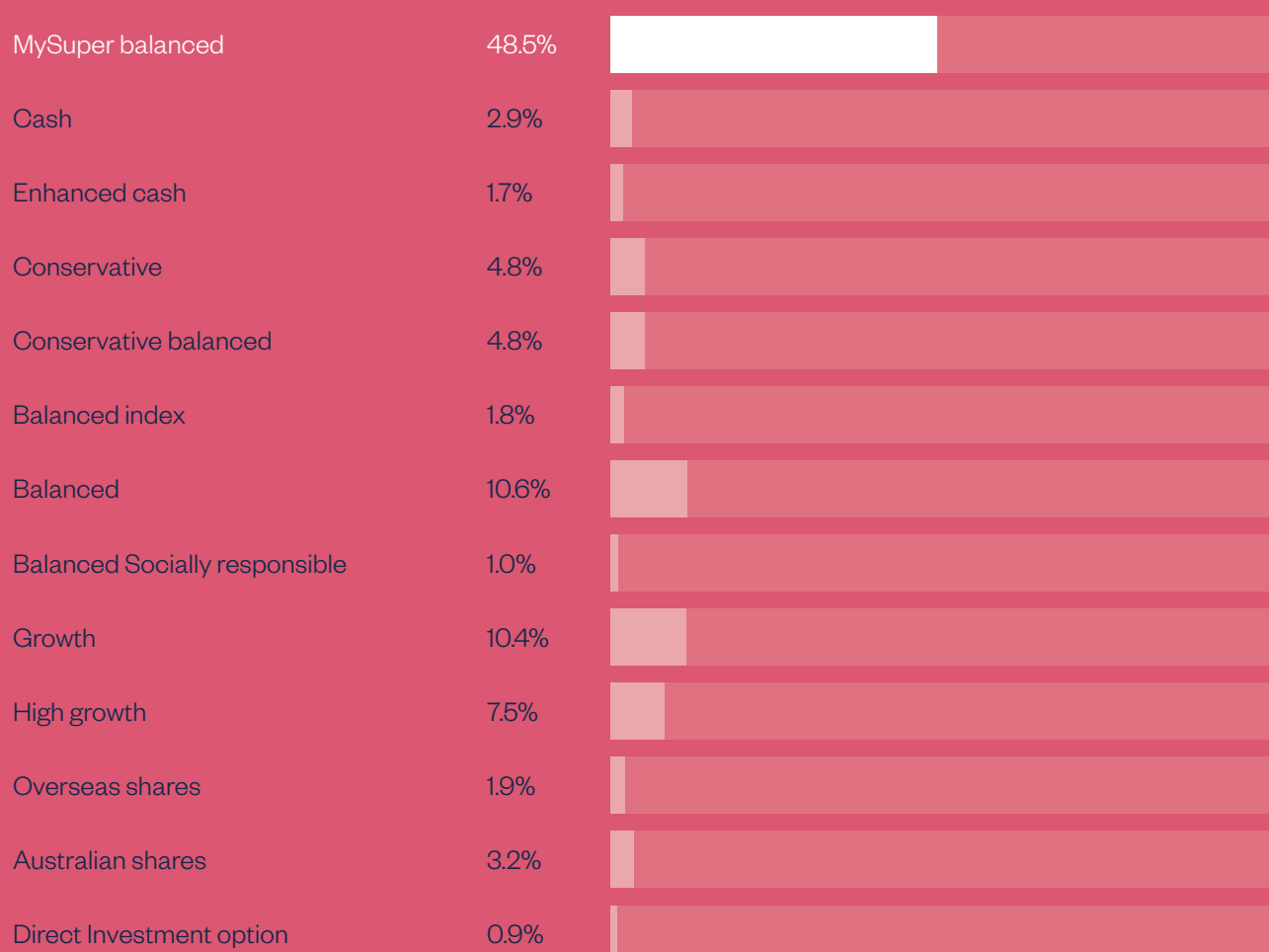
# How our members are invested

## 2019/20 investment performance

legalsuper's default investment option, MySuper balanced, is designed to provide strong long-term net benefits to members through an asset allocation which suits the needs of most in the legal community.

**Return:** -0.1%

### MYSUPER BALANCED IS WHERE 48.5% OF FUNDS UNDER MANAGEMENT ARE INVESTED



# Investment returns

## Superannuation and Transition to Retirement Pension

Investment returns<sup>1</sup> for all superannuation and Transition to Retirement Pension investment options (other than the Direct Investment option (DIO))<sup>2</sup> for one, five and ten years to 30 June 2020 are set out below.

Past performance is not necessarily an indicator of future performance.

Investment option	1 year (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
MySuper balanced	-0.1	5.9	7.5
Cash	1.1	1.4	2.3
Enhanced cash	1.4	1.6	2.7
Conservative	1.2	3.9	5.1
Conservative balanced	0.2	4.8	6.4
Balanced index	-1.3	5.6	N/A <sup>3</sup>
Balanced	-0.5	5.9	7.4
Balanced Socially responsible	0.6	4.6	6.2
Growth	-1.0	6.4	8.1
High growth	-1.6	6.7	8.6
Overseas shares	1.9	6.9	9.4
Australian shares	-4.3	7.1	8.1

<sup>1</sup>The returns shown here are net of all fees and tax except the direct Administration fee (\$1.30 per week). These returns are for legalsuper's individual investment options and do not necessarily reflect the personal returns of individual members.

<sup>2</sup>Investment returns for the DIO reflect the net earnings from the individual securities in which the member has chosen to be invested.

<sup>3</sup>N/A means that an investment option was not in existence for the full period.

## Pension

Investment returns<sup>1</sup> for all Pension investment options (other than the Direct Investment option (DIO))<sup>2</sup> for one, five and ten years to 30 June 2020 are set out below.

Past performance is not necessarily an indicator of future performance.

Investment option	1 year (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
Cash	0.6	1.5	2.7
Enhanced cash	1.0	1.8	3.1
Conservative	0.8	4.3	5.8
Conservative balanced	0.7	5.6	7.2
Balanced index	-1.6	6.1	N/A <sup>3</sup>
Balanced	-0.4	6.5	8.2
Balanced Socially responsible	-0.2	4.9	7.1
Growth	-1.0	7.0	8.9
High growth	-2.0	7.4	9.8
Overseas shares	1.9	7.4	10.8
Australian shares	-3.8	8.1	9.0

Note: Investment earnings for pension assets are not subject to tax and may, therefore, be higher than returns for superannuation members.

<sup>1</sup>The returns shown here are net of all fees and tax except the direct Administration fee (\$1.30 per week). These returns are for legalsuper's individual investment options and do not necessarily reflect the personal returns of individual members.

<sup>2</sup>Investment returns for the DIO reflect the net earnings from the individual securities in which the member has chosen to be invested.

<sup>3</sup>N/A means that an investment option was not in existence for the full period.

# Our approach to investments

## Board

The Board approves the investment strategy. It also receives regular reporting from the Investment Committee and Management.

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## Investment Committee

The Board has appointed an investment expert as a member of the Investment Committee. Certain investment matters are delegated to the Committee and it receives regular reporting from Management.

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## Management

The Board has delegated management of legalsuper to the Chief Executive. The Chief Investment Officer is responsible for managing, evaluating performance and reporting on legalsuper's investments.



# Types of investment options

## Single asset class

- Cash
- Enhanced cash
- Australian shares
- Overseas shares

## Pre-mixed

- Conservative
- Conservative balanced
- MySuper balanced
- Balanced
- Balanced index
- Balanced Socially responsible
- Growth
- High growth

## Self-managed

Direct Investment option: members can self-manage their super by choosing from a menu of individual Shares, Listed Investment Companies, Exchange Traded Funds and Term Deposits.

# Investment goal and beliefs

In investing the savings of its members, legalsuper is guided by the following investment goal and beliefs.

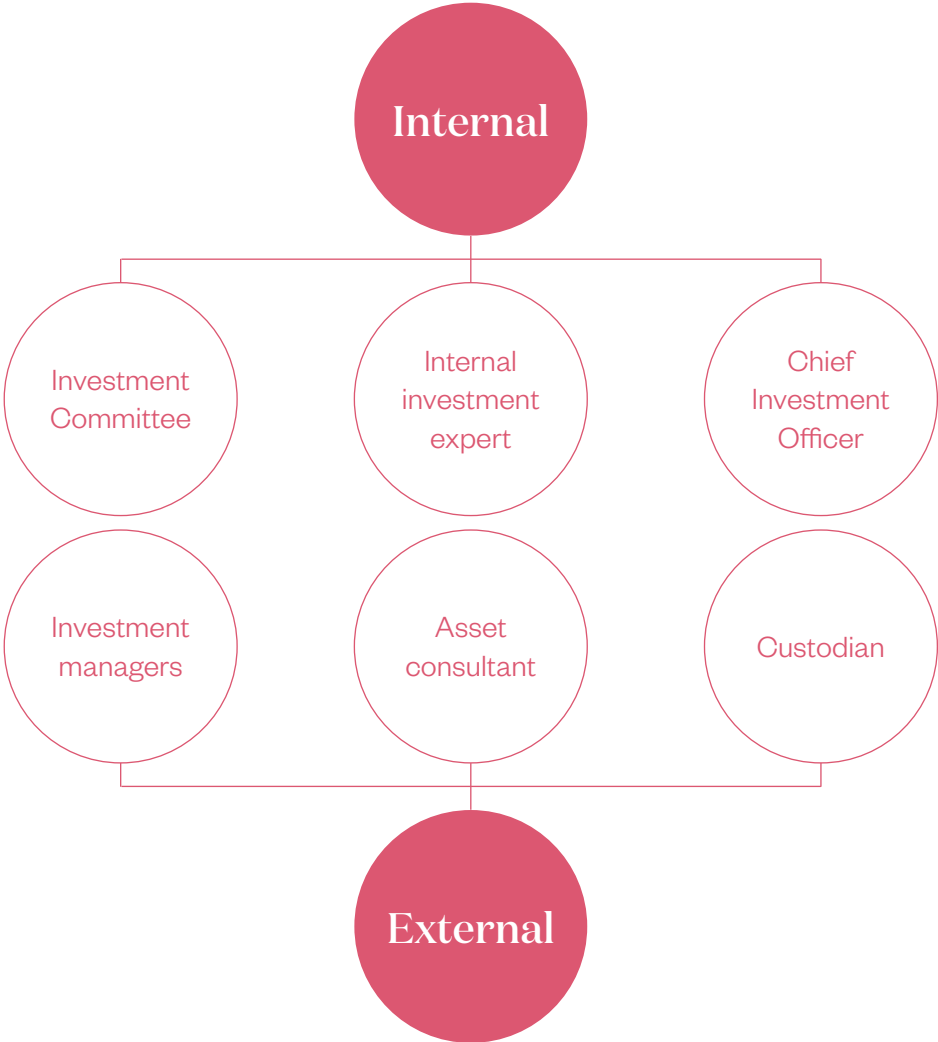
## Investment goal

The investment goal of legalsuper is to produce investment products that consistently deliver competitive long-term, risk-adjusted returns for members.

## Investment beliefs

1. We believe that optimal decision-making leads to strong member outcomes and is facilitated by appropriate governance structures.
2. We believe that rigorous research of both the expected benefits and potential risks of investment opportunities leads to strong member outcomes.
3. We believe our key comparative advantages are a long-term mindset and our size, and that we can improve member outcomes by exploiting these.
4. We believe that real long-term returns are most important. However, we recognise members have choices and returns relative to peers are also important.
5. We recognise the need to take risk in order for the Fund to achieve its return objectives. Risk is only taken when we think we will be appropriately rewarded for it and is managed through asset allocation, manager selection, overlays and portfolio construction.
6. We aim to capture most of the upside in strong markets and to minimise losses.
7. We believe that asset allocation dictates most of the return and volatility of returns, and that the expected long-term returns and risks are best established through strategic asset allocation.
8. We believe that markets move through cycles and by taking a dynamic approach to managing asset allocation, where we have high conviction, we aim to improve the probability of achieving the Fund's return and risk objectives.
9. We outsource our asset management to appropriately qualified investment managers. We employ passive managers and also active managers where we have a high level of conviction in their ability to add value net of fees and costs.
10. We believe that environmental (including climate change), social and governance opportunities and risks exist and should be taken into consideration to the extent we can practically do so and within the context of optimising net risk-adjusted returns.

# Our investment capability



**Investment Committee**

The Investment Committee oversees the implementation and advises the Board on our investment strategy, and monitors investment performance.

Other responsibilities include making recommendations to the Board in respect of:

- strategic asset allocation including whether any changes may be required;
- risk and return objectives of legalsuper’s investment options;
- investment policies; and
- appointment or termination of investment managers, the custodian and external advisors.

**Internal investment expert**

To further build our investment capability, the Board has appointed an investment expert as a member of the Investment Committee. The investment expert provides expert independent investment advice to the Investment Committee and Board.

# Environmental, social and governance

**Oversight and management of environmental, social and governance (ESG) issues in both operational and investment contexts received continued interest from our members and the broader Australian community throughout the year, as awareness and understanding of these issues continued to increase.**

The Board and Investment Committee closely monitor developments both in our own operations and the external operating environment to ensure we uphold our own ESG values and policies, whilst also preserving value for our members.

## **Change of investment manager for the Balanced Socially responsible option**

Members were informed in mid-September 2020 that the investment manager of the Balanced Socially responsible option changed from the AMP Capital Ethical Leaders Balanced Fund to Pandal Group's Sustainable Balanced Fund soon after 30 June 2020, due to concerns with investment performance and poor culture at AMP.

## **Pandal Group's Sustainable Balanced Fund**

Pandal Group is an independent, ASX listed, investment management firm managing \$89 billion in funds under management across the globe. Pandal has a dedicated ESG research team, Regnan, which supports and informs investment decisions through its in-house research, engagement and advisory functions.

The Pandal Sustainable Balanced Fund is an actively managed diversified portfolio that invests in Australian and International shares, Australian and International property securities, Australian and International fixed interest, cash and alternative investments.

Investments are selected having regard to a range of sustainable, ethical and financial criteria. The strategy actively seeks an allocation to securities and industries that demonstrate leading ESG and ethical practices and avoiding exposure to companies with activities or behaviour considered to negatively impact the environment or society.

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Examples of positive outcomes through Pental's investments include:

- **Environment**

Emissions avoided through low carbon transport; renewable energy generation; forest restoration; sustainable farming practices and water usage efficiency gains.

- **Society**

Social/affordable housing developed; microloans provided; underprivileged students supported, and training programs delivered to at-risk youth.

### Lighthouse Infrastructure

In addition to assets invested in the Balanced Socially responsible option, which is now managed by Pental Group, legalsuper invests directly in the Lighthouse Infrastructure Fund Trust, which invests in socially responsible infrastructure investments. This Trust is managed by an Australian sustainable investment manager known as Lighthouse Infrastructure.

Lighthouse believes that socially responsible investing requires:

- **Environment**

The sustainability of an infrastructure asset is intrinsically linked to its impact on the environment. Lighthouse looks for environmentally sensitive and sustainable infrastructure assets.

- **Social alignment**

Infrastructure assets are generally widely used by the public. The public believes that asset owners owe the community access to these assets at a fair price. Assets owners take on material excess risk if their return expectations are predicated on charging 'monopoly rent'.

These risks include regulatory, technology and political risks. Lighthouse looks for economically sustainable infrastructure assets to reduce these risks.

- **Profit**

Sustainability of any investment requires an acceptable return. While Lighthouse looks for socially responsible investments, they must generate sufficient returns to support the commitment of capital. Lighthouse looks for profitable infrastructure investments.

### Australian Council of Superannuation Investors (ACSI)

legalsuper continued as a member of ACSI during the period. ACSI's members include 38 Australian and International asset owners and institutional investors. ACSI supports legalsuper by providing voting recommendations in respect of the Australian shares in which we are invested.

ACSI exists to provide a strong, collective voice on ESG issues on behalf of members by actively contributing to government, parliamentary committees and other relevant public policy forums. ACSI also offers research and advice on ESG risks and opportunities which have a material impact on investment outcomes.

Through our ACSI membership, we collaborate to achieve genuine, measurable and permanent improvements in the ESG practices and performance of the companies in which we invest.

Our members can support this commitment through investing in our Balanced Socially responsible option or through our Direct Investment option (DIO). Both options provide members with a higher level of control and influence over where their savings are invested.

# Investment consultant and custodian

## Investment consultant

### Willis Towers Watson

Willis Towers Watson has been legalsuper's investment consultant since April 2013. It is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 associates in more than 140 countries. It provides independent expert investment advice to the Board and Investment Committee.

## Custodian



The bank for a changing world

BNP Paribas Securities Services (BNP Paribas), a wholly owned subsidiary of the BNP Paribas Group, has been legalsuper's custodian since November 2010. BNP Paribas is a leading global custodian and securities services provider. They provide multi-asset post-trade and asset servicing solutions for buy and sell-side market participants, corporates and issuers. With local expertise in 35 countries and a global reach covering 90+ markets, their network is one of the most extensive in the industry, enabling clients to maximise their investment opportunities worldwide. For legalsuper, BNP Paribas provides safe custody services, calculates unit prices of investment options, and provides investment performance reporting and analysis.

# Investment managers

33 specialist investment managers have been appointed\* to manage the assets invested with legalsuper. In making these appointments, the Board has regard to the advice of its asset consultant (Willis Towers Watson) and other investment advisers.

## INVESTMENT MANAGERS AS AT 30 JUNE 2020 WERE THE FOLLOWING:



\* Investment manager exposures changes from time to time at the discretion of the Trustee. This listing excludes investments that are made by the member in the Direct Investment option.

### CHANGES IN INVESTMENT MANAGERS IN 2019/20:

#### Appointments:

Macquarie, Magellan, BlueBay, Wellington

#### Terminations:

Aberdeen Standard Investments, Pimco

Post the end of financial year, the following changes to the list of investment managers were implemented. Appointments: IFM Investors, Pandal Group. Terminations: AMP Capital.

# Top 20 security holdings

as at 30 June 2020

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## How we invest your money

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The following table sets out legalsuper's 20 largest security holdings and its % of asset class for Australian shares, International shares and Property as at 30 June 2020.

	Australian shares	%	International shares	%	Property	%
1	BHP	7.2%	Microsoft	31%	Gateway, 1 Macquarie Place, Sydney	3.5%
2	CSL	6.3%	Alphabet	2.5%	Gosford Private Hospital, Gosford NSW	3.4%
3	Macquarie	3.6%	Amazon	2.5%	Westfield Carindale	2.8%
4	Commonwealth Bank of Australia	3.5%	Apple	2.2%	Westfield Miranda	2.7%
5	National Australia Bank	3.4%	Alibaba	1.7%	International Towers Sydney - Tower One	2.4%
6	Westpac Banking	3.3%	Taiwan Semiconductor	1.3%	MLC Centre, Sydney	2.3%
7	Atlas Arteria	2.3%	UnitedHealth	1.3%	Sunshine Plaza	2.3%
8	James Hardie Industries	2.3%	Facebook	1.1%	Darling Park 1 & 2	2.2%
9	Australia and New Zealand Banking	2.3%	Samsung Electronic	1.0%	1 Farrer Place, Sydney	2.1%
10	Aurizon	2.2%	Visa	1.0%	International Towers Sydney - Tower Two	2.1%
11	Telstra	2.0%	Tencent	0.9%	International Towers Sydney - Tower Three	1.9%
12	Woodside Petroleum	1.7%	Adobe	0.8%	Lakeside Joondalup	1.9%
13	Aristocrat Leisure	1.6%	Nvidia	0.8%	Macarthur Square	1.8%
14	Brambles	1.6%	Nestle SA	0.8%	John James Hospital Campus, Deakin ACT	1.8%
15	Orica	1.6%	Mastercard	0.7%	Erina Fair	1.8%
16	Transurban	1.6%	Equinix	0.7%	Liberty Place	1.6%
17	QBE Insurance	1.6%	Roche	0.7%	Cairns Central	1.6%
18	Origin Energy	1.5%	Procter & Gamble	0.7%	Darling Quarter, Sydney	1.6%
19	Newcrest Mining	1.3%	Astrazeneca	0.6%	Riverside Centre	1.5%
20	Coles	1.2%	Paypal	0.5%	530 Collins Street	1.5%

# Investment options

## MySuper balanced

### Return objective:

To outperform an average annual return\* of CPI + 3.0% p.a. over rolling 10-year periods.

### Risk profile:

Offers a greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to reduce short-term risks. This option is likely to produce a negative return in 3 to 4 years every 20 years.

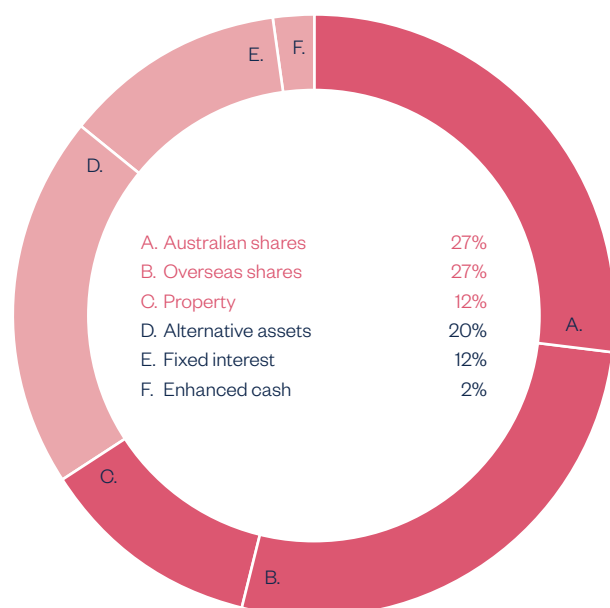
### Risk Level:

Medium to High.

### Investor profile:

Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept some fluctuations in investment performance over shorter periods.

### Asset mix:



## Cash

### Return objective:

To at least match the Bloomberg Ausbond Bank Bill Index over rolling 5-year periods, net of fees.

### Risk profile:

Likely to produce the lowest long-term investment returns with the fewest fluctuations from year to year. Capital invested in this option is not guaranteed. This option is likely to produce a negative return less than 6 months in every 20 years.

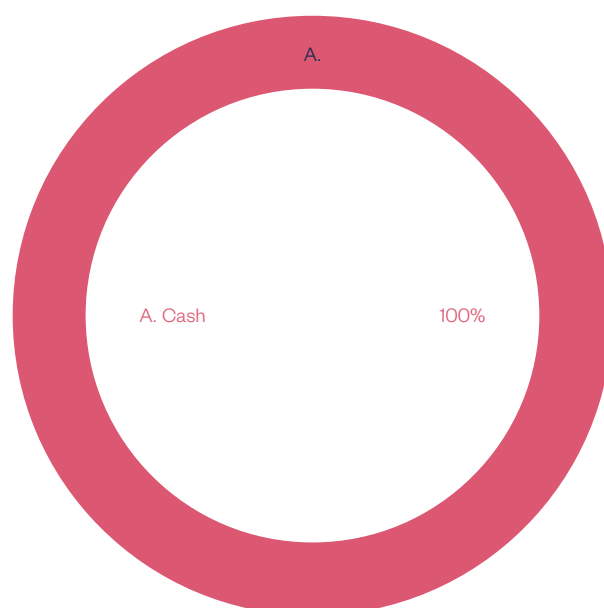
### Risk Level:

Very low.

### Investor profile:

Will suit investors looking for stability, but long-term investment returns are likely to be the lowest of all investment options.

### Asset mix:



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# Enhanced cash

**Return objective:**

To outperform the Bloomberg Ausbond Bank Bill Index over rolling 5-year periods, net of fees.

**Risk profile:**

This option seeks to outperform the benchmark through taking on a number of risks, principally credit risk, in a process of active management. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in 6 months to one year in every 20 years.

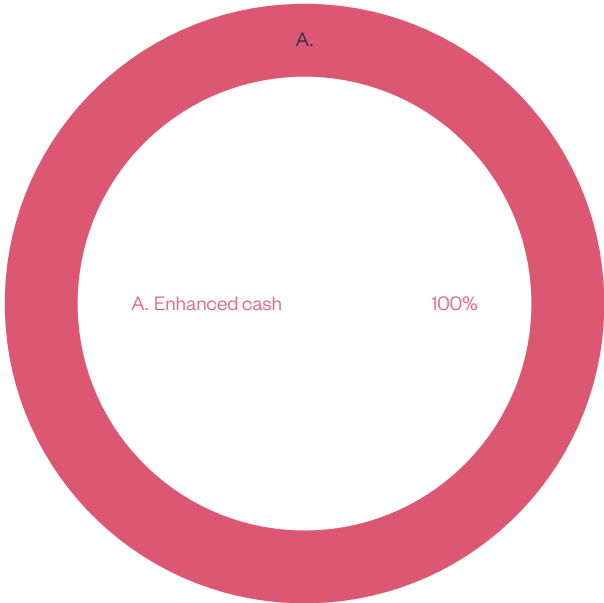
**Risk Level:**

Low.

**Investor profile:**

Will suit investors looking for stability, but long-term investment returns are likely to be among the lowest of all investment options.

**Asset mix:**



# Conservative

**Return objective:**

To outperform an average annual return\* of CPI + 2.0% p.a. over rolling 10-year periods.

**Risk profile:**

Offers the likelihood of higher long-term investment returns than cash with greater fluctuations from year to year. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in 1 to 2 years in every 20 years.

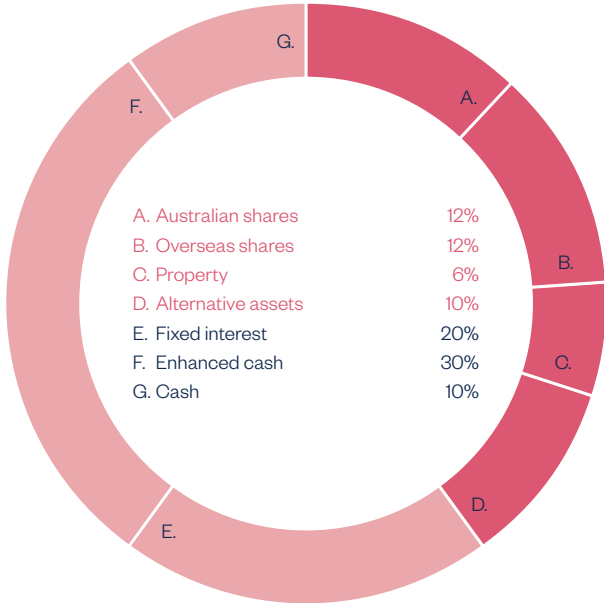
**Risk Level:**

Low to Medium.

**Investor profile:**

Will suit investors looking for lower volatility in returns, but who are prepared to accept some exposure to growth assets.

**Asset mix:**



\*the annual return is net of all fees and tax except the weekly \$1.30 Administration fee.

## Conservative balanced

### Return objective:

To outperform an average annual return\* of CPI + 2.5% p.a. over rolling 10-year periods.

### Risk profile:

Invests in a mix of assets to achieve higher returns, while reducing short-term risks. This option is likely to produce a negative return in 2 to 3 years in every 20 years.

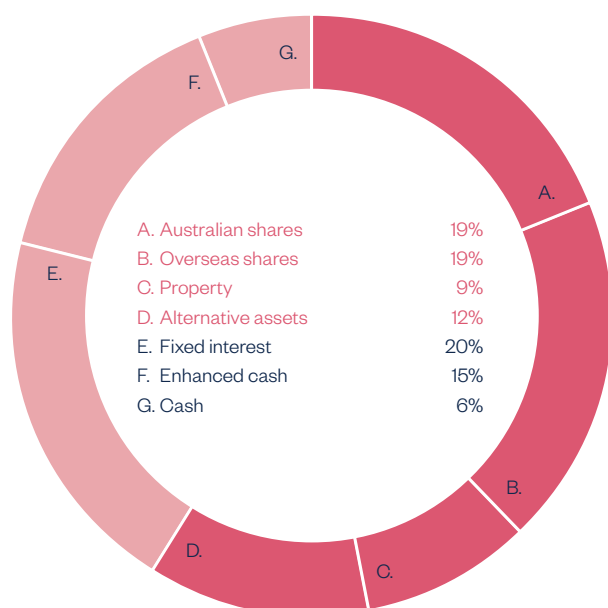
### Risk Level:

Medium.

### Investor profile:

Will suit investors looking for moderate returns over the medium to long-term but who are prepared to accept some fluctuations in investment performance over shorter periods.

### Asset mix:



## Balanced index

### Return objective:

To outperform an average annual return\* of CPI + 2.8% p.a. over rolling 10-year periods.

### Risk profile:

Offers an emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to reduce short-term risks. The strategy is passively invested which is lower-cost but provides diversified exposures to selected listed asset classes like Australian shares, International shares, Australian Property Securities and Australian Cash. This option is likely to produce a negative return in 3 to 4 years in every 20 years.

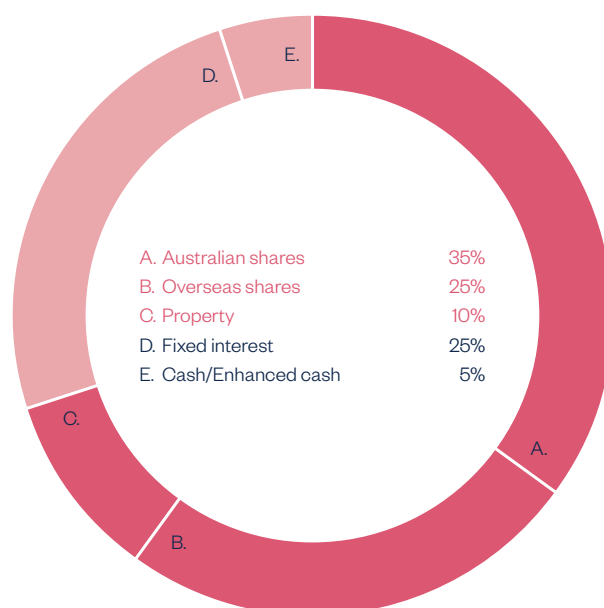
### Risk Level:

Medium to High.

### Investor profile:

Will suit investors looking for moderate to high returns over the long-term, but who are prepared to accept fluctuations in investment performance over shorter periods. The strategy is suited to investors seeking to minimise costs, although without utilising active managers seeking to achieve outperformance above market benchmarks.

### Asset mix:



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# Balanced

**Return objective:**

To outperform an average annual return\* of CPI + 3.0% p.a. over rolling 10-year periods.

**Risk profile:**

Offers a greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to reduce short-term risks. This option is likely to produce a negative return in 3 to 4 years in every 20 years.

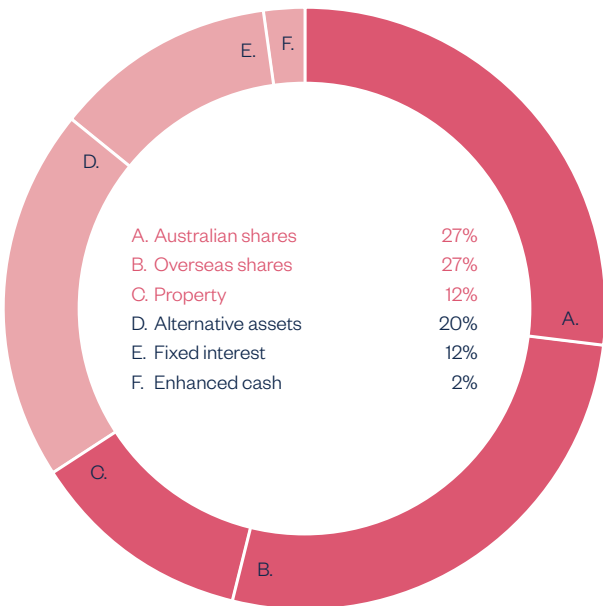
**Risk Level:**

Medium to High.

**Investor profile:**

Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept fluctuations in investment performance over shorter periods.

**Asset mix:**



# Growth

**Return objective:**

To outperform an average annual return\* of CPI + 3.5% p.a. over rolling 10-year periods.

**Risk profile:**

Offers a greater emphasis on shares and property, and therefore carries a higher level of investment risk. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

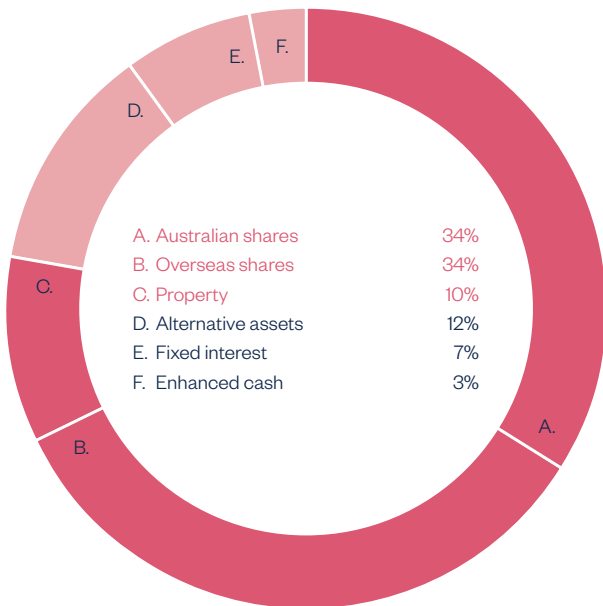
**Risk Level:**

High.

**Investor profile:**

Will suit investors looking for higher returns over the long-term, but who are prepared to accept large fluctuations in investment performance.

**Asset mix:**



\*the annual return is net of all fees and tax except the weekly \$1.30 Administration fee.

# High growth

## Return objective:

To outperform an average annual return\* of CPI + 4.0% over rolling 10-year periods.

## Risk profile:

Offers the strongest emphasis on shares and property and therefore carries the highest level of investment risk out of all the diversified portfolios. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

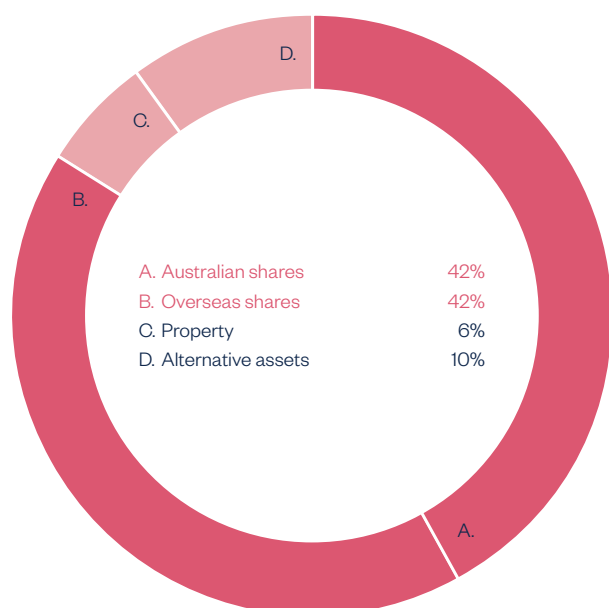
## Risk Level:

High.

## Investor profile:

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept very large fluctuations in investment performance.

## Asset mix:



# Australian shares

## Return objective:

To outperform the return of the S&P/ASX300 Accumulation index, net of fees, over rolling 10-year periods.

## Risk profile:

100% invested in Australian shares, and therefore carries very high investment risk. Short-term fluctuations will occur, but the highest investment returns are expected over longer periods. This option is likely to produce a negative return approximately 6 years in every 20 years.

## Risk Level:

Very high.

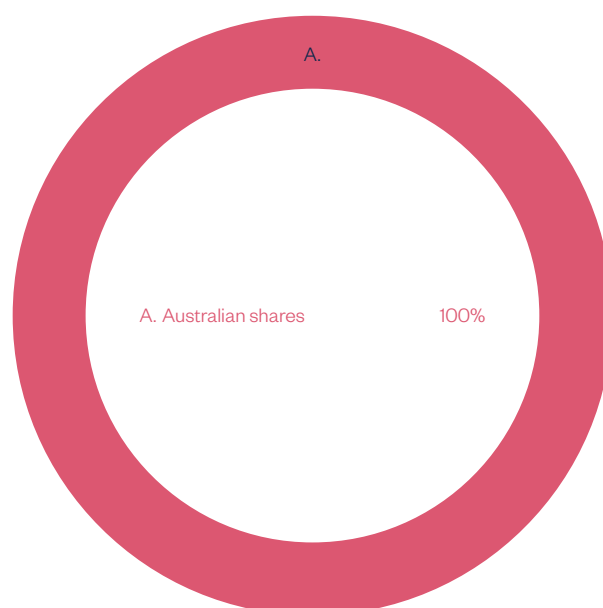
## Investor profile:

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept very large fluctuations in investment performance.

## Investment strategy:

The investment benchmark is 100% in Australian shares. Minimum suggested time frame for holding the investment is 10 years.

## Asset mix:



# Overseas shares

**Return objective:**

To outperform the return of the applicable composite overseas shares index, net of fees, over rolling 10-year periods.

**Risk profile:**

100% invested in overseas shares and therefore carries a high level of investment risk. Short-term fluctuations will occur, but the highest investment returns are expected over longer periods. This option is likely to produce a negative return approximately 5 years in every 20 years.

**Risk Level:**

High.

**Investor profile:**

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept extreme fluctuations in investment performance.

**Investment strategy:**

The investment benchmark is 100% Overseas shares. Exposure includes emerging market equities and currency hedging will be applied to part of the portfolio. Minimum suggested time frame for holding the investment is 10 years.

**Asset mix:**



# Balanced Socially responsible

**Return objective:**

To outperform an average annual return\* of CPI + 3.5% p.a. over rolling 10-year periods.

**Risk profile:**

Offers greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to moderate short-term risks. Investments are made with a focus on managing sustainability and environmental, social, and governance (ESG) risks. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

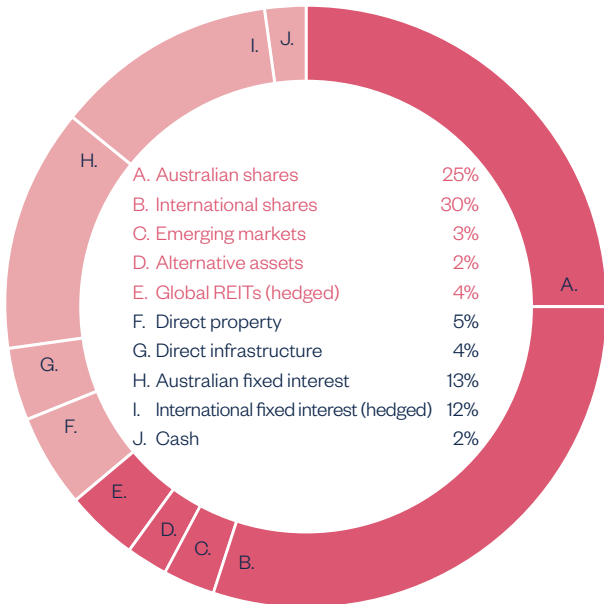
**Risk Level:**

High.

**Investor profile:**

Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept fluctuations in investment performance over shorter periods.

**Asset mix:**



\*the annual return is net of all fees and tax except the weekly \$1.30 Administration fee.

# Direct Investment option

This option gives members greater choice and control over how their super is invested. This SMSF-style alternative suits those who want to be actively involved in managing their super.

Members have the flexibility to invest in:

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Shares in the S&P/ASX 300 Index

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Exchange Traded Funds (ETFs)

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Listed Investment Companies (LICs)

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Term Deposits

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**As at 30 June 2020, the most selected investments held within Direct Investment option (by portfolio value (\$)) were as follows:**

Top 20 shares from the S&P/ASX300 Index	
CSL	CSL Limited
BHP	BHP Group Limited
TLS	Telstra Corporation Limited
CBA	Commonwealth Bank of Australia
SAR	Saracen Mineral Holdings Limited
MQG	Macquarie Group Limited
ANZ	Australia and New Zealand Banking Group Limited
RIO	Rio Tinto Limited
NCM	Newcrest Mining Limited
APT	Afterpay Limited
WBC	Westpac Banking Corporation
NAB	National Australia Bank Limited
SLR	Silver Lake Resources Limited
EVN	Evolution Mining Ltd
GOR	Gold Road Resources Ltd
NST	Northern Star Resources Ltd
WPL	Woodside Petroleum Ltd
WOW	Woolworths Group Limited
MFG	Magellan Financial Group Limited
ASX	ASX Limited

## As at 30 June 2020, the most selected investments held within Direct Investment option (by portfolio value (\$)) were as follows:

Top 10 Listed Investment Companies	
AFI	Australian Foundation Investment Co Limited
MLT	Milton Corp Limited
ARG	Argo Investments Limited
PMC	Platinum Capital Ltd
BKI	BKI Investment Co Ltd
WAM	WAM Capital Ltd
MFF	MFF Capital Investments Ltd
WLE	WAM Leaders Ltd
WAA	WAM Active Ltd
FGX	Future Generation Investment Company Ltd

Top 10 Exchange Traded Funds	
IVV	iShares S&P 500 ETF
VTI	Vanguard Total Stock Market Shares Index ETF
VAS	Vanguard Australian Shares Index ETF
BEAR	BetaShares Australian Equities Bear Hedge Fund
USD	BetaShares US Dollar ETF
VEU	Vanguard FTSE All-World ex-US ETF
IOZ	iShares Core S&P/ASX 200 ETF
QAU	BetaShares Gold Bullion ETF - Currency Hedged
MNRS	BetaShares Global Gold Miners ETF - Currency Hedged
IOO	iShares Global 100 ETF

All responsibility for the investment decisions in the DIO rests with the member. The inclusion of a share, ETF, LIC or Term Deposit as an allowable investment within the DIO is not an endorsement or recommendation by the Trustee as to the suitability of that investment.

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# Other investment information

## Overall asset allocation

The overall asset allocation across all of legalsuper's assets at 30 June 2020 and the preceding year was as follows:

Asset class	30 June 2019	30 June 2020
Australian shares	29.3%	28.0%
Overseas shares	28.5%	26.7%
Property	10.7%	10.8%
Alternative assets	10.3%	13.7%
Fixed interest	11.9%	9.3%
Cash/Enhanced cash	7.0%	8.7%
Diversified	2.3%	2.8%

## Investments greater than 5% of total assets

Five separately managed investment mandates held by legalsuper at 30 June 2020 were in excess of 5% of the total market value of investments held (State Street Global Advisors, First Sentier, Yarra Capital, Solaris and Cooper Investors).

As at 30 June 2020 the following investment managers invested more than 5% of legalsuper's total assets:

Investment manager	Total assets
State Street Global Advisors	9.0%
First Sentier	8.4%
Solaris	7.0%
Yarra Capital Management	6.8%
Cooper Investors	6.7%



ERIN

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# Governance

# Governance

The Trustee of legalsuper is Legal Super Pty Ltd. Its shareholders are, in equal proportion, the Law Institute of Victoria and Law Society of New South Wales.

## Stewardship

Our leadership comes from within the legal community, with a Board consisting of well-respected leaders from across the legal profession. Rigorous processes and strength of stewardship ensures sound governance, accountability and reliability. We operate with full transparency and are committed to increasing the quality of our offering.

Our Board has 10 Directors including an Independent Chair who is appointed by the Board. The other 9 Directors are nominated by the following organisations:

### Independent Chair

Required to be an independent Director and is nominated by the Board

5 Member Directors	Nominated by	4 Employer Directors	Nominated by
	Australian Services Union (Victorian Private Sector branch)		Law Society of New South Wales
	United Services Union		Law Institute of Victoria
	Victorian Bar Inc.		

# Committees

The Board has established four Committees with specialised responsibilities. Directors are delegated to the Board-appointed Committees, who then report to the full Board Meeting. The four Committees are:



# Executive Management

The Executive team is responsible for overseeing the management of legalsuper.

The Board has appointed a Chief Executive – Andrew Proebstl – who is assisted by the Executive team. The Executive team oversees the operations of legalsuper, monitors its service providers and advises and supports the Board and its Committees.



# The Board

The Board has identified the skills, experience and qualities needed to ensure proper and effective oversight of the business, now and into the future. The Board ensures that Directors collectively have the requisite mix of skills, experience, expertise and diversity. The Board's roles and responsibilities are set out in a Charter. Its roles and responsibilities include the following:

**Approving strategy and policy;**

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**Appointing the Chief Executive and evaluating performance;**

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**Overseeing compliance with legal and regulatory requirements; and**

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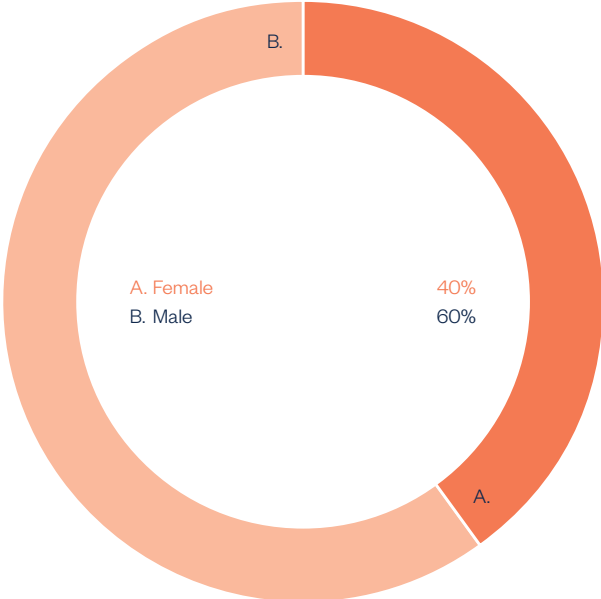
**Ensuring effective audit, risk management, internal controls and financial reporting processes are in place.**

legalsuper

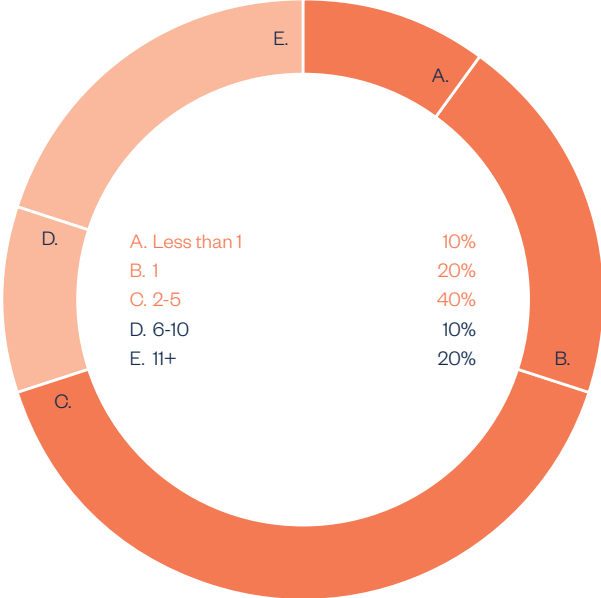
legalsuper.com.au



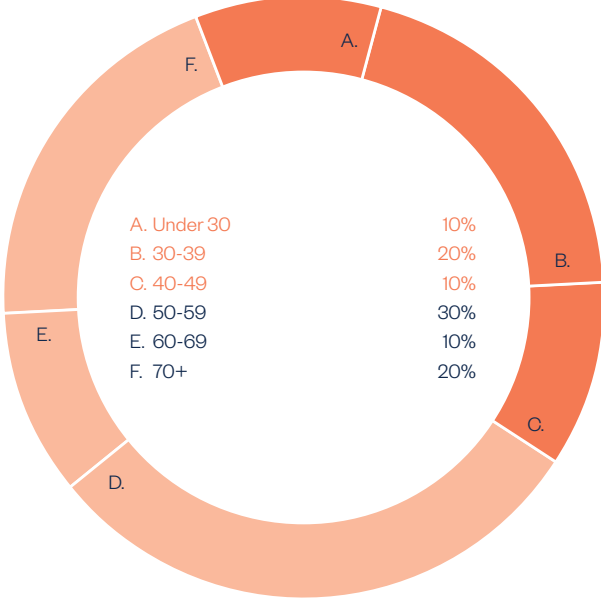
## Gender diversity



## Tenure (years)



## Age profile





## Kirsten Mander

Independent Chair of the Board

**APPOINTMENT DATE:**

15 December 2017

**NOMINATING ORGANISATION:**

Independent, appointed by the Board of legalsuper

**QUALIFICATIONS:**

- Master of Laws, University of Melbourne
- Fellow, Australian Institute of Company Directors
- Fellow, Governance Institute of Australia
- Fellow, Australian Risk Management Institute

**EXPERIENCE:**

- Non-Executive Director & Chair, Audit & Risk Committee, Peninsula Health (2017-current)
- Non-Executive Director, Swinburne University of Technology (2014-2019)
- Chair, International Women's Development Agency (2013-current)
- RT Health Limited (2014-2019)
- Chair, Victorian Assisted Reproductive Treatment Authority (2010-2018)
- Non-Executive Director, Australian Centre for Health Research (2014-2017)
- Non-Executive Director & Chair, Strategic Planning Committee, MEGT (Australia) Limited (2007-2014)
- Non-Executive Director, Consultative Council for Clinical Trial Research (2008-2016)
- Deputy Chair, Women's Circus Limited (2008-2011)
- Non-Executive Director, Alternative Technology Association (2008-2009)
- Non-Executive Director, Energy Retailers Association of Australia (2005-2006)
- President (Victoria) (2004-2006), Australian Corporate Lawyers Association (2001-2007)
- Non-Executive Director & Chair, Ethics Committee, Law Institute of Victoria Limited (2001-2004)



## Richard Fleming

Employer Director

**APPOINTMENT DATE:**

27 May 2016

**NOMINATING ORGANISATION:**

Law Institute of Victoria

**QUALIFICATIONS:**

- Bachelor of Science (Hons), Monash University
- Bachelor of Laws, Monash University

**EXPERIENCE:**

- Chair, Law Institute of Victoria Ethics Committee (2005-current)
- Member, Law Institute of Victoria Ethics Committee (2002-current)
- Director, Benelex Pty Ltd. (2007-current)
- Board member, Legal Services Board (2010-2014)
- Board member, Law Institute of Victoria (2002-2005)
- Lawyer/Partner, Dunhill Madden Butler/Deacons (now Norton Rose Fulbright) (1992-2007)



## Andrew Boog

### Employer Director

#### APPOINTMENT DATE:

28 April 2017

#### NOMINATING ORGANISATION:

Law Society of New South Wales

#### QUALIFICATIONS:

- Bachelor of Economics, Australian National University
- Bachelor of Laws, Australian National University
- Registered Tax Agent, Tax Practitioners Board
- Accredited Specialist, Business Law
- Public Practice Certificate, CPA Australia
- Master of Laws (College of Law)
- Fellow, CPA Australia
- Fellow, Institute of Managers and Leaders
- Fellow, Australian Institute of Company Directors
- Certified Tax Adviser, Taxation Institute
- Nationally Accredited Mediator
- Master of Business Administration, Henley Business School
- Master of Arts, Biola University
- Certificate IV in Workplace Training and Assessment, NSW TAFE
- Chartered Manager, Chartered Management Institute, UK
- Member, NSW Law Society Audit & Finance Committee (2017-current)
- Co-chair, Revenue NSW/NSW Law Society Liaison Committee (2017-current)
- Member, Legal Practitioners Board Examinations Committee (2016-current)
- Member, AICD Western Region Committee (2015-current)
- Adjunct Lecturer, College of Law (2015-current)
- Member, Finance Committee, Verto (2015-current)
- Member, Governance Committee, Verto (2014-current)
- Councillor, Law Society of New South Wales (2014-current)
- Director, Verto (2014-current)
- Member, NSW Law Society Fidelity Fund Management Committee (2012-current)
- Member, Business Law Specialist Accreditation Committee (2012-current)
- Conduct Panel Member, CPA Australia (2010-2015)
- President, Orana Law Society Inc (2003-6, 2009-current)
- Mediator, Centacare (2008-current)
- Managing Partner, Austen Brown Boog (1985-current)

#### EXPERIENCE:

- Secretary, Orana Broadcasters Inc (current)
- Chair, Professional Standards Committee, Anglican Diocese of Bathurst (2018-current)
- Co-chair, NSW Law Society Rural Issues Committee (2016-2019)
- Member, NSW Law Society Business Law Committee (current)
- Chair, Wellington Christian Parent Controlled School Ltd (2017-current)
- Chair, Berakah Christian Education Ltd (2017-current)



## Richard Fliteroft

**Employer Director**

**APPOINTMENT DATE:**

31 March 2019

**NOMINATING ORGANISATION:**

Law Society of New South Wales

**QUALIFICATIONS:**

- Bachelor of Laws, University of New South Wales
- Bachelor of Commerce, University of New South Wales

**EXPERIENCE:**

- Councillor, Law Society of New South Wales (2017-current)
- Partner, Corrs Chambers Westgarth (2000-current)
- Professional Standards Partner, Corrs Chambers Westgarth (2009-2016)
- Lawyer, Corrs Chambers Westgarth (1990-2000)



## Geoff Hone

**Employer Director**

**APPOINTMENT DATE:**

20 January 2010

**NOMINATING ORGANISATION:**

Law Institute of Victoria

**QUALIFICATIONS:**

- Bachelor of Laws (Hons), University of Melbourne

**EXPERIENCE:**

- Chair, The Scobie & Claire Mackinnon Trust (1994-current)
- Director, Institute of Public Affairs (2011-current)
- Member, The Supreme Court Library Investment Committee (1993-current)
- Lawyer/Partner, Ashurst (formerly Blake Dawson) (1967-2017)
- Managing Partner, Blake Dawson, London (2000, 2003-2005)
- Member, Blake Dawson National Executive/Policy Committee (1989-1995)
- Trustee/Director, Blake Dawson Partners Superannuation Fund (1994-2009), Chair (1994-2003)
- Director, Securities Exchanges Guarantee Corporation Ltd. (1991-2002)

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## Carita Kazakoff

**Member Director**

**APPOINTMENT DATE:**

27 April 2017

**NOMINATING ORGANISATION:**

Australian Services Union

**QUALIFICATIONS:**

- Bachelor of Laws (Hons), University of Notre Dame Australia
- Bachelor of Arts (Hons), University of Notre Dame Australia

**EXPERIENCE:**

- Principal Solicitor, Slater and Gordon, Industrial and Employment Law (January 2019-current)
- Member, Branch Executive Committee, Australian Services Union, Victorian Private Sector Branch (2011-current)
- Principal Solicitor, Young Workers Centre, Trades Hall Victoria (January 2017-January 2019)
- Senior Associate, Slater & Gordon, Industrial and Employment Law Department (2016-January 2019)
- Director of Trustee Company, ASU Education and Training Trust (2011-2015)
- Articled Clerk/Solicitor, Slater & Gordon (2008-2016)



## Phil Kennon QC

**Member Director**

**APPOINTMENT DATE:**

9 June 2009

**NOMINATING ORGANISATION:**

Victorian Bar Inc.

**QUALIFICATIONS:**

- Bachelor of Laws (Hons), University of Melbourne
- Bachelor of Commerce, University of Melbourne

**EXPERIENCE:**

- Member of Supreme Court of Victoria Library Fund Investment Committee (May 2009-current)
- Grade 1 Arbitrator, with national and international experience (2008-current)
- Queen's Counsel (1993-current)
- Trustee/Director, Victorian Bar Superannuation Fund (1992-2009), Chair (2002-2009)
- Fellow of the Institute of Arbitrators and Mediators Australia (1986-current)
- Member, National Young Lawyers Committee (1981-1984)
- Member, Chief Justice's Law Reform Committee (1980-1986)
- Member, Victorian Bar Council (1979-1980)



## Emma Maiden

**Member Director**

**APPOINTMENT DATE:**

29 September 2008

**NOMINATING ORGANISATION:**

United Services Union

**QUALIFICATIONS:**

- Bachelor of Economics (Hons. 1), University of Sydney
- Diploma in Law, Legal Practitioners Admission Board
- Graduate Diploma in Legal Practice, College of Law

**EXPERIENCE:**

- Head of Advocacy, Uniting NSW.ACT (2019-current)
- Director, Sydney Community Forum (2014-current)
- Assistant Secretary, Unions NSW (2014-2018)
- Member, Contract Cleaning Industry Portable Long Service Leave Industry Committee (2012-2018)
- Member, Correction Industries Consultative Council (2011-2018)
- Deputy Assistant Secretary, Unions NSW (2009-2014)
- Lawyer, Employment and Industrial, Slater & Gordon (2008-2010)



## Nikhil Mishra

**Member Director**

**APPOINTMENT DATE:**

31 March 2020

**NOMINATING ORGANISATION:**

United Services Union

**QUALIFICATIONS:**

- Bachelor of Economics, University of Sydney
- Juris Doctor, University of Technology, Sydney
- Graduate Diploma of Legal Practice

**EXPERIENCE:**

- Associate, Australian Business Lawyers & Advisors (2019 - current)
- Workplace Relations Advisor, Australian Business Lawyers & Advisors (2017 - 2019)
- Organiser, Association of Professional Engineers, Scientists and Managers, Australia (2014 - 2017)

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## Imogen Sturni

**Member Director**

**APPOINTMENT DATE:**

31 March 2019

**NOMINATING ORGANISATION:**

Australian Services Union

**QUALIFICATIONS:**

- Bachelor of Arts, Major in Politics and International Studies, Monash University

**EXPERIENCE:**

- Assistant Secretary, Australian Services Union Victorian Private Sector Branch (2018-current)
- Organiser, Australian Services Union Victorian Private Sector Branch (2013-2018)
- National Project Officer, Australian Services Union (2012-2013)
- Workplace Relations Officer, TL Consult (2012)
- Monash University Councillor, Undergraduate Representative (2011-2012)
- President, Monash Student Association (2011)
- Education (Public Affairs) Officer, Monash Student Association (2010)

# Committees

## ADMINISTRATION & INSURANCE COMMITTEE

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Responsible for overseeing the fund administrator, member insurance arrangements and the operating cost budget.

**Chair:** Carita Kazakoff  
**Members:** Imogen Sturni  
Richard Flitcroft

## AUDIT, RISK & GOVERNANCE COMMITTEE

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Responsible for the oversight of the financial reporting framework, both internal and external audit, the Risk Management Framework, the Governance Framework and compliance with the legislative, prudential and regulatory obligations of the Trustee.

**Chair:** Geoff Hone  
**Members:** Andrew Boog  
Chris Joyce (until 31 March 2020)

## INVESTMENT COMMITTEE

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Responsible for overseeing implementation of the investment strategy, advising the Board on the design of investment options including the risk and return objectives and strategic asset allocation; investment policy; and the appointment or termination of the Custodian or Asset Consultant.

**Chair:** Richard Fleming  
**Members:** Phil Kennon QC  
Emma Maiden

## REMUNERATION & NOMINATION COMMITTEE

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Responsible for making annual recommendations to the Board on the remuneration of the senior executives and others in accordance with the Board's Remuneration Policy; and determining the processes for the interview of nominees for the role of Director and making a recommendation to the Board. It is also responsible for reviewing the nomination of directors to the Board and meets at least three times per financial year.

**Chair:** Kirsten Mander  
**Members:** Andrew Boog  
Emma Maiden

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## Board and Committee meeting attendance

A number of meetings attended

B number of meetings held during the time the Director held office or was a member of the Committee

Director	Board meeting		Administration & Insurance		Audit, Risk & Governance		Investment		Remuneration & Nomination	
	A	B	A	B	A	B	A	B	A	B
<b>Chair</b>										
Kirsten Mander	11	11							3	3
<b>Member Directors</b>										
Chris Joyce*	5	5			3	3				
Phil Kennon QC	11	11					5	5		
Emma Maiden	11	11					5	5	3	3
Nikhil Mishra**	5	5								
Carita Kazakoff	11	11	4	4						
Imogen Sturni	11	11	4	4						
<b>Employer Directors</b>										
Geoff Hone	11	11			4	4				
Richard Fleming	11	11					5	5		
Andrew Boog	9	11			4	4			3	3
Richard Flitcroft	11	11	4	4						

\*Retired 31 March 2020

\*\*Appointed 31 March 2020

## Board renewal

The Constitution requires one Member Director and one Employer Director to retire from office each year on 31 March. On 31 March 2020, Chris Joyce retired. On 31 March 2020, Nikhil Mishra was appointed. In addition, on 31 March 2020 Richard Fleming retired and was then reappointed. The nomination of appointed representative Directors is undertaken in consultation with the nominating bodies.

## Committees

Each of the Committees established by the Board has a Charter that sets out its composition, responsibilities and any delegated powers.

## Board performance review

During 2019/20 the annual Board performance review was conducted by an external independent consultant.

## Professional development

Directors undertake ongoing professional development to keep abreast of regulatory change and industry best practice.

## Directors' and officers' insurance policy

The Board has a Directors' and officers' insurance policy that provides cover for liabilities that may arise from claims against Directors or officers. Directors also have a right of indemnity under the Constitution of the Trustee.

## Director remuneration

The Independent Chair's remuneration is determined by the Board. All other Directors' remuneration is adjusted each year effective 1 July for a cost of living adjustment. Any other increase in Directors' remuneration requires approval by the organisations that nominate Directors for the Board. In 2019/20 a cost of living adjustment was applied. Costs incurred by the Directors in the performance of their duties as Directors are paid by legalsuper.

# Director remuneration

Aggregate remuneration paid to each Director for the last two financial years is as follows:

Director name	Date appointed during the period	Date retired during the period	2018/19 \$	2019/20 \$	Remuneration paid to
Kirsten Mander			102,100	103,734	Kirsten Mander
Andrew Boog			40,840	41,493	Andrew Boog
Richard Fleming	31 March 2020	31 March 2020	56,155	57,053	Richard Fleming
Richard Flitcroft	31 March 2019		10,000	40,640	Richard Flitcroft
Geoff Hone			51,050	51,867	Geoff Hone
Chris Joyce		31 March 2020	40,840	31,120	Chris Joyce
Carita Kazakof			51,050	51,867	Australian Services Union <sup>1</sup>
Phil Kennon QC			45,945	46,680	Phil Kennon QC
Coralie Kenny		31 March 2019	34,459	-	Coralie Kenny
Emma Maiden			45,945	46,680	Emma Maiden from 1 January 2019. United Services Union to 31 December 2018 <sup>2</sup>
Vicki Rogers		31 March 2019	30,630	-	Vicki Rogers
Imogen Sturni	31 March 2019		10,000	40,640	Australian Services Union
Nikhil Mishra	31 March 2020		-	10,373	Nikhil Mishra

<sup>1</sup> The Australian Services Union paid directly to Carita Kazakoff a meeting attendance fee of \$3,000 (\$2,250 in 2018/19).

<sup>2</sup> The United Services Union paid directly to Emma Maiden a meeting attendance fee of \$0 (\$4,901 in 2018/19).

# Executive team

The Executive team oversee the management of the fund. legalsuper engages qualified and experienced professionals who are driven to deliver exceptional outcomes for our members.



## Andrew Proebstl

### Chief Executive

Andrew was appointed in January 2003. He reports directly to the Board and has more than 30 years of superannuation experience.

#### QUALIFICATIONS:

- Bachelor of Commerce, University of Melbourne
- Professional Year, Institute of Chartered Accountants
- Diploma of Superannuation Management, Macquarie University
- Financial Planning Proper Authority Course, Securities Institute/Institute of Chartered Accountants

#### EXPERIENCE:

Qualifying as a Chartered Accountant while at Arthur Andersen, Andrew has broad experience across the superannuation industry with fund administrators, investment managers, custodians and superannuation funds. Andrew is a member of the Policy Committee and Member Services Committee of the Australian Institute of Superannuation Trustees. He is also a former Director of the Australian Institute of Superannuation Trustees and former member of the Victorian Executive of the Association of Superannuation Funds of Australia. He regularly presents at superannuation industry conferences and writes superannuation columns for law society journals.



## David Eastwood

### Executive Manager, Operations and Member Services

David was appointed in November 2006. He reports to the Chief Executive and is responsible for managing operations and member services. He has more than 20 years of superannuation experience.

#### QUALIFICATIONS:

- Diploma of Financial Planning (DFP), Deakin University/Financial Planning Association
- Certified Financial Planner Education Program (CFP), Deakin University/Financial Planning Association
- Certificate of Superannuation Management, Association of Superannuation Funds of Australia
- Master of Business Administration, Deakin University
- Financial Adviser Exam, FASEA Standards Authority

#### EXPERIENCE:

David's financial services career commenced as a financial adviser at Westpac Bank. David then worked for 6 years with VioSuper in a range of advisory and management roles before joining legalsuper.



## Kaye Wheatley-Brown

**Executive Manager, Legal, Risk & Compliance  
and Company Secretary**

Kaye was appointed in January 2017. She reports to the Chief Executive and is responsible for monitoring, managing and reporting in respect of regulatory and compliance requirements.

As the Company Secretary, responsibilities include, overseeing timely preparation and despatch of Board and Committee meeting papers, advising the Board and its Committees on governance matters, monitoring ongoing review of and compliance with Board policies and procedures and facilitating induction and ongoing professional development for directors.

Kaye has more than 25 years of experience in the superannuation industry.

### QUALIFICATIONS:

- Bachelor of Business (Accountancy), RMIT
- Graduate Diploma Applied Corporate Governance, Governance Institute of Australia
- Diploma of Financial Services (Financial Planning)
- Associate, CPA & Governance Institute of Australia
- Fellow, Association of Superannuation Funds of Australia

### EXPERIENCE:

Kaye commenced her career at the Insurance and Superannuation Commission (now APRA). She has since gained broad experience in the superannuation industry including Associate Director in the superannuation audit and advisory team with KPMG and leading roles in governance, risk and compliance with Mercer, VicSuper and the Australian Retirement Fund (now AustralianSuper), before joining legalsuper in 2017.



## Norman Zhang

**Chief Investment Officer**

Norman was appointed in March 2020 and is responsible for managing legalsuper's investment program. He has more than 12 years of financial services experience. Norman was the 2018 winner of the Investment Rising Star Award, given by the Australian Institute of Superannuation Trustees (AIST).

### QUALIFICATIONS:

- Bachelor of Commerce, University of Melbourne
- Chartered Financial Analyst (CFA)  
Charterholder, CFA Institute
- Graduate Diploma of Chartered Accounting, Institute of Chartered Accountants Australia and New Zealand
- Executive Education Program, University of Cambridge, Judge Business School, United Kingdom

### EXPERIENCE:

Norman was most recently the Chief Investment Officer at Media Super where he led the investment strategy. Prior to Media Super, he had experience in investment consulting with Frontier Advisors and in corporate finance with Ernst & Young.



## Jessica Lancashire

### Manager, People & Culture

Jessica was appointed in November 2019. She reports to the Chief Executive and is responsible for the management of people and culture. Jessica has more than 20 years of experience in the Human Resources/People and Culture space.

#### QUALIFICATIONS:

- Bachelor of Social Science, Human Resource Management and Psychology, Swinburne University, Melbourne
- Masters, Human Resource Management, Griffith University, Brisbane
- Professional member of Australian Human Resources Institute

#### EXPERIENCE:

Jessica has experience working as a generalist Human Resources/People & Culture professional in a range of organisations across a breadth of industries from manufacturing, not for profit, professional services, technology, property and financial. Jessica's strengths lie in coaching, recruitment, culture identification, training, wellbeing, research, HR compliance and consulting on practical day-to-day people issues and strategic planning for business success.



## Patsy Mullen

### Executive Manager, Member Experience\*

Patsy was appointed in August 2016. She reports to the Chief Executive and is responsible for overseeing member experience. She has more than 20 years of experience in member experience, marketing and digital strategies in the financial services industry.

#### QUALIFICATIONS:

- BSc Computer Science with First Class Honours, University of Westminster, London
- Certificate in Customer Focused Innovation, Stanford Graduate School of Management, California

#### EXPERIENCE:

Patsy began her career in marketing in the financial services industry in London in 1997. She spent nine years in communications roles with global investment banks including Credit Suisse, JPMorgan and Société Générale. Since returning to Australia in 2006, Patsy has managed marketing, customer experience and digital teams in the funds management and superannuation industry.

\*Ceased employment in July 2020

# Remuneration

Remuneration paid to each of the responsible officers for the last two financial years was as follows:

Role	Name	2018/19	2019/20
Chief Executive	Andrew Proebstl	\$466,400	\$485,054
Executive Manager – Operations and Member Services	David Eastwood	\$330,865	\$329,999
Executive Manager – Member Experience <sup>1</sup>	Patsy Mullen	\$215,000	\$234,999
Chief Investment Officer <sup>2</sup>	Edward Smith	\$290,186	\$148,247
Chief Investment Officer <sup>3</sup>	Norman Zhang	\$0	\$96,666
Executive Manager – Legal, Risk & Compliance and Company Secretary	Kaye Wheatley-Brown	\$200,000	\$219,999

<sup>1</sup> Patsy Mullen ceased working with legalsuper in July 2020

<sup>2</sup> Edward Smith ceased working with legalsuper in September 2019

<sup>3</sup> Norman Zhang was appointed in March 2020



## Performance and remuneration review

Clear goals and performance standards are set for the Chief Executive and Executive team. Performance is regularly evaluated against the performance criteria that has been set.

The Remuneration & Nomination Committee considers an annual self-evaluation of performance and recommendations from the Chief Executive and makes recommendations to the Board.

The Board considers the Remuneration & Nomination Committee's recommendations and approves the remuneration of the following responsible officers:

- Chief Executive;
- Executive Manager, Operations and Member Services;
- Executive Manager, Member Experience;
- Chief Investment Officer;
- Executive Manager, Legal, Risk & Compliance and Company Secretary.

## Professional development

legalsuper invests in the professional development of its people, recognising the importance of them being properly trained to undertake their responsibilities and provide high levels of professional advice and service. Professional development includes attending superannuation and financial services industry conferences, as well as tailored professional development.

## Performance evaluation

The performance of all staff is formally reviewed and evaluated annually. Each staff member meets with their direct reports to review their performance over the preceding year and to identify any opportunities for professional development.



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# Our people and their expertise

# Our people and their expertise

## Our culture

We foster a culture that is committed to going above and beyond to deliver outstanding service to our members. Our rigorous hiring process ensures that our employees are not just smart and capable, but also passionate and dedicated – with a growth and improvement mindset.

## Professional development

To provide beyond expected service, legalsuper recognises the need to nurture and retain its employees. Staff are encouraged to undertake training on superannuation and also in their respective areas of expertise. Team members who provide information to members undertake ongoing training to keep abreast of changes in superannuation. Every year, all staff attend a strategic planning and professional development meeting, where expert speakers are invited to brief the team on current industry trends and developments and training consultants facilitate professional development sessions. legalsuper also encourages and supports staff to undertake further studies, both by paying the cost of work-related study and providing study leave.

## Flexibility

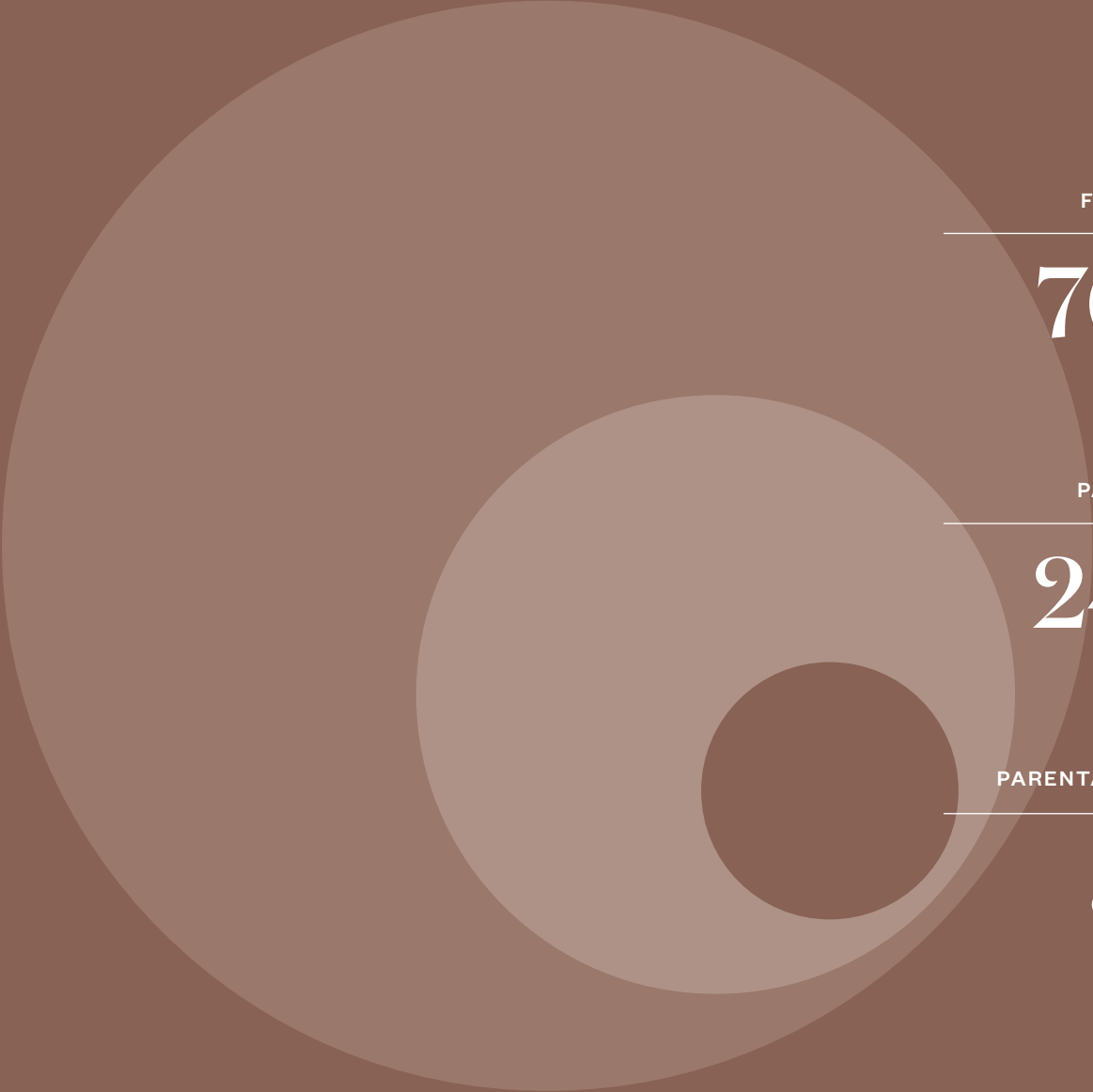
We understand the real need for employees to have flexibility to work on their terms to unleash a greater level of productivity. We are committed to retaining our skilled and dedicated staff and actively support employees by providing flexible workplace arrangements.

## Wellbeing

legalsuper places importance on the health and wellbeing of its staff. All staff have access to an Employee Assistance Program and are encouraged to attend confidential counselling, wellbeing coaching, people leadership advice and additional support services. legalsuper is committed to providing a healthy and safe workplace for all employees.

## Diverse thought, shared values

We place immense value in diversity of thought across the organisation and work collaboratively towards shared goals, with shared values, striving to provide service and products which are beyond expected.



FULL TIME:

76%

PART TIME:

24%

PARENTAL LEAVE:

5%

RESIGNATIONS AND RETIREMENTS

NEW HIRES

2018/19

3

2019/20

4

2018/19

5

2019/20

6



NESHA

# Other information

# Other advisers

The Board also engages specialist third party providers and expert advisers. If any of these organisations off-shore some part of its business, legalsuper satisfies itself that appropriate processes are in place to protect the confidentiality of member information.

## LEGAL ADVISER



## INTERNAL AUDITOR



## MEMBER INSURANCES



## LEGAL ADVISER



## FUND ADMINISTRATOR



## ASSET CONSULTANT



## LEGAL ADVISER



## TAX ADVISER



## CUSTODIAN



## EXTERNAL AUDITOR



## INVESTMENT MANAGERS

legalsuper has appointed 33 third party investment managers (see page 47) to manage the assets invested with legalsuper.



# Identifying and managing risk

An integral part of legalsuper's business planning process is the consideration and active management of risk.

The Board has a commitment to a high standard of corporate governance practice and promotion of a strong risk culture. The Trustee has approved a Risk Management Framework which sets out how the Board manages risks that could have a material impact on the operations of Legal Super Pty Ltd, legalsuper or the interests of its beneficiaries.

It includes systems, structures, policies, processes and people that identify, assess, monitor, report on, mitigate and manage all internal and external sources of risk including the failure to implement and maintain an effective governance framework.

Risks are monitored and a quarterly risk report is provided to the Audit, Risk & Governance Committee and the Board.

# Abridged financial statements

The following is a summary of legalsuper's audited financial statements. legalsuper's full audited financial statements and auditor's report are available at [legalsuper.com.au](http://legalsuper.com.au).

Hard copies are also available on request.

Statement of financial position	As at 30 June 2019 (\$)	As at 30 June 2020 (\$)
<b>ASSETS</b>		
Investments	4,200,475,437	4,210,894,378
Other	828,689	718,968
Tax	822,025	3,837,887
<b>Total assets</b>	<b>4,202,126,151</b>	<b>4,215,451,233</b>
<b>LIABILITIES</b>		
Tax	66,979,234	38,081,876
Other	7,303,688	6,399,430
<b>Total liabilities</b>	<b>74,282,922</b>	<b>44,481,306</b>
Net assets	4,127,843,229	4,170,969,927
<b>LIABILITY FOR ACCRUED BENEFITS</b>		
Allocated to member accounts	4,103,843,957	4,156,592,935
Reserves	23,999,272	14,376,992
<b>TOTAL LIABILITY FOR ACCRUED BENEFITS</b>	<b>4,127,843,229</b>	<b>4,170,969,927</b>

Operating statement	As at 30 June 2019 (\$)	As at 30 June 2020 (\$)
<b>REVENUE</b>		
Investment	295,486,863	-33,172,445
Contributions and transfers	370,727,177	374,386,159
<b>Total revenue</b>	<b>666,214,040</b>	<b>341,213,714</b>
<b>EXPENDITURE</b>		
Insurance premiums	19,284,373	16,947,891
Operating	18,617,739	18,973,487
Tax	46,405,514	12,712,278
<b>Total expenditure</b>	<b>84,307,626</b>	<b>48,633,656</b>
<b>NET REVENUE</b>	<b>581,906,414</b>	<b>292,580,058</b>

# Other member information

## Allocation of net earnings

Since 6 May 2019, daily unit prices have been determined for each investment option. Each National Business Day\* (i.e. a week day that is not a national public holiday or the NSW Queen's Birthday weekend or another day at Trustee discretion), legalsuper values the assets of each investment option to determine the unit price of the option. Allowance is made for the costs of acquiring and disposing of assets. For the Direct Investment option (DIO), earnings include income received (e.g. interest or dividends) and any gains or losses on securities held. The value of a member's investment in the DIO is determined by multiplying the number of securities held by the applicable security price.

\*With the exception of the Direct Investment option.

## Reserves

The Board has established two reserves:

- an operational risk reserve pursuant to Prudential Standard SPS 114 Operational Risk Financial Requirement. It is invested in the Balanced index investment option; and
- a general reserve. This is invested in the MySuper balanced option.

These reserves make provision for unexpected or unforeseen operational risk, or other events that the Board determines should be met from a reserve rather than directly deducted from member accounts.

Total reserves at 30 June for the last three years and change each year are shown below:

Year	Reserve balance	Change in balance
2020	\$14,376,992	-\$9,622,280
2019	\$23,999,272	\$2,909,793
2018	\$21,089,479	\$2,913,288

## Complaints

A complaint process has been implemented to ensure timely and fair resolution of complaints. By law, complaints must be dealt with within 90 days of receipt. In the first instance, members should call legalsuper on **1800 060 312** to try to resolve a complaint. Members can also check the progress of a complaint by calling the same number. If it is not resolved, the complaint should be put in writing either by email at **mail@legalsuper.com.au** or post, addressed to **legalsuper, Complaints Officer, Locked Bag 5081, Parramatta NSW 2124**. If a member is not satisfied with the response to a complaint, they can ask for it to be reviewed.

## Complaints body

The Australian Financial Complaints Authority (AFCA) replaced the Superannuation Complaints Tribunal (SCT) as the body to hear disputes on matters involving superannuation. The AFCA commenced operations on 1 November 2018. The SCT now only determines claims that were lodged prior to 1 November 2018.

## AFCA contact details

**Phone:** 1800 931 678  
**Address:** GPO Box 3, Melbourne VIC 3001

## Derivatives

legalsuper invests directly in derivatives by entering into hedging contracts as a risk mitigation measure for movements in foreign currency. Derivatives may also be used to enhance operational efficiency and to protect portfolios. There may also be indirect exposure to derivatives via the unit trusts in which legalsuper invests.

## Surcharge

While the surcharge has been abolished, the Australian Taxation Office (ATO) may provide an assessment for contributions paid before 30 June 2005 and the surcharge will be deducted from member accounts and paid to the ATO.

## Temporary residents

By law, legalsuper must pay the ATO the benefit of any temporary resident who has departed Australia (and whose visa has expired or been cancelled) if it is not claimed within six months of departure. On request, legalsuper will provide an exit statement to a non-resident. Visit **ato.gov.au** for more information.

## Your account may be transferred to the ATO

Under the Protecting Your Super Package legislation inactive accumulation accounts (i.e. no contributions or rollovers have been received in the past 16 months) with a balance of less than \$6,000 will be transferred to the Australian Taxation Office (ATO) in April and October each year, unless within the last 16 months you have:

- provided written notice to the Commissioner, declaring that you are not a member of an inactive low-balance account;
- changed investment options;
- made changes to your insurance cover;
- made or amended a binding beneficiary nomination; or
- legalsuper is owed an amount in respect of your account.

Refer to the ATO website [ato.gov.au](http://ato.gov.au) for further details.

## Insurance

If you are a new or re-joining member from 1 April 2020 and your account balance is less than \$6,000 or you are under 25 years, legalsuper is not permitted to provide you with insurance, unless directed by you or you meet the Putting Members' Interests First legislation requirements. In addition, if you have insurance cover and your account is inactive for a continuous period of 16 months and you have not made an election to maintain your insurance cover, we will be required by Protecting Your Super Package legislation to cancel your cover.

## Ceasing Death and TPD insurance cover for accounts that are inactive for 16 months or more, regardless of account balance

Where an accumulation account has been inactive (i.e. no contributions or rollovers have been received) for 16 months or more, Death and TPD insurance cover will be cancelled unless legalsuper has been advised by you to maintain it.



KAREN & RUSTY

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This Annual Report includes general information only. This information is of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements and read the legalsuper Product Disclosure Statement (PDS) before making any decision in relation to legalsuper. The PDS can be obtained at [legalsuper.com.au](https://legalsuper.com.au). Past performance is not necessarily a guide to future performance.