

 legalsuper

Annual Report
2021-22



Contents

About this Annual Report

Unless otherwise specified, all investment returns in this Annual Report are for periods ended 30 June 2022 and are net of all fees and tax except the direct Administration fee (\$1.30 per week). Past performance is not a guide to future performance.

The information contained in this Annual Report is of a general nature and does not take into account your objectives, financial situation or needs. It should not be relied on as advice, nor take the place of professional advice. Before making any decision in relation to legalsuper, you should consider your own financial position, objectives and requirements, and also obtain and read the relevant Product Disclosure Statement (PDS) and Target Market Determination (TMD). The relevant PDS and TMD is available by contacting legalsuper or at legalsuper.com.au.

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Welcome

legalsuper

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Who we are

legalsuper is the industry super fund for Australia's legal community.

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.



As an Industry Super Fund,
we are run only to benefit our members.

We don't pay dividends to shareholders and, aside from the costs of managing legalsuper, profits are shared with members through net investment returns.

Our fees and costs are competitive.

We do not spend our members' savings on mass TV and radio advertising. Our fee structure is designed to provide value, but not at the expense of personalised service, tailored products and competitive returns on your super balance.

1 Our team of Client Service Managers offers personalised, in-person or virtual support to our members and their employers. They work in the best interests of our members and are paid a salary. They don't receive commissions.

2 Our investment strategy and insurance design reflect the needs and preferences of members of the legal community.

3 Our Board is made up of professionals from across the legal community. We maintain the highest standards of corporate governance and ethical conduct.



● CARLOS

Chair & Chief Executive report

“legalsuper will continue to put our members’ interests first and work diligently to create long-term value for their retirement.”

Welcome from the Chair and Chief Executive

We commend our 2021/22 Annual Report to you. It provides a comprehensive overview of legalsuper’s performance and developments through the year under report.

Top five performer in a volatile year

The year under report saw significantly increased volatility in investment markets caused in part by Russia’s invasion of the Ukraine but also by the continuing impacts of the pandemic, escalating inflation and global and domestic interest rate rises. As a result, the S&P/ASX 300 Accumulation Index was down 6.8% for the financial year to 30 June 2022.

Despite these challenging circumstances, we are pleased to confirm that SuperRatings reported that legalsuper’s MySuper balanced option, where the majority of our members are invested, was the fifth top performing amongst all funds, successfully protecting members’ retirement savings during a difficult year. For the year to 30 June 2022, the MySuper balanced option earned -1.0%, which was 2.8% above the SuperRatings all fund median of -3.8%. This follows 2020/21 when our MySuper balanced option achieved its highest ever financial year return of 17%.

Importantly, this continued a long-term trend of outperformance, with legalsuper’s MySuper balanced returns having also been higher than the SuperRatings all fund median over 3, 5, 7 and 10 years.

Awards & recognition

We are also pleased to note that in 2021/22, legalsuper was awarded ratings including AAA Quality Rating from Rainmaker, ‘Gold’ from SuperRatings, 4 apples ‘High Quality Fund’ from Chant West and ‘Outstanding’ 5 Heron quality Stars.

Our Direct Investment Option (DIO) was also awarded Money Magazine’s *Best Member Direct Investment Choice* for its broad range of investment choice and flexibility. The DIO is particularly designed for legal sector members, many of whom wish to be actively involved in managing part or all of their savings, but do not want the cost and complexity of managing a SMSF.

Continued focus on member outcomes

From 1 July 2021, legalsuper implemented a 14% reduction in fees, increasing benefits to members.

We also completed development of a significantly improved MemberAccess portal giving members and employers enhanced functionality and security – going live in early August 2022.

We relocated our Melbourne office from the CBD to South Yarra. At the time legalsuper relocated office in August 2022, the relocation reduced rental costs by 50% while providing benefits to members and staff through improved access to public transport and parking, as well as offering more flexible, modern workspaces combined with access to shared office facilities. This was a further step in our continued drive to manage costs for the benefit of members while at the same time ensuring we provide a highly productive, engaging and flexible working environment for our team.

During the year we also made internal changes to help facilitate our focus on member outcomes, with executive oversight of all member outcomes centralised under a new role of Chief Member Officer assumed by Carrie Norman. We also recently welcomed Trevin Erichsen as Chief Operating Officer and David Walker to the newly created role of Head of Product.

During the year Deloitte was retained to undertake a detailed independent review of our insurance offering to members. The scope of the *Insurance Design Benefit* review included assessing affordability, competitiveness and improvements to Total and Permanent Disability definitions in line with ASIC recommendations. Preliminary findings showed legalsuper’s new death and total & permanent disability and salary continuance offerings rated favourably with other funds.

We also continued to focus on identifying investments where legalsuper’s scale and agility means we can access niche segments where there are opportunities for better returns. This year we became a cornerstone investor with the Artesian/Scale Female Leaders Fund. We believe that this a good opportunity to both support innovation and Australian female entrepreneurs, as well as investing in an underfunded segment of the market which we believe can generate strong and sustainable long-term returns.

Superannuation changes

On 1 July 2022 the Superannuation Guarantee Contribution (SGC) rate increased from 10.0% to 10.5% in line with Government legislation.

Also on 1 July 2022, legalsuper’s Retirement Income Strategy was published on our website as required by the Government’s new Retirement Income Covenant.

In closing

All members receive their member statements in October 2022 showing their balance at 30 June 2022 and transactions for the year then ended. Abridged financial statements for legalsuper are included in the Other important information section of this report. legalsuper will continue to work diligently to serve our members’ interests first, providing the highest levels of personal service and creating long-term value for our members.



Kirsten Mander

INDEPENDENT CHAIR



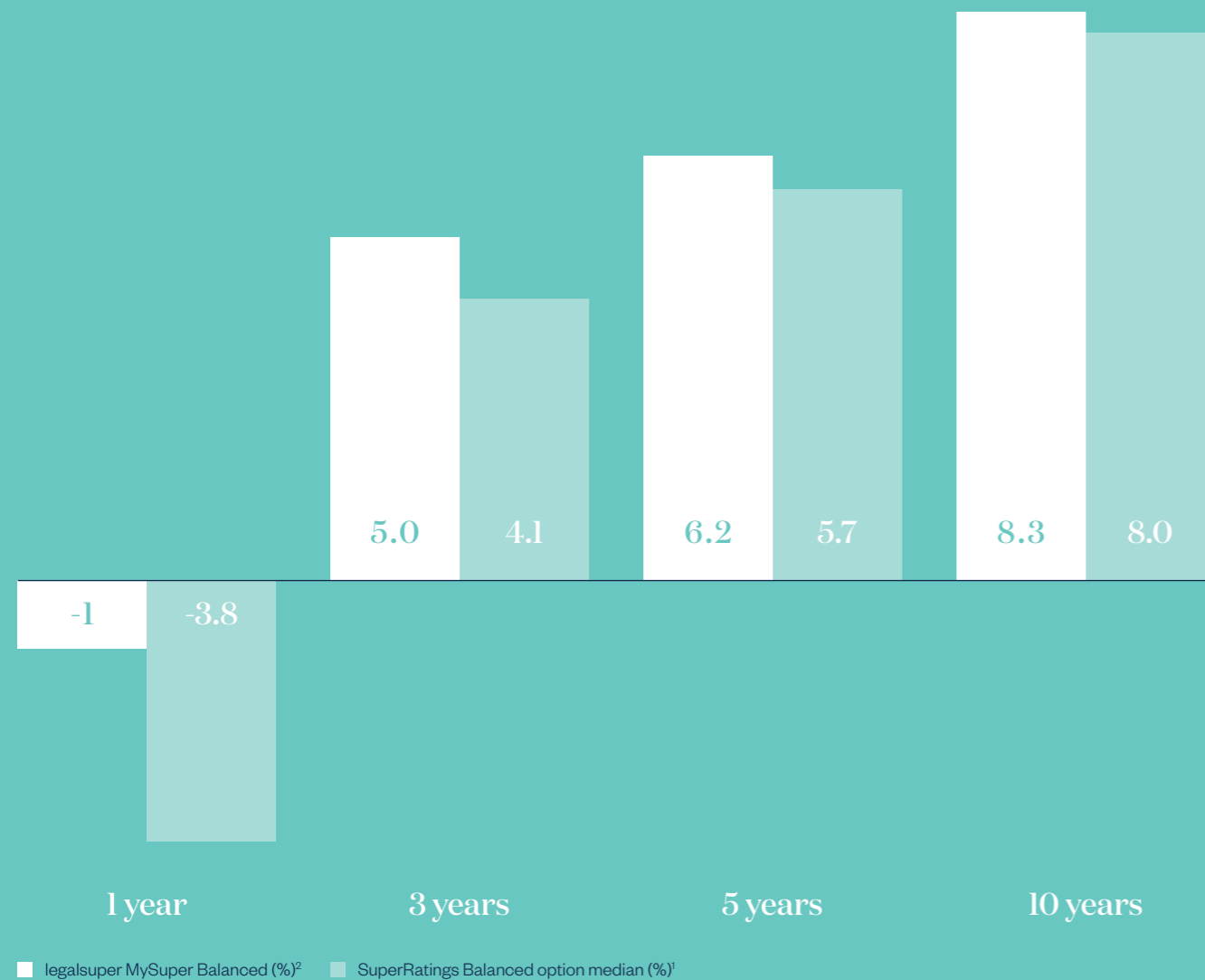
Andrew Proebstl

CHIEF EXECUTIVE

How we compare

MySuper Balanced vs the SuperRatings benchmark (to 30 June 2022)

As at 30 June 2022, our MySuper Balanced investment option, where most members are invested, delivered an annual net return of -1.0% for the year, above the SuperRatings median¹ of -3.8%. Over the longer term, the 10 year performance of our MySuper Balanced investment option delivered an annual net return that outperformed the SuperRatings median. Investment returns for all investment options are on the following pages.



¹ According to SuperRatings' survey of all the Balanced super funds based on certain criteria and compiled by 'SuperRatings', an independent research provider for the superannuation industry. SuperRatings medians are calculated by SuperRatings. Its research helps super funds monitor and improve their performance and benchmark themselves against their peers. legalsuper uses this as our peer comparison benchmark.
² The legalsuper performance shown here is net of all fees and tax except the direct Administration fee (\$1.30 per week). Past performance is not a guide to future performance.

SuperRatings – Gold and Platinum

SuperRatings is a leading research, consulting and ratings firm in the superannuation industry, encouraging the pursuit of greater transparency.

legalsuper Pension was awarded Platinum.

legalsuper was awarded Gold in 2022 for:

MySuper Balanced	
Personal Super	
Employer Sponsored Super	

Chant West – 4 Apple rating

Chant West is a leading research, data and analytics provider offering a suite of premium services, insights and tools to the financial advice and super sectors, empowering Australians to make more informed financial decisions and achieve their retirement goals.

legalsuper was awarded a 4 Apple rating in 2022 for:

Employer Sponsored & Personal Super	
Pension	

The Heron Partnership – 5 Star

The Heron Partnership is a leading independent superannuation and actuarial consultancy.

5 Stars is the highest rating available, judged as 'Outstanding'.

legalsuper was awarded 5 Stars in 2022 for:

Employer Sponsored & Personal Super	
Pension	

Rainmaker Information – AAA

Rainmaker Information is a leading provider of research and information about the Australian financial services industry.

To achieve the Rainmaker AAA Quality Rating, each superannuation product is reviewed and rated across a range of benchmarks including organisational strength, administration, communications, investment mix, investment performance, fees, charges, investment processes, insurances and extra services offered.

legalsuper was awarded the Rainmaker AAA Quality Rating in 2022 for:

Employer Sponsored Super	
Personal Super	
Pension	

Money Magazine – Winner 2022

Money magazine is Australia's longest-running and most-read personal finance magazine, providing easy-to-understand financial news, advice, reviews and awards.

legalsuper is proud to be awarded Money Magazine's Best Member Direct Investment Choice for its broad range of investments and flexibility.



In partnership with the legal community

We're committed to the success of our members and the legal community from which we were founded.

We partner with Australia's law societies and other organisations which we believe benefit our members.

Supporting professional development

We're invested in the ongoing professional development of members. We support continuing professional development (CPD) programs across Australia for all law societies, the Australasian Legal Practice Management Association (ALPMA), conveyancing associations and law student associations. Through supporting professional development we help members to progress their careers and build greater wealth for their life in retirement.

Supporting wellbeing in the legal community

We're passionate and active when it comes to the wellbeing of the legal community. We believe that maintaining health, wealth and wellbeing are all part of a prosperous life in retirement.

legalsuper has supported 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.

From inception, and in partnership with Mental Health First Aid Australia and our legal community partners, legalsuper has assisted more than 800 people to become accredited Mental Health First Aiders.

The future of law

We understand that accessing super is some time off for students, and so we work closely with university law societies and student bodies to ensure today's students and tomorrow's members are well equipped for the future.

Some of these initiatives have included partnering with the Australian Law Students Association, the Leo Cussen Centre for Law, The College of Law and student university law associations to support education programs, mental health first aid training and career fairs.

Our partners include but are not limited to:



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 highly personalised service means our members get the assistance they need where and when they need it.

Our Client Service team – in-depth support to help members achieve their retirement goals

Everyone’s path through their working lives and retirement is unique. Our National Client Service team is here to help members understand their super and the options available to them throughout their journey.

Our Client Service Managers provide a range of services including seminars and webinars, personal appointments about super and employer support. legalsuper members have access to super consultations via video call, over the phone or in-person at workplaces where possible.

Our team is not paid commissions, there’s no cost and no obligation; simply personalised super support when members need it, providing factual information, general advice and limited personal advice in relation to legalsuper’s Transition to Retirement product.

All Client Service Managers are registered on the Australian Securities and Investment Commission Financial Adviser Register. This register shows where a financial adviser has worked, their qualifications, training, memberships of professional bodies, and the products they can advise on.

Our Client Service Managers can help members:

- 1 Understand super and retirement options
- 2 Boost super and retirement savings
- 3 Choose an investment strategy
- 4 Tailor insurance
- 5 Search for lost super and consolidate accounts
- 6 Plan and implement retirement strategies

Customer Service Centre – Australian-based phone and chat support when further information and assistance is needed

Our skilled and dedicated Australian-based customer service team supports our members and employers over the phone, via email and online chat.

To continuously improve the service we provide we enhanced our Interactive Voice Response (IVR) functionality by reducing the number of IVR menu options to better enable members to reach a Customer Service Consultant faster. We also enabled self-service options for members to check their account balance, recent contributions, BPay and TFN details via the IVR, which is also available after hours. We also now offer a translation and interpreting service for non-English speaking members. In addition we delivered a new website based ‘contact us’ form to enhance first contact resolution for online correspondence.

Our Client Service Team

Our members can meet a Client Service Manager from the comfort of their own home via video call or over the phone, providing members with greater access to this service and ability to involve their spouse.

KEY ACTIVITIES DURING THE 2021/22 YEAR

388	Meetings with law firms and key industry partners across Australia
1941	1:1 consultations with members
7518	Phone calls with members and employers
41	Presentations and seminars

Customer Satisfaction Score (average)

96%

What our members are saying about our Client Service Team

- “I finally understood aspects of my super due to it being explained in clear terms”
- “Took the time to explain things in detail which was very much appreciated”
- “Extremely helpful and provided a good wealth of knowledge”
- “Informative and supportive and I felt I could ask any question with confidence that it would be accepted and answered as a genuine and sensible enquiry”

Our Customer Service Centre

Our skilled and dedicated Australian-based customer service team is on hand to support our members and employers with general information and administration assistance over the phone, via email or live chat.

KEY ACTIVITIES DURING THE 2021/22 YEAR

21,478	Phone conversations
82.5%	Answered within 20 seconds
17,679	Emails answered
1,642	Live chat conversations

Customer Satisfaction Score (average)

90%

What our members are saying about our Customer Service Centre

- “As we were talking I had already been sent the information needed for my query”
- “What was said was going to be done was exactly what was undertaken”
- “I felt like I was given personal attention, care and support”
- “The options I was presented with resolved my issue better than I expected and everything was clearly explained”

MemberAccess – our secure online portal to access personal super details

Our online MemberAccess portal enables members to view their current super details and make changes to their account from any device, anytime they like.

Members can check their balance, change their investment options, update their personal details and beneficiaries, increase their insurance, and search for and consolidate super.

Through MemberAccess, members also have access to Adviser Online, our online advice tool. Adviser Online takes a personalised approach to delivering advice on topics such as investment choice, insurance and projected retirement needs. Adviser Online can be used directly by members or can be discussed in a super consultation with a legalsuper Client Service Manager.

Our new MemberAccess (launched in August 2022) delivers increased security with multi-factor authentication, a modern design that is fully responsive regardless of the device being used, meets accessibility standards and features enhanced navigation to make it easier for members to find the information they need quickly and easily.

legalsuper.com.au – a great place to start for information about super

Our website is a great place to start for general information about super, accessing publications and forms as well as useful calculators. From salary sacrificing to retirement income needs, we have some great tools to help members understand how the choices they make will affect them now and in retirement.

Key website updates delivered throughout the year include:

- Providing members with new video updates on our investment and fund performance
- Articles related to changes to super, the Federal Budget and new legalsuper investments
- Launched our new interactive investment performance tool
- Made it easier for members to access information and new resources to understand legalsuper's Direct Investment Option.

Partnering with employers

We work as a trusted partner with firms across the legal industry to help make managing super administration as easy as possible and to support employees to maximise their super savings.

We assist firms with:

- Super contribution and administration responsibilities
- Choice of fund and super stapling
- Joining new employees
- Clearing house including free access and ongoing support
- Super updates on legislative and regulatory changes
- Dedicated employer team in our contact centre
- Resources to support employees with their super
- Customised super education programs tailored to the needs of employees, to help employees get the most out of their super and contribute towards an enhanced value proposition for the firm.

During the 2021/22 year we updated the employer section of the legalsuper website to provide better access to the information and resources employers and their employees need, reviewed the employer onboarding experience, developed a new employer flyer and delivered super seminars and personal consultations online and in-person at workplaces. We also provided updates to employers on new legislative requirements around the Your Super Your Future legislation and stapling provisions that are now in place.



Investment performance

2021–22 in review

A range of global and domestic events led to highly volatile investment markets during the 2021–22 financial year with the most prominent influences on financial markets and society more generally being inflation and interest rates.

Following on from the prior year which saw one of the largest share market rallies in history (in which legalsuper's MySuper option delivered a record 17.0% return) the combined impacts of the Russia-Ukraine war, China's covid-zero policy and rising inflation and interest rates globally, resulted in falling asset values across all global investment markets.

For example, broader US markets fell by -12.0% for the year with the technology-heavy NASDAQ falling -24.0%. In Australia falls in value of our major companies were less pronounced with the ASX 300 retreating by -7.0%, although smaller companies fared much worse, with the ASX small companies index falling -20.0% to 30 June 2022.

legalsuper's portfolios were not immune from the negative market movements however through a combination of our continued commitment to active management and the resulting downside protections in place, members' retirement savings were successfully protected during financial year 2021–22.

In the year under report, legalsuper's MySuper Balanced option, where the majority of members are invested, was the fifth highest performer according to SuperRatings, returning -1.0% for the period, placing it 2.8% above the SuperRatings all fund median of -3.8%*.

Importantly, this outcome continued a long-term trend of outperformance against the median over 3, 5 and 10 year periods with returns of 5.0% p.a., 6.2% p.a., and 8.3% p.a. respectively.

In addition, as part of our continued focus on improving member outcomes, we further reduced fees across the majority of investment options despite rising inflation. Since July 2021, the total MySuper fees reduced 2.0% following a reduction in the prior year of 14.0%.

* Past performance is not a guide to future performance.

Investment returns

Superannuation and Transition to Retirement Pension

Investment returns¹ for superannuation and for all Transition to Retirement investment options for one, five and ten years to 30 June 2022 are set out below, excluding the Direct Investment Option.²

INVESTMENT OPTION	1 YEAR (% P.A.)	5 YEARS (% P.A.)	10 YEARS (% P.A.)
MySuper Balanced	-1.0	6.2	8.3
Cash	-0.2	0.7	1.5
Enhanced Cash	-0.2	0.9	1.8
Conservative	-1.2	3.3	4.8
Conservative Balanced	-1.4	4.5	6.5
Balanced	-1.1	6.1	8.2
Balanced Index	-6.5	5.2	7.5
Balanced Socially Responsible	-4.7	5.4	7.7
Growth	-1.8	6.7	9.2
High Growth	-2.8	7.2	10.0
Overseas Shares	-7.2	8.0	11.0
Australian Shares	-4.3	6.2	9.3

Past performance is not a guide to future performance

¹ The returns shown here are net of all fees and tax except the direct Administration fee (\$1.30 per week).

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

Pension

Investment returns¹ for all Pension investment options for one, five and ten years to 30 June 2022 are set out below, excluding the Direct Investment Option.²

INVESTMENT OPTION	1 YEAR (% P.A.)	5 YEARS (% P.A.)	10 YEARS (% P.A.)
Cash	-0.2	0.7	1.7
Enhanced Cash	-0.1	1.0	2.1
Conservative	-1.6	3.6	5.4
Conservative Balanced	-1.8	5.1	7.3
Balanced	-1.5	6.7	9.0
Balanced Index	-7.4	5.7	8.3
Balanced Socially Responsible	-5.1	5.8	8.5
Growth	-2.4	7.3	10.0
High Growth	-3.1	7.9	10.9
Overseas Shares	-7.9	8.4	12.2
Australian Shares	-4.8	7.3	10.3

Past performance is not a guide to future performance

¹ The returns shown here are net of all fees and tax except the direct Administration fee (\$1.30 per week).

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

Investment governance

legalsuper

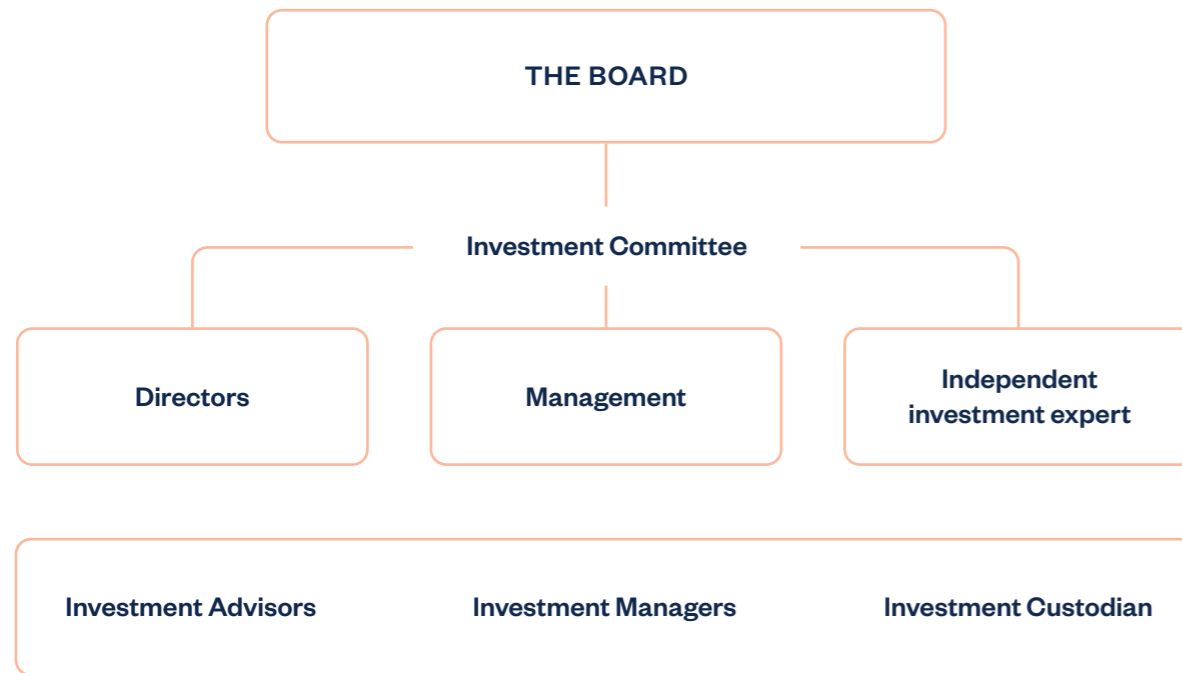
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Our approach to investments

We adopt a rigorous internal governance framework and appoint expert independent investment advisors to provide industry leading advice.



Board

The Board of Legal Super Pty Ltd is responsible for the governance of legalsuper, including approving the investment strategy for legalsuper in addition to individual investment strategies (investment options) made available to members.

Investment Committee

The Investment Committee comprises the Chief Investment Officer, Chief Executive, three Directors and investment experts who are appointed to provide additional assistance to the Committee.

The Investment Committee makes recommendations to the Board on matters of strategy, appoints and reviews underlying investment managers, and formulates policies that guide investment arrangements and processes.

Executive management

The Chief Investment Officer is responsible for managing, evaluating performance and reporting on legalsuper's investments.

Custodians, advisors and managers

The appointment of specialist investment advisors and managers provides our members with access to some of the most experienced leaders in the market.



Investment goal and beliefs

In investing the savings of our members, we are guided by the following investment goal and core investment 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 risks 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.

Niche investment opportunities

Niche investments to provide an edge

As uncertainty continues to exert a major influence across the world, and investment markets in particular, legalsuper has strategically been reviewing and seeking out investment opportunities and refinements for the portfolio to better navigate this evolving investment landscape.

Super funds are often invested in the same or similar large company stocks. Guided by our usual thorough due diligence of such opportunities, legalsuper can invest in emerging businesses that have a high level of innovation and strong growth prospects, so that these investments can add an edge to the future returns delivered by legalsuper to its members.

These niche investments further diversify and broaden our investment portfolio.

With these specialised investments, we also take advantage of our size and agility to invest in high performing and compelling segments, such as emerging companies, private markets and capacity constrained areas with demonstrable growth outlooks.

Case study: Payapps

Payapps is a fast growing global Software as a Service (SaaS) provider in the construction and building management sector, with operations in Australia, New Zealand, North America and Europe.

Payapps' cloud-based collaboration platforms streamline the progress claims process, enabling transparent, accurate and timely payments delivering benefits for subcontractors and general contractors. Over the past two years, Payapps' revenue and team size has close to doubled.

legalsuper's investment in Payapps is part of our Private Markets sector allocation with IFM Investors, which is one of Australia's leading private equity investors.

This investment is targeting a base case double digit internal rate of return to deliver a strong return for our members over the next few years.

Case study: Evrima

Evrima is transforming clinical trial recruitment by connecting researchers, clinicians and patients together to accelerate research and bring new treatments to patients who need them.

Evrima has two main products: Evrima GP Search tool and Evrima Connect. The Evrima GP Search tool is a patient acquisition tool and also enables general practitioners to inform patients about potential trial opportunities and help advance clinician research. Evrima Connect brings together all patient management and ensures the Sponsor (Pharmaceutical Companies) have visibility across the trial and the types of patients they are trialing.

legalsuper's investment in Evrima is part of our Private Markets sector allocation with Artesian and Scale Investors in the Artesian/Scale Female Leaders Venture Capital strategy.

Environmental, Social and Governance (ESG)



Our investment beliefs guide how we invest on behalf of our members. These investment beliefs include the following belief in respect of ESG matters:

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.

During 2021-22, legalsuper awarded two investment mandates to managers exhibiting strong ESG attributes.

WCM Investment Management:

WCM is a specialist global equity manager with a unique difference – its emphasis and persistence in ensuring a positive and valued work culture within the company. This philosophy is also extended to companies they invest in and forms an integral part of the investment process that assists them in identifying sustainable growth companies.

The firm is independently managed and located in Laguna Beach, California. It currently has US\$ 91 billion of assets under management.

The team at WCM has a strong focus on proactively creating and maintaining a positive and encouraging culture where all team members are made to feel valued, their opinions heard, and their contributions respected.

The high importance placed on company culture has been a significant driver of success for WCM and has been a prominent factor in legalsuper's selection process.

ESG issues are part of the manager's investment consideration and influences conviction levels regarding the trajectory of each business's moat. Effective governance and high social standards are considered critical enhancers of investment value.

There is an independent culture analyst whose sole responsibility is to analyse the culture of potential investee companies. WCM also have a culture officer tasked with maintaining desired cultural traits within the organisation.

The inclusion of WCM has decreased the carbon intensity (carbon emissions/\$ million revenue) from 149 to 92.

Artesian/Scale Investors:

legalsuper made a cornerstone investment into the Artesian Female Leaders Founders Fund, a fund that supports female founders in the early stage of their venture. The fund addresses a gender funding gap, whereby female start up founders receive less than 3% of global venture capital funding.

The investment targets returns in underrepresented founders who build companies that solve problems that are currently overlooked or underestimated. Generally, where capital is scarce, returns to that capital will be greater than where capital is plentiful.

Artesian is a global alternative asset manager focused on public and private debt, venture capital and impact investments.

Capital, expertise, networks, and technical support is invested in SDG-linked (Sustainability Development Goals) securities and solutions to achieve risk-adjusted returns for investors and demonstrable, measurable impacts for society.

These investments have a positive impact on issues such as climate, clean energy, food security, health and wellbeing, education, and women's economic empowerment. As a result, there is social and financial contribution to innovative and scalable technology solutions, climate change mitigation, inclusive development, and gender equality.

Some impact highlights for 2021-22 include:

- \$1bn in responsible assets under management
- investments in SDG-linked startups, scaleups and solutions grew by 78.21%
- achieved Scope 1 and 2 net-zero carbon emissions across their operations
- 99% growth in investments in green, social and sustainable issues across their fixed interest business.

Artesian is supported by Scale Investors, Australia's first and only network of angel investors who invest in exceptional female founders. Scale also provide community engagement, start-up mentorship, education and angel investment services.

legalsuper's investment in this fund addresses gender issues in the start-up ecosystem, with multiplier effects benefitting female economic empowerment, education, and wealth effects through all levels of the economy.

Investment managers, advisors & custodian

Custodian

BNP Paribas

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.

Investment advisors

legalsuper engages a range of investment advisors to provide the Investment Committee and the Board of legalsuper with advice and guidance on investments.

BCA Research

bfinance

Frontier Advisors

BCA Research, Zenith Investment Partners and Absolute Strategy Research provide asset allocation advice. BCA Research is an independent provider of global investment research and investment strategy advice. Zenith Investment Partners provides investment strategy and asset allocation research and analysis. Absolute Strategy Research is an independent research house, covering global markets and a comprehensive range of asset classes.

Frontier Advisors and Willis Towers Watson provide general investment advice. Frontier Advisors has been advising Australian institutional investors as a trusted advisor for over twenty-five years. Frontier Advisors' technology provides access to tools and research to power investment analysis and decision-making.

Zenith Investment Partners

Willis Towers Watson

Absolute Strategy Research

Willis Towers Watson 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 employees serving more than 140 countries and markets.

bfinance provides manager research and selection advice. bfinance works for asset owners around the globe on the implementation of investment strategy, from fund manager research and selection to portfolio design and monitoring. Established in 1999, bfinance has worked for more than 390 institutional clients across 38 countries, operating out of ten international offices.

Investment managers

legalsuper have appointed 33 specialist investment managers to manage the assets invested with legalsuper. In making these appointments, the Board has regard to the advice of its asset consultants and advisors.

Investment manager appointments change periodically at the discretion of the Trustee. This listing is as at 30 June 2022 and excludes investments that are made by members in the Direct Investment Option.

Aikya

Acorn

Alliance Bernstein

American Century Investment

Ancala

Artesian

Barwon

Bluebay

ClearBridge Investments

Dexus

First Sentier

Goodman

GPT Group

GQG Partners

Hyperion Asset Management

ICG

IFM Investors

Lendlease

Lighthouse

Macquarie

Mesirow

Ninety One

Partners Group

Pendal

Resolution Capital

Sanders Capital

Scale Investors

Siguler Guff

Solaris

State Street Global Advisors

Wellington Management

T. Rowe Price

Spheria

Changes in investment managers and advisors in 2021-22

legalsuper's investment team conducts research and provides recommendations to our Investment Committee throughout the year to improve long-term performance and manage risks.

The Investment Committee appoints and reviews investment managers and advisors, and formulates policies that guide investment arrangements and processes.

Appointments

Acorn

Absolute Strategy Research

Artesian, Scale Investors

Mesirow

T. Rowe Price

Spheria

Terminations

Colchester

QIC

How we invest your money

Top 20 security holdings

The following table sets out legalsuper's 20 largest security holdings and its percentage of asset class for Australian shares, international shares and property, as at 30 June 2022.

	AUSTRALIAN SHARES	%	INTERNATIONAL SHARES	%	PROPERTY	%
1	BHP	5.2%	Microsoft	3.8%	Gosford Private Hospital, NSW	4.4%
2	CSL	5.1%	Alphabet	3.2%	1 Farrer Place, NSW	2.9%
3	Transurban	3.4%	Apple	2.5%	Gateway, 1 Macquarie Place, NSW	2.9%
4	Macquarie	3.4%	United Health	2.4%	Calvary John James Hospital, ACT	2.6%
5	Woodside Energy	3.3%	Taiwan Semiconductor	1.5%	Westfield Carindale, QLD	2.5%
6	National Australia Bank	3.1%	Johnson & Johnson	1.3%	Westfield Miranda, NSW	2.2%
7	Westpac Banking Corporation	2.7%	AstraZeneca	1.2%	Sunshine Plaza, QLD	2.0%
8	Telstra	2.6%	Roche Holding	1.2%	25 Martin Place, NSW	1.9%
9	Commonwealth Bank of Australia	2.6%	Procter & Gamble	1.1%	Darling Park 1 and 2, NSW	1.8%
10	Coles	2.6%	Unilever	1.1%	International Towers – Tower One, NSW	1.7%
11	Suncorp	2.5%	Samsung	1.1%	Macarthur Square, NSW	1.7%
12	QBE Insurance	2.4%	AIA Group	1.1%	Lakeside Joondalup, WA	1.5%
13	Aristocrat Leisure	2.2%	Amazon	1.1%	PA Central Buranda, QLD	1.5%
14	APA	2.1%	Mercedes Benz Group	1.1%	Erina Fair, NSW	1.5%
15	James Hardie Industries	2.0%	Uni-President Enterprises	1.0%	Cairns Central, QLD	1.5%
16	Incitec Pivot	1.9%	Elevance Health	1.0%	International Towers – Tower Two, NSW	1.5%
17	Orora	1.9%	Novartis	1.0%	International Towers – Tower Three, NSW	1.3%
18	South32	1.9%	Micron Technology	0.9%	Darling Quarter, NSW	1.3%
19	Woolworths	1.7%	Exxon Mobil	0.9%	530 Collins Street, VIC	1.2%
20	Resmed	1.5%	Visa	0.8%	Somerset Specialist Centre, NSW	1.2%



Investment options in detail

INVESTMENT OPTION	MYSUPER BALANCED AVAILABLE TO EMPLOYER-SPONSORED MEMBERS ONLY	CASH	ENHANCED CASH																						
RETURN OBJECTIVE*	To outperform an average annual return (**) of CPI + 3.0% pa over rolling 10-year periods.	To at least match Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).	To outperform Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).																						
RISK PROFILE	This option is likely to produce a negative return in 3 to 4 years in every 20 years.	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.	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	Medium to High	Very low	Low																						
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. Minimum suggested time frame for holding the investment is 5 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.	Will suit investors looking for stability, but long-term investment returns are likely to be the lowest of all investment options. Minimum suggested time frame for holding the investment is 1 year. Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your superannuation grows adequately to meet your retirement income goals.	Will suit investors looking for stability, but long-term investment returns are likely to be among the lowest of all investment options. Minimum suggested time frame for holding the investment is 3 years. Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your superannuation grows adequately to meet your retirement income goals.																						
TARGET ASSET MIX (%)***	<table border="1"> <tr><td>Australian shares</td><td>26</td></tr> <tr><td>Overseas shares</td><td>28</td></tr> <tr><td>Infrastructure</td><td>10</td></tr> <tr><td>Private markets</td><td>4</td></tr> <tr><td>Property</td><td>11</td></tr> <tr><td>Fixed interest</td><td>9</td></tr> <tr><td>Credit</td><td>7</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	26	Overseas shares	28	Infrastructure	10	Private markets	4	Property	11	Fixed interest	9	Credit	7	Cash	5	<table border="1"> <tr><td>Cash</td><td>100</td></tr> </table>	Cash	100	<table border="1"> <tr><td>Enhanced cash</td><td>97</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Enhanced cash	97	Cash	3
Australian shares	26																								
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Enhanced cash	97																								
Cash	3																								

* This is an objective only and not guaranteed return.

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

*** The actual asset mix may differ from the target asset mix due to various reasons including market movements over time and deliberate dynamic asset allocation tilts.

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INVESTMENT OPTION	CONSERVATIVE	CONSERVATIVE BALANCED	BALANCED INDEX																																										
RETURN OBJECTIVE*	To outperform an average annual return (**) of CPI +2.0% pa over rolling 10-year periods.	To outperform an average annual return (**) of CPI +2.5% pa over rolling 10-year periods.	To outperform an average annual return (**) of CPI +3.0% pa 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.	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.	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 4 to 6 years in every 20 years.																																										
RISK LEVEL	Low to Medium	Medium	High																																										
INVESTOR PROFILE	Will suit investors looking for lower volatility in returns, but who are prepared to accept some exposure to growth assets. Minimum suggested time frame for holding the investment is 3 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time. Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your superannuation grows adequately to meet your retirement income goals.	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. Minimum suggested time frame for holding the investment is 3 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.	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. Minimum suggested time frame for holding the investment is 5 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.																																										
TARGET ASSET MIX (%)	<table border="1"> <tr><td>Australian shares</td><td>11.5</td></tr> <tr><td>Overseas shares</td><td>12.5</td></tr> <tr><td>Infrastructure</td><td>7</td></tr> <tr><td>Property</td><td>8</td></tr> <tr><td>Fixed interest</td><td>17</td></tr> <tr><td>Credit</td><td>8</td></tr> <tr><td>Enhanced cash</td><td>26</td></tr> <tr><td>Cash</td><td>10</td></tr> </table>	Australian shares	11.5	Overseas shares	12.5	Infrastructure	7	Property	8	Fixed interest	17	Credit	8	Enhanced cash	26	Cash	10	<table border="1"> <tr><td>Australian shares</td><td>18</td></tr> <tr><td>Overseas shares</td><td>20</td></tr> <tr><td>Infrastructure</td><td>8</td></tr> <tr><td>Property</td><td>10</td></tr> <tr><td>Fixed interest</td><td>14</td></tr> <tr><td>Credit</td><td>8</td></tr> <tr><td>Enhanced cash</td><td>15</td></tr> <tr><td>Cash</td><td>7</td></tr> </table>	Australian shares	18	Overseas shares	20	Infrastructure	8	Property	10	Fixed interest	14	Credit	8	Enhanced cash	15	Cash	7	<table border="1"> <tr><td>Australian shares</td><td>35</td></tr> <tr><td>Overseas shares</td><td>25</td></tr> <tr><td>Property</td><td>10</td></tr> <tr><td>Fixed interest</td><td>25</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	35	Overseas shares	25	Property	10	Fixed interest	25	Cash	5
Australian shares	11.5																																												
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INVESTMENT OPTION	BALANCED	GROWTH	HIGH GROWTH																																												
RETURN OBJECTIVE*	To outperform an average annual return (**) of CPI +3.0% pa over rolling 10-year periods.	To outperform an average annual return (**) of CPI +3.5% pa over rolling 10-year periods.	To outperform an average annual return (**) of CPI +4.0% 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.	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.	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	Medium to High	High	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. Minimum suggested time frame for holding the investment is 5 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.	Will suit investors looking for higher returns over the long-term, but who are prepared to accept large fluctuations in investment performance. Minimum suggested time frame for holding the investment is 10 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.	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. Minimum suggested time frame for holding the investment is 10 years. The Trustee may adjust the asset mix or vary the investment strategy from time to time.																																												
TARGET ASSET MIX (%)	<table border="1"> <tr><td>Australian shares</td><td>26</td></tr> <tr><td>Overseas shares</td><td>28</td></tr> <tr><td>Infrastructure</td><td>10</td></tr> <tr><td>Private markets</td><td>4</td></tr> <tr><td>Property</td><td>11</td></tr> <tr><td>Fixed interest</td><td>9</td></tr> <tr><td>Credit</td><td>7</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	26	Overseas shares	28	Infrastructure	10	Private markets	4	Property	11	Fixed interest	9	Credit	7	Cash	5	<table border="1"> <tr><td>Australian shares</td><td>32.5</td></tr> <tr><td>Overseas shares</td><td>35.5</td></tr> <tr><td>Infrastructure</td><td>7</td></tr> <tr><td>Private markets</td><td>4</td></tr> <tr><td>Property</td><td>10</td></tr> <tr><td>Fixed interest</td><td>5</td></tr> <tr><td>Credit</td><td>3</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Australian shares	32.5	Overseas shares	35.5	Infrastructure	7	Private markets	4	Property	10	Fixed interest	5	Credit	3	Cash	3	<table border="1"> <tr><td>Australian shares</td><td>39</td></tr> <tr><td>Overseas shares</td><td>42</td></tr> <tr><td>Infrastructure</td><td>5</td></tr> <tr><td>Private markets</td><td>4</td></tr> <tr><td>Property</td><td>7</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Australian shares	39	Overseas shares	42	Infrastructure	5	Private markets	4	Property	7	Cash	3
Australian shares	26																																														
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INVESTMENT OPTION	AUSTRALIAN SHARES	OVERSEAS SHARES	BALANCED SOCIALLY RESPONSIBLE																				
RETURN OBJECTIVE*	To outperform the return of the S&P/ASX300 Accumulation index, net of fees, over rolling 10-year periods.	To outperform the MSCI All Country World (ACWI) ex Australia Index, 50% unhedged and 50% hedged into Australian dollars, net of fees, over rolling 10-year periods.	To outperform an average annual return of CPI +3.0% pa over rolling 10-year periods (net all fees and tax except the weekly \$1.30 administration fee).																				
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.	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.	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	Very high	High	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. Minimum suggested time frame for holding the investment is 10 years.	Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept extreme fluctuations in investment performance. 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.	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.																				
TARGET ASSET MIX (%)	<table border="1"> <tr><td>Australian shares</td><td>97</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Australian shares	97	Cash	3	<table border="1"> <tr><td>Overseas shares</td><td>97</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Overseas shares	97	Cash	3	<table border="1"> <tr><td>Australian shares</td><td>26</td></tr> <tr><td>Overseas shares</td><td>34</td></tr> <tr><td>Alternatives</td><td>15</td></tr> <tr><td>Property</td><td>5</td></tr> <tr><td>Fixed interest</td><td>15</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	26	Overseas shares	34	Alternatives	15	Property	5	Fixed interest	15	Cash	5
Australian shares	97																						
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Direct Investment Option

Our award-winning Direct Investment Option gives members greater choice and control over how their super is invested.

This investment option suits those who want to actively be involved in choosing the securities in which their super is invested. Members in the DIO have the flexibility to select and manage their own securities and term deposits from the following options:

1 Shares in the S&P/ASX 300 Index
The securities listed on the S&P/ASX300 Index are the 300 largest Australian securities according to market capitalisation and make up approximately 80% of the Australian equity market.

2 Listed Investment Companies (LICs)
Choose from over 30 LICs. LICs manage an investment portfolio on behalf, and for the benefit, of shareholders.

3 Exchange-Traded Funds (ETFs)
ETFs are professionally managed investment pools that are listed on the Australian Securities Exchange (ASX). DIO members get access to over 100 ETFs.

4 Term deposits
Issued by ANZ, NAB and ME Bank.

Features of legalsuper's Direct Investment platform include:

- Explore the platform and obtain research information at no cost as a Free Access User;
- Extensive range of permitted investments;
- Extensive reporting and investment tools; and
- Attractive fee and brokerage structure;

Terms, conditions, fees and costs apply for investing in the DIO. For more information please refer to the DIO page on the legalsuper website.



Other investment information

Overall asset allocation

The overall asset allocation across legalsuper at 30 June 2022 and the preceding year was as follows:

ASSET CLASS	30-JUN-21	30-JUN-22
Australian shares	28.4%	25.9%
Overseas shares	27.9%	28.5%
Property	9.5%	10.4%
Infrastructure	7.6%	8.6%
Private markets	1.9%	3.4%
Credit	7.5%	5.2%
Fixed interest	7.2%	7.0%
Cash/Enhanced cash	7.4%	8.3%
Diversified	2.7%	2.6%

Investments greater than 5% of total assets

As at 30 June 2022, the following investment managers invested more than 5% of legalsuper's total assets:

INVESTMENT MANAGER	TOTAL ASSETS
State Street Global Advisors	10.5%
Solaris	10.3%
Alliance Bernstein	8.6%
IFM Investors	8.4%
Sanders	7.6%

Fund governance

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Our structure

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 professionals from across the legal community. Rigorous processes and strength of stewardship ensure 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 nine 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. The four committees are:

Administration & Insurance	Audit, Risk & Governance	Investment	Remuneration & Nomination
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Executive management

The Executive team is responsible for the management of legalsuper.

The Board has appointed a Chief Executive, Andrew Proebstl, who is assisted by the Executive team. Together, they oversee the operations of legalsuper, monitor service providers, and advise and support the Board and its Committees.



Our Board

Our Board is responsible for the overall strategic direction and governing operations of the Fund. Our Board consists of respected members of the legal community, whose in-depth knowledge of the Fund, together with their industry experience adds value to our operations.



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

EXPERIENCE

- Non-Executive Director & Chair, Audit & Risk Committee and MePACS Committee, Peninsula Health (2017-current)
- Chair, International Women's Development Agency (2013-2021)
- Non-Executive Director, Swinburne University of Technology (2014-2019)
- Non-Executive Director, 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, Consultative Council for Clinical Trial Research (2008-2016)
- Non-Executive Director & Chair, Strategic Planning Committee, MEGT (Australia) Limited (2007-2014)
- Deputy Chair, Women's Circus Limited (2008-2011)
- Non-Executive Director, Alternative Technology Association (2008-2009)
- President (Victoria) (2004-2006), Australian Corporate Lawyers Association, Non-Executive Director (2001-2007)
- Non-Executive Director, Energy Retailers Association of Australia (2005-2006)
- Non-Executive Director & Chair, Ethics Committee, Law Institute of Victoria Limited (2001-2004)



Adam Awty

EMPLOYER DIRECTOR

APPOINTMENT DATE

31 March 2021

NOMINATING ORGANISATION

Law Institute of Victoria

QUALIFICATIONS

- Bachelor of Business (Accounting), Monash University
- Certified Practising Accountant, CPA Australia

EXPERIENCE

- Chief Executive Officer, Law Institute of Victoria, (2018-current)
- Law Council of Australia Finance & Risk Committee (2022-current)
- Interim Chief Executive, CPA Australia (2017-2018)
- Chief Operating Officer Commercial, Company Secretary and CFO, CPA Australia (2012-2017)
- CFO & Company Secretary, CPA Australia (2007-2012)
- Financial Controller, CPA Australia (2005-2007)
- Director Public Sector, CPA Australia (2003-2005)
- Public Sector Policy Adviser CPA Australia (2000-2003)
- Senior Project Officer, Victorian Department of Treasury and Finance (1998-2000)
- Graduate, Victorian Departments of Human Services & Treasury & Finance (1996-1998)
- Chair, Audit Committee, Victorian Ombudsman (2013-current)
- Director, Solicitors Mortgage Fidelity Fund (2018-2022)
- Director, Melbourne Commercial Arbitration and Mediation Centre (2018-2020)

- Director, Pillars of Strength (2013-2020)
- Director & Chair, CPA Australia SDN BHD, CPA Australia's Malaysia Subsidiary (2007-2018)
- Director, Professions Australia (2015-2017) Vice President (2017)
- Member, Audit Committee, Commonwealth Department of Education (2013-2017)
- Member, Audit Committee, Commonwealth Department of Employment (2013-2017)
- Member, Audit Committee, Commonwealth Department of Education, Employment and Workplace Relations (2007-2013)
- Member, Audit Committee, Commonwealth Department of Employment and Workplace Relations (2005-2007)



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

EXPERIENCE

- Secretary, Orana Broadcasters Inc (2019-current)
- Chair, Professional Standards Committee, Anglican Diocese of Bathurst (2018-current)
- Co-chair, NSW Law Society Rural Issues Committee (2016-2019)
- Chair, Wellington Christian Parent Controlled School Ltd (2017-current)
- Chair, Berakah Christian Education Ltd (2017-current)
- Co-chair, Revenue NSW/NSW Law Society Liaison Committee (2017-2022)
- Member, Legal Practitioners Board Examinations Committee (2016-2022)
- Member, AICD Western Region Committee (2015-current)
- Adjunct Lecturer, College of Law (2015-current)
- Member, Finance Committee, Verto (2015-2020)
- Member, Governance Committee, Verto (2014-current)
- Councillor, Law Society of New South Wales (2014-2020)
- Director, Verto (2014-current)
- Member, NSW Law Society Fidelity Fund Management Committee (2012-2022)
- Member, Business Law Specialist Accreditation Committee (2012-2022)
- Conduct Panel Member, CPA Australia (2010-2015; 2022-current)
- President, Orana Law Society Inc (2003-2006; 2009-current)
- Mediator, Centacare (2008-current)
- Managing Partner, Austen Brown Boog (1985-current)
- Consultant, Silkman Austen Brown (2021-current)



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
- Graduate, Australian Institute of Company Directors

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)



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

- Member, Law Society of New South Wales Fidelity Fund Management Committee (2017-current)
- Member, Law Society of New South Wales Licencing Committee (2017-current)
- Alternate Director, Law Firms Australia Limited (2010-current)
- Member, Legal Practitioners Admissions Board, Practical Legal Training Exemptions Sub-Committee (2018-2022)
- Partner, Corrs Chambers Westgarth (2000-current)
- Professional Standards Partner, Corrs Chambers Westgarth (2009-2016)
- Lawyer, Corrs Chambers Westgarth (1990-2000)

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

- Department of Premier and Cabinet (Victoria), Senior Adviser to the Minister for Industrial Relations, Tim Pallas MP (2021-current)
- Principal Solicitor, Slater and Gordon, Industrial and Employment Law (2019-2021)
- Member, Branch Executive Committee, Australian Services Union, Victorian Private Sector Branch (2011-2022)
- Principal Solicitor, Young Workers Centre, Trades Hall Victoria (2017-2019)
- Senior Associate, Slater & Gordon, Industrial and Employment Law Department (2016-2019)
- Director of Trustee Company, ASU Education and Training Trust (2011-2015)
- Articled Clerk/Solicitor, Slater & Gordon (2008-2016)

* Resigned from the Board effective 2 September 2022

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 in Legal Practice, College of Law

EXPERIENCE

- Solicitor, Herbert Smith Freehills (2021-present)
- Executive Member, NSW Society of Labor Lawyers (2021-current)
- Member, United Services Union New Generation Committee (2021-current)
- Associate, Australian Business Lawyers & Advisors (2019-2021)
- Workplace Relations Advisor, Australian Business Lawyers & Advisors (2017-2019)
- Organiser, Association of Professional Engineers, Scientists and Managers, Australia (2014-2017)

James Peters AM QC

MEMBER DIRECTOR

APPOINTMENT DATE

30 June 2021

NOMINATING ORGANISATION

Victorian Bar

COMMITTEE MEMBERSHIP

Investment Committee

QUALIFICATIONS

- Bachelor of Law, University of Melbourne
- Bachelor of Arts, University of Melbourne

EXPERIENCE

- Director, Victoria Law Foundation, Law Institute Victoria (2009-2013)
- Member, Ethics Committee, Victorian Bar (2009-2014)
- Chairman of Victorian Bar, Audit & Finance Committee, Victorian Bar (2012-2014)
- Member, Counsel Committee, Victorian Bar, (2014-2015)
- Member, Indictable Crimes Certificate Committee, Victorian Bar, (2014-2015)
- Chairman, Victorian Bar Council, Victorian Bar (2014-2015)
- Permanent Chair, Selection Appeals Board, Rowing Australia (2017-2021)
- Member, AOC Appeals Tribunal, Australian Olympic Team (2020-2021)

Anastasia Polites*

MEMBER DIRECTOR

APPOINTMENT DATE

21 September 2020

NOMINATING ORGANISATION

United Services Union

QUALIFICATIONS

- Master of Law and Legal Practice, University of Technology, Sydney
- Combined Bachelor of Engineering (Electrical) and Bachelor of Commerce (Economics major), University of Sydney

EXPERIENCE

- Senior Industrial Officer, Local Government NSW (2021-current)
- Legal Officer, Fire Brigade Employees' Union of NSW (2019-2021)
- Legal Officer, Electrical Trades Union, NSW Branch (2018-2019)
- Employment Law Solicitor, Legal Aid NSW (2015-2018)
- Employment Law Solicitor, South West Sydney Legal Centre (2012-2015)
- Solicitor, Women's Legal Services NSW (2010-2012)
- Solicitor, Legal Aid NSW (2009-2011)
- Organiser, Independent Education Union of NSW/ACT (2000-2009)
- Member, Employment Law Committee of the Law Society of NSW (2017)
- Vice President and board member, Bankstown Community College Institute (2019-current)

* Resigned from the Board effective 29 July 2022

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

- Branch Secretary, Australian Services Union (2022-current)
- Assistant Secretary, Australian Services Union 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)

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Board Committees

At 30 June 2022

NAME	ABOUT	CHAIR	MEMBERS
Administration & Insurance Committee	Responsible for overseeing the fund administrator, member insurance arrangements and the operating cost budget.	Carita Kazakoff	Imogen Sturni Adam Awty
Audit, Risk & Governance Committee	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.	Richard Flitcroft	Andrew Boog Anastasia Polites
Investment Committee	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.	Richard Fleming	Nikhil Mishra James Peters AM QC Joe Fernandes*
Remuneration & Nomination Committee	Responsible for making annual recommendations to the Board on the remuneration of the executives 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. The Committee meets at least 3 times per financial year.	Kirsten Mander	Andrew Boog Carita Kazakoff

* Independent investment expert

Board & Committee meeting attendance

A: Number of meetings held during the time the Director held office or was a member of the Board/Committee
B: Number of meetings attended

DIRECTOR	BOARD MEETING		ADMINISTRATION & INSURANCE		AUDIT, RISK & GOVERNANCE		INVESTMENT		REMUNERATION & NOMINATION	
	A	B	A	B	A	B	A	B	A	B
Kirsten Mander	10	10	-	-	-	-	-	-	3	3
Adam Awty	10	10	4	4	-	-	-	-	-	-
Andrew Boog	10	10	-	-	4	4	-	-	3	3
Richard Fleming	10	10	-	-	-	-	7	7	-	-
Richard Flitcroft	10	10	-	-	4	4	-	-	-	-
Carita Kazakoff	10	9	4	4	-	-	-	-	3	3
Imogen Sturni	10	10	4	3	-	-	-	-	-	-
Nikhil Mishra	10	9	-	-	-	-	7	7	-	-
Anastasia Polites	10	10	-	-	4	4	-	-	-	-
James Peters AM QC	10	9	-	-	-	-	7	7	-	-

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Board appointments, governance & remuneration

Board performance review

Each year the Board and each Committee undertake a formal assessment process. An external consultant is also retained periodically to independently review the performance of the Board

Professional development

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

Board appointments

Directors are appointed for a four year term. The Constitution of Legal Super Pty Ltd requires one Member Director and one Employer Director to retire from office each year on 31 March. A retiring Director is eligible for re-appointment or re-election up to a maximum term of 12 years.

The nomination of appointed representative Directors is undertaken in consultation with the nominating bodies and is subject to fit and proper requirements.

Imogen Sturni and Richard Flitcroft were reappointed on 31 March 2022.

There were no changes to the Board during the 2021/22 financial year.

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.

Committees

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

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. 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 past two financial years.

DIRECTOR	2020-21 (\$)	2021-22 (\$)	REMUNERATION PAID TO
Kirsten Mander	103,734	108,168	Kirsten Mander
Adam Awty	10,373	43,266	Adam Awty
Andrew Boog	41,493	43,266	Andrew Boog
Richard Fleming	57,053	59,491	Richard Fleming
Richard Flitcroft	43,154	54,084	Richard Flitcroft
Carita Kazakoff	51,867	54,084	Australian Services Union
Nikhil Mishra	46,124	48,675	Nikhil Mishra
Anastasia Polites	32,377	43,266	Anastasia Polites
Imogen Sturni	40,853	43,266	Australian Services Union
James Peters AM QC	N/A	48,675	James Peters AM QC

Governance

Our Board has a robust governance framework and is subject to comply with the Australian Prudential Regulation Authority's prudential standards.



The Executive

Our Executive team is responsible for the management of legalsuper. By engaging passionate and experienced professionals, we've built a team that is 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 superannuation industry experience across fund administrators, investment managers, custodians and superannuation funds. Andrew is a member of the Finance & Investment Committee of the Law Institute of Victoria. He is also a former member of the Policy Committee and Member Services Committee of the Australian Institute of Superannuation Trustees, a former Director of the Australian Institute of Superannuation Trustees and a 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.



Jessica Lancashire

EXECUTIVE 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 human resources/people and culture experience.

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 and culture professional in a range of organisations across a breadth of industries, including 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.



Carrie Norman

CHIEF MEMBER OFFICER

Carrie was appointed in September 2020 as Executive Manager, Member Experience, and moved into the newly created Chief Member Officer role in April 2022. Reporting to the Chief Executive, she is responsible for overseeing legalsuper's member and employer service and experience. Carrie has more than 14 years of experience in the superannuation industry.

QUALIFICATIONS

- Graduate Diploma in Organisational Leadership, Melbourne Business School
- Graduate Certificate in Communication & Professional Writing, Victoria University
- Advanced Diploma of Business, RMIT

EXPERIENCE

Carrie's career spans over 22 years, starting in the financial and legal services and energy industries in a range of marketing and communications roles. For the past 14 years she has worked in the superannuation industry, gaining broad experience leading teams across marketing, member and employer services and business transformation with ESSSuper and Cbus 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

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 13 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.

Executive performance, professional development & remuneration

Performance and remuneration review

Clear key performance indicators are set for all executives. Performance is regularly evaluated against the performance indicators. The Remuneration & Nomination Committee considers an annual evaluation of performance 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
Chief Operations Officer
Chief Member Officer
Executive Manager, Legal, Risk & Compliance and Company Secretary
Chief Investment Officer
Executive Manager, People & Culture

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.

The executive completed the Institute of Managers & Leaders Accelerate Leadership Program earlier this year and extended this with ongoing professional coaching. Other team members also completed leadership training, extending capability across the business.

During the year there were role and responsibility changes in the executive. To facilitate a greater focus and alignment of member services and experience teams, and created the Chief Member Officer role. The consolidation of these teams, led to the redundancy of the role formerly held by David Eastwood after a long and successful tenure with legalsuper. Not long after, Trevin Erichsen was appointed to the newly created Chief Operating Officer role. This role will focus on organisational strategy, oversight of finance & reporting, driving results and increasing overall efficiency and excellence by streamlining internal processes and partnerships with third party service providers to deliver key results for members.

Executive remuneration

Remuneration paid to each responsible officer for the past two financial years was as follows:

ROLE	NAME	DATE APPOINTED	DATE CEASED EMPLOYMENT	2020-21 (\$)	2021-22 (\$)
Chief Executive	Andrew Proebstl			494,757	516,820
Executive Manager, Operations and Member Services	David Eastwood ¹		April 2022	336,600	654,209 ²
Chief Member Officer ³	Carrie Norman	September 2020		206,654	295,957
Executive Manager, Legal, Risk & Compliance and Company Secretary	Kaye Wheatley-Brown			242,000	257,634
Chief Investment Officer	Norman Zhang	March 2020		307,401	354,947
Executive Manager, People & Culture	Jessica Lancashire ⁴	July 2021		-	160,222

Trevin Erichsen joins September 2022 as Chief Operating Officer.

¹ David Eastwood ceased employment with legalsuper effective 8 April 2022.

² Includes eligible termination payment of \$376,619.

³ Title changed from Executive Manager, Member Experience in April 2022.

⁴ 0.8 FTE (part-time) and in Executive role since 1 July 2021.

Identifying and managing risk

An integral part of legalsuper's business planning process is the 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 that sets out how the Board manages risks that could have a material impact on the operations of Legal Super Pty Ltd, legalsuper and/or the interests of its beneficiaries.

The Framework 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.

Cyber risk review and management









Managing and mitigating cyber risk is an ongoing operational priority for all businesses.

As part of this process, legalsuper engages a leading cyber risk management company to perform regular penetration testing, vulnerability assessments and phishing attack simulation exercises.

We also comply with APRA's CPS234 Standard, which establishes how Australian financial services organisations should govern, manage and operate their information security capability. In addition, we implemented a requirement for all material outsource providers to provide an annual information security attestation.

Third-party advisers

legalsuper engages specialist external providers and expert advisers.

<p>LEGAL ADVISER</p> 	<p>LEGAL ADVISER</p>  <p>HOLDING REDLICH</p>	<p>LEGAL ADVISER</p>  <p>Maddocks</p>
<p>TAX ADVISER</p> 	<p>INTERNAL AUDITOR</p> 	<p>EXTERNAL AUDITOR</p> 
<p>FUND ADMINISTRATION</p> 	<p>MEMBER INSURANCE</p> 	<p>CUSTODIAN</p>  <p>BNP PARIBAS The bank for a changing world</p>
<p>INVESTMENT ADVISORS & MANAGERS</p> <p>legalsuper has appointed 6 investment advisors and 33 third party investment managers (see pages 28 & 29) to manage the assets invested with legalsuper.</p>		

Our culture and values

Transparency, Prudence, Integrity, Excellence

We exist to foster a thriving legal community where members attain financial empowerment and wellbeing through their working life and in retirement.

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, also passionate and dedicated – with a growth mindset and aligned values.

Professional development

To provide service beyond member expectations, legalsuper recognises the need to nurture and retain its employees and ensure they have access to the most up to date information and are provided with opportunities to upgrade skills. All employees participate in annual discussions to identify development opportunities and aspirations. Individual development plans form part of performance and succession planning process and are supported by regular 1-on-1 coaching. legalsuper's online learning hub provides all employees with compliance, risk, health & safety and HR training to ensure staff are kept up to date with relevant laws and responsibilities to ensure legalsuper is a great place to work.

Team members undertake ongoing training to keep abreast of changes in superannuation. During the year, all employees are involved in strategic planning and have further opportunities for professional development where expert speakers are invited to brief the team on current industry trends and developments. legalsuper also encourages staff to undertake further professional and personal development, supporting this financially and providing study leave.

Wellbeing

legalsuper prioritises the health and wellbeing of its staff. All staff and their families have access to an Employee Assistance Program and are encouraged to attend confidential counselling, wellbeing coaching, people management advice and additional support services as required. legalsuper is committed to providing a healthy workplace for all employees and are proactive in promoting a healthy and safe work environment, physically, mentally and emotionally. In particular, legalsuper partnered with 'The Resilience Project'* to deliver an authentic, practical approach to developing and embedding this key skill into employees' work and personal life. Endeavours such as these have and continue to be valuable during these prolonged challenging times with COVID-19 affecting all our people in different ways, both professionally and personally.

Flexibility

We understand the real need for employees to have the flexibility to work in our offices and elsewhere 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. Going beyond this, we conduct home ergonomic assessments and provide equipment and support for home office setup.

Diverse thought, shared values

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

* The Resilience Project deliver emotionally engaging programs and provide evidence-based, practical wellbeing strategies to build resilience.

Gender

	FEMALE	MALE
Board (%)	40%	60%
All Staff (%)	50%	50%

Tenure (years)

	LESS THAN 1	1	2 TO 5	6 TO 10	11+
Board	0	3	6	1	-
All Staff	12	5	16	7	4

Age

	UNDER 30	30 TO 39	40 TO 49	50 TO 59	60 TO 69	70+
Board	1	1	3	2	3	-
All Staff	1	9	14	16	3	1

Staff statistics

FULL TIME	PART TIME	PARENTAL LEAVE	RESIGNATIONS	NEW HIRES	CONTRACTORS
33	9	0	10	12	2

Other important information

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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.

Hard copies are also available on request.

STATEMENT OF FINANCIAL POSITION		30 JUNE 2021 (\$)	30 JUNE 2022 (\$)
ASSETS	Investments	5,059,653,609	5,003,958,934
	Other	1,000,484	598,481
	Tax	968,135	956,777
	Total assets	5,061,622,228	5,005,514,192
LIABILITIES	Tax	102,479,517	57,242,150
	Other	8,212,025	7,954,512
	Total liabilities	110,691,542	65,196,662
	Net assets	4,950,930,686	4,940,317,530
LIABILITY FOR ACCRUED BENEFITS	Member benefits	4,934,037,855	4,925,195,052
	Reserves	16,892,831	15,122,478
	Total liability for accrued benefits	4,950,930,686	4,940,317,530
OPERATING STATEMENT		30 JUNE 2021 (\$)	30 JUNE 2022 (\$)
REVENUE	Investment	790,256,624	(101,925,387)
	Contributions and transfers	368,145,007	414,842,748
	Total revenue	1,158,401,631	312,917,361
EXPENDITURE	Insurance premiums	19,594,727	21,011,319
	Operating	20,457,155	22,225,972
	Tax	102,373,641	7,765,186
	Total expenditure	142,425,523	51,002,477
	Net revenue	1,015,976,108	261,914,884



Other member information

Allocation of net earnings

Daily unit prices are determined for each investment option. Each National Business Day (i.e. a weekday 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 DIO.

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
- 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 2022 for the past three years and change each year are shown below:

YEAR	RESERVE BALANCE	CHANGE IN BALANCE
2022	\$15,122,478	-\$1,770,353
2021	\$16,892,831	\$2,515,839
2020	\$14,376,992	-\$9,622,280

Complaints

A complaint process has been implemented to ensure timely and fair resolution of complaints.

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. Complaints will be dealt with within the time required by law. If a member is not satisfied with the response to a complaint, they can ask for it to be reviewed.

From 5 October 2021, changes applied to how superannuation trustees treat complaints. The key changes include:

- expanding the definition of a 'complaint' to certain dissatisfactions made 'to or about' the trustee where a response or resolution is (explicitly or implicitly) expected or legally required
- the time to resolve superannuation complaints was reduced from 90 to 45 days subject to exceptions (such as, for death benefit distribution complaints, a response may be within 90 days after the objection period).

External complaints body

If a member is not satisfied with the legalsuper internal complaints process or has not received a response within the prescribed time, they may have the right to take their complaint to the Australian Financial Complaints Authority (AFCA) (ABN 38 620 494 340):

GPO Box 3
Melbourne VIC 3001

info@afca.org.au
1800 931 678
afca.org.au

Consumers have a right to access the AFCA scheme without charge. Please note there may be time limits in relation to making certain complaints.

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

Whilst the surcharge has been abolished, the Australian Taxation Office (ATO) may provide an assessment for contributions paid before 30 June 2005 that includes a surcharge to be deducted from the member's account and paid to the ATO.

Temporary residents

By law, legalsuper must pay to 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 ATO in April and October each year, unless within the past 16 months you have:

- provided written notice 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.

Other accounts that fall within the definition of 'unclaimed' or 'lost' must also be transferred to the ATO.

Refer to the ATO website ato.gov.au for further details.

Trustee determinations

For the year ended 30 June 2021, the Trustee published:

- a Member Outcomes Assessment that compared factors such as investment returns, investment risks, and fees and costs of legalsuper's MySuper, Choice and Pension investment options with products offered by other funds
- a Modern Slavery Statement detailing its activities in relation to modern slavery risks in its operations and supply chains.

The Trustee also held online the Annual Member Meeting in November 2021 for the year ended 30 June 2021, giving members an opportunity to hear about legalsuper's performance and other important matters, and have their questions answered.

Regulators' assessments

legalsuper achieved positive results in the APRA-based heat map assessment released in December 2021. legalsuper's MySuper product also passed APRA's annual performance test that considered net returns up to 30 June 2022 against benchmarks.

Superannuation reforms*

Retirement Income Strategy

From 1 July 2022, trustees of Registrable Superannuation Entities are required to develop a Retirement Income Strategy for retired members and those approaching retirement.

The strategy must address how the trustee will assist those members to achieve and balance three key retirement income objectives as follows:

- maximise expected retirement income over the period of retirement,
- manage expected risks to the sustainability and stability of retirement income over the period of retirement, and
- allow members flexible access to funds over the period of retirement.

Please refer to legalsuper's website for a copy of the Retirement Income Strategy at legalsuper.com.au

Employer superannuation payments

The legislated superannuation guarantee increase of 0.5% to 10.5% applied from 1 July 2022.

Superannuation guarantee (SG) threshold of \$450 removed

Currently, if an employee earns less than \$450 in a month, employers are not obligated to pay super. From 1 July 2022, the \$450 threshold is scrapped so employees must be paid super regardless of the total amount of income they now earn except if they are below 18 and worked less than 30 hours in a week.

Super Stapling

From 1 November 2021, employees will become 'stapled' to their existing super accounts. This means that when a new employee doesn't choose a super fund, their employer must pay super contributions into their existing account (stapled fund) after using an ATO database to check if the employee has a stapled (existing) fund. If a stapled fund exists, super contributions must be paid into that fund.

Where a new employee hasn't chosen a fund and doesn't have a stapled fund, super contributions must be made to a new account in the workplace default super fund.

For more information visit www.legalsuper.com.au/your-future-your-super

Superannuation thresholds for 2022/2023

The key super rates and thresholds for 2022/23 are:

- the concessional contributions cap is \$27,500
- the non-concessional contributions cap is \$110,000 (or \$330,000 under the bring-forward rule over three years)
- the capital gains tax cap amount for non-concessional contributions is \$1.65 million, up from \$1.615 million
- the general transfer balance cap is \$1.7 million.

Work test requirements removed for those aged between 67 to 74

Before 1 July 2022, if you are aged between 67 and to the day that is 28 days after the end of the month in which you turn age 75 and want to continue contributing to your super, you had to meet the "work test" confirming that you have been gainfully employed for 40 hours over a consecutive 30 day period in the financial year in which contributions are made.

From 1 July 2022, if you are under 75 years of age you will no longer need to meet the work test to make or receive non-concessional super contributions and salary sacrifice contributions, meaning that you can continue contributing to super regardless of the hours you have worked. Caps still apply and individuals aged 67 to 74 will still have to meet the work test to make personal deductible contributions.

Increase in age limit for bring-forward rule

From 1 July 2022, if you are aged under age 75 you may be eligible to use the bring forward provisions which allow you to contribute up to \$330,000 into your super.

This allows more people to contribute more to super. However, eligibility to benefit from the bring-forward rule is dependent on the contributor's total superannuation balance at 30 June of the previous year and the total of personal contributions over the past two financial years.

Changes to First Home Super Saver Scheme (FHSSS) and Downsizer contributions

For those who are looking to buy their first home, the good news is that the government has increased the amount of voluntary super contributions members can release under the FHSSS from \$30,000 (limit on eligible contributions before 1 July 2022) to \$50,000 (limit on eligible contributions from 1 July 2022) with a limit of \$15,000 from any one financial year.

The Downsizer contribution change now allows those aged 60 (changed from aged 65) to utilise the downsizer contribution rule to contribute \$300,000 per person from the sale of the family home. This contribution will not affect your contribution cap and is a payment made into super after selling your home. Eligibility criteria does apply.

Changes to the minimum pension drawdown rate

The government has once again extended the existing reduction of 50% on minimum drawdown rates for account-based pensions until 30 June 2023. The minimum amounts for each age category are set out in our current Pension Product Disclosure Statement which is located on the legalsuper website.

* You should seek independent advice on these Superannuation reforms. More information can be found on the ATO website.

Contact us

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This Annual Report is issued in October 2022 by Legal Super Pty Ltd. ABN 37 004 455 789, AFSL 246315, Level 9, 627 Chapel Street, South Yarra, VIC 3141, as Trustee of legalsuper ABN 60 346 078 879.

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You should consider the relevant PDS or TMD before making any decision about whether to continue to hold the product. Past performance is not necessarily a guide to future performance.