

 legalsuper

Annual Report
2020–21



Contents

About this Annual Report

Unless otherwise specified, all investment returns in this Annual Report are for periods ended 30 June 2021 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 legalsuper Product Disclosure Statement (PDS). The PDS is available by contacting legalsuper or at legalsuper.com.au.

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Welcome

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.

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.

Chair & Chief Executive report

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



Kirsten Mander
INDEPENDENT CHAIR



Andrew Proebstl
CHIEF EXECUTIVE

Welcome from the Chair and Chief Executive

We commend our 2020–21 Annual Report to you. It provides a comprehensive review of legalsuper’s performance and development in 2020–21.

The year under report was dominated by the continued impacts of the COVID-19 pandemic and ongoing reform and scrutiny of the superannuation industry.

We are pleased that in this challenging environment legalsuper performed strongly, while continuing to support members, employers, the wider legal community and our own staff, and remaining focussed on ensuring safe and sound stewardship of our members’ retirement savings.

Our purpose

For more than 31 years, legalsuper has pursued its purpose of empowering Australia’s legal community to build wealth for their life in retirement. As an industry fund, we act solely in your best interests. All profits are returned to our members, we do not pay bonuses or commissions, nor distribute dividends to shareholders.

Strong returns after a volatile year

legalsuper delivered strong investment returns for our members in the year to 30 June 2021. Our MySuper Balanced option, where the majority of our members are invested, achieved its highest ever financial year return of 17%.

In addition, we are pleased to confirm legalsuper passed the annual performance test (as recently implemented under the Government’s Your Future Your Super legislation for all Australian super funds) for the year to 30 June 2021.

Awards recognition

We are pleased that legalsuper was again awarded the highest award category by the four major ratings agencies: Chant West, The Heron Partnership, SuperRatings and Rainmaker Information. We were a finalist for the 2021 Chant West Specialist Fund of the Year award and recognised by Rainmaker as being in the top 20 ESG (environment, social & governance) super funds.

Changes in Board Members

We thank Geoff Hone, Phil Kennon and Emma Maiden who retired from the Board this year having served the maximum term. We welcome Adam Awty, James Peters AM QC and Anastasia Polites as new directors.

Reforms in superannuation

The superannuation industry continues to be subject to significant change and reform. The legislated increase in the Superannuation Guarantee from 9.5% to 10% was implemented from 1 July 2021. The federal government’s Your Future Your Super reform package includes the annual performance test (as noted earlier) and, from 1 November 2021, members are to be ‘stapled’ to their current superannuation fund unless they choose another fund.

Information & support to optimise your super

legalsuper has always placed the highest emphasis on personal and direct engagement and support for our members. Following a 50% increase in direct online and telephone contact with members and employers in the 2020 calendar year, strong demand continues from members and employers for information, resources and support through online seminars and meetings.

The ongoing impacts of COVID-19 continue to show how important and valued this personal contact is to our members, with an average member satisfaction rating of 95% being received for our Client Service Managers.

In closing

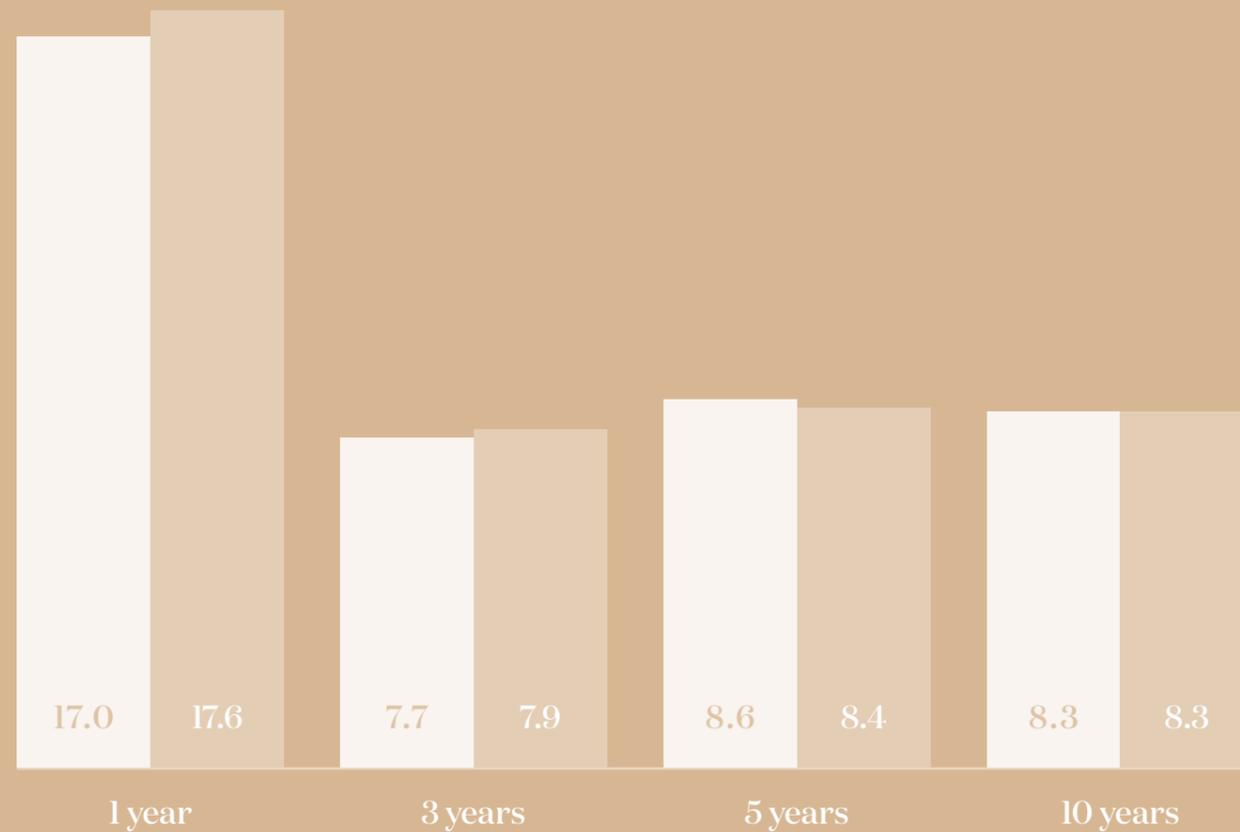
All members will have received their member statements in September 2021 showing their balance at 30 June 2021 and transactions for the year then ended. Abridged financial statements for legalsuper are included on page 55 of this report.

Looking to the future, legalsuper will continue to put our members’ interests first and work diligently to create long-term value for their retirement.

How we compare

MySuper Balanced vs the industry benchmark (to 30 June 2021)

As at 30 June 2021, our MySuper Balanced investment option, where most members are invested, delivered an annual net return of 17.0% for the year, slightly under the SuperRatings median¹ of 17.6%. Over the longer term, the 10 year performance of our MySuper Balanced investment option delivered an annual net return consistent with the SuperRatings median. Investment returns for all investment options are on the following pages.



■ legalsuper MySuper Balanced (%)² ■ SuperRatings Balanced option median (%)¹

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 – Platinum

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

Platinum is the highest rating awarded.

legalsuper was awarded Platinum in 2021 for:

MySuper Balanced	Personal Super
Employer Sponsored Super	Allocated Pension

Chant West – 5 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.

A 5 Apple rating (gold) is the highest rating from Chant West.

legalsuper was awarded a 5 Apple rating in 2021 for:

Employer Sponsored & Personal Super
Pension

Finalist: Specialist Fund of the Year 2021

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 2021 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 for:

Employer Sponsored Super
Personal Super
Pension

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 organisations which we believe benefit our members.

Supporting professional development

We've 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.

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 578 people to become accredited Mental Health First Aiders.

The future of law

We understand that super is not necessarily top of mind 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



Putting members first

For more than three decades, legalsuper has been dedicated to empowering the legal community to build wealth for their life in retirement. Our highly personal service means our members get the assistance they need, where and when they need it.

Our Client Service Team

Every legalsuper member has access to a highly experienced and qualified Client Service Manager.

Our Client Service Team is available for complimentary consultations over the phone, via video call or in-person where possible.

Your Client Service Manager can help to:

- 1 Maximise your super and retirement savings
- 2 Choose an investment strategy
- 3 Tailor your insurance
- 4 Streamline your super administration
- 5 Plan and implement retirement strategies
- 6 Explain your super and retirement options, and more

Wherever you are

Our national team conducts complimentary consultations virtually or can visit you in your workplace where possible. Our team is not paid commissions; they're dedicated to helping you achieve your long-term financial goals.

Qualified & experienced

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.

As a legalsuper member, you have unlimited access to our Client Service Team. There's no additional cost and no obligation; simply personalised service whenever you need it providing factual information, general advice, and limited personal advice in relation to legalsuper's Transition to Retirement product.

Products designed for the legal community

We understand the needs of the legal community and have designed our products to meet those needs. We offer members choice and flexibility with a range of products to assist members during their career, when transitioning to retirement and in retirement.

Our rigorous approach to investing provides members with strong investment returns, and our range of investment options allows members to choose an investment strategy that best suits their individual needs.

Similarly, our insurance cover has been designed to suit the needs of our members and can be tailored to meet their changing needs.

Online services

As life gets increasingly busy, our online service – MemberAccess – allows members to manage their super anytime, anywhere. Whether they want to update their address, change their investment strategy or even apply for an increase in insurance, MemberAccess gives them access to their account whenever and however they choose.

We continue to focus on providing members with access to information and advice to help them make the most out of their super and retirement. Extending our online services this year, we launched an online advice tool, Adviser Online. Adviser Online takes a personalised approach to delivering advice on topics such as investment choice, insurance and projected retirement needs.

Our legalsuper website also has a wealth of information about super including some useful tools and calculators to help members make informed decisions. We have live chat functionality on our website for members who prefer to communicate with us electronically. This service is in addition to our phone service and is run by a team of dedicated customer service professionals.

Supporting members through COVID-19

COVID-19 continued to wreak havoc across Australia. Despite these challenges, legalsuper continued to support members through these difficult times.

Our Client Service Team continued to provide members with personal service using a range of digital channels to connect. Our website provided members with the most up-to-date information and resources to help them navigate the unpredictable developments in investment markets and government legislation changes, such as the Early Release of Super Scheme and JobKeeper payment options.

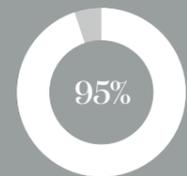
Wellbeing continues to be of utmost importance during these challenging times and we worked closely with many of the law societies and our other partners to provide support through various channels, including free daily wellness sessions run through Legalite.

Our Client Service Team

Our national team of Client Service Managers provides a range of in-person and online services including presentations and seminars, employer support and personal one-on-one meetings about super.

472	Meetings with law firms and partners across Australia
3,725	1:1 consultations with members
50	Presentations and seminars

Customer Satisfaction Score (average)



What our members are saying about our Client Service Team

“

“Excellent product knowledge and friendly to speak to”

“Thorough, helpful and extremely switched on”

“Prompt with my request and always helpful”

“Very helpful and patient when I did not know what to do”

Our Customer Service Centre

Our Australian-based customer service team is on hand for general information and administration assistance via phone, email or live chat.

20,474	Phone conversations
84.5%	Answered within 20 seconds
17,335	Emails answered
1,423	Live chat conversations

Customer Satisfaction Score (average)



What our members are saying about our Customer Service Centre

“

“Friendly, prompt service”

“You guys are super efficient, helpful and great to deal with”

“Query answered quickly and efficiently”

“Very helpful, very professional and was genuinely interested in giving me information”

Investment performance



legalsuper

legalsuper.com.au

● GRACE

2020–21 in review

Throughout 2020–21 and beyond, COVID-19 has made a significant economic and social impact domestically and abroad.

However, despite ongoing pandemic-related challenges, successful vaccine development followed by mass rollouts across major economies, along with the conclusion of strict lockdowns in many of these same major global economies, resulted in markets rebounding from the lows of March 2020.

Other non pandemic-related events during 2020–21 that also influenced markets included the US presidential election and Brexit.

Overall, we saw optimism leading to strong gains in share markets to 30 June 2021.

By way of example, Australian shares delivered a 28.5% return with US shares delivering an even higher 40% return, in contrast to defensive asset classes, such as bonds and cash, which ended the year with either flat or negative returns.

The resulting impact of these gains on growth assets led to legalsuper's investment options performing very strongly during 2020–21.

Importantly, legalsuper's MySuper Balanced option, where the majority of our members are invested, achieved its highest ever annual return for members of 17%.

legalsuper's investment strategy is predicated on a strong, active investment management approach that takes advantage of scale to make informed, innovative and timely investment decisions for the benefit of our members.

This approach has seen the MySuper Balanced option deliver strong returns over 3, 5 and 10 years respectively of 7.7%, 8.6% and 8.3% per annum.

Super is an investment most members will hold for many years until they retire. While returns may fluctuate from year-to-year, it is important for members to focus on long-term returns and select an investment option that best suits their needs and appetite for risk.

Notably, from 1 July 2021, legalsuper has implemented a 14% reduction in fees, increasing benefits to members and continuing the pursuit of our goal of empowering the legal community to build wealth for their life in retirement.

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 2021 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	17.0	8.6	8.3
Cash	-0.2	1.0	1.9
Enhanced Cash	0.2	1.3	2.2
Conservative	7.1	4.7	5.3
Conservative Balanced	11.0	6.4	6.8
Balanced Index	16.5	8.1	N/A ³
Balanced	17.0	8.5	8.3
Balanced Socially Responsible	16.7	7.9	7.1
Growth	19.7	9.7	9.1
High Growth	22.8	10.7	9.9
Overseas Shares	29.3	13.2	11.5
Australian Shares	20.9	9.9	9.0

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.

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

Pension

Investment returns¹ for all Pension investment options for one, five and ten years to 30 June 2021 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	-0.1	1.1	2.2
Enhanced Cash	0.3	1.5	2.6
Conservative	8.1	5.3	5.9
Conservative Balanced	12.4	7.3	7.6
Balanced Index	18.6	9.0	N/A ³
Balanced	19.1	9.5	9.1
Balanced Socially Responsible	19.1	8.6	8.0
Growth	22.1	10.7	10.1
High Growth	25.7	11.9	11.2
Overseas Shares	32.0	14.2	13.0
Australian Shares	23.9	11.3	10.1

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.

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

Investment governance

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 formulating 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 its 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, such 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: Dailyhunt Group

Dailyhunt Group (Dailyhunt + Josh) has emerged as India's largest digital content platform after Facebook and Google, with more than 430 million monthly active users and over 3 billion daily views.

Dailyhunt is the only player in India outside of Facebook and Google to have built its own advertising network and it has developed an artificial intelligence/machine learning engine to personalise user experience within its app, serving users a greater variety of unique content.

Dailyhunt, the core application, is a mobile-first content/video aggregation platform serving more than 310 million local language users across 14 languages.

Josh (described as 'TikTok of India') was launched in June 2020 following the Indian government's decision to ban Chinese apps nationwide.

legalsuper investment in Dailyhunt Group is part of our Private Markets sector allocation with Siguler Guff, which is a boutique private markets investment manager headquartered in New York with offices globally specialising in Small Buyout, Emerging Markets, and Opportunistic Credit.

This investment is targeting a base case double digit internal rate of return for a strong multiple return from our invested capital over the next few years.



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 2020–21, Legasuper awarded two investment mandates to managers exhibiting strong ESG attributes.

Case study #1: Alliance Bernstein

Alliance Bernstein (AB) has multiple ESG focus areas. Central to these is a portfolio risk identification framework developed to understand the extent of modern slavery risk within portfolios, as well as within the supply chains of those companies it holds.

In recognition of its ongoing work to combat modern slavery and human trafficking, AB was honoured with the Combating Modern Slavery Award at the 2021 Themis AFC Awards.

In addition, AB is very active as an advocate for climate change, and has formed an ongoing relationship with Columbia University's Earth Institute to create and deliver climate risk training to internal AB investors and stakeholders.

Using the Task Force on Climate-related Financial Disclosures (TCFD) framework, the team conducts scenario analysis on how Australian companies could be affected by climate change. AB is working to understand, assimilate and, over time, improve climate scenario analysis and investment decision-making.

Case study #2: Aikya

Aikya uses specialised proprietary criteria to assess the quality of stewardship of companies. This starts with obtaining a clear understanding of the purpose of a business, followed by analysis of its environmental, social and governance track record, and concludes with a process to investigate and understand organisation-wide culture.

Aikya actively avoids companies where the business has a negative social utility (tobacco, gambling, fossil fuels, munitions) or where companies are forced to inflict significant damage to the environment and communities in order to serve their purpose. Sustainability issues are investigated with the same level of detail as the financial metrics of a company.

As ESG data on a business is not standardised and can often be open to interpretation, Aikya has developed its own industry-specific detailed maps (combining various sustainability reporting standards such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the United Nations Sustainable Development Goals (UN SDG)), through which it compares various companies within an industry and across the entire industry value chain.

Aikya has an active engagement agenda with all its portfolio holdings.

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 and Heuristic Investment Systems provide asset allocation advice. BCA Research is an independent provider of global investment research and investment strategy advice. Heuristic Investment Systems provides investment strategy and asset allocation research and analysis.

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.

Heuristic Investment Systems

Willis Towers Watson

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

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

Investment manager appointments change periodically at the discretion of the Trustee. This listing is as at 30 June 2021 and excludes investments that are made by members in the Direct Investment Option.

Aikya

Alliance Bernstein

American Century Investment

Ancala

Barwon

Bluebay

ClearBridge Investments

Colchester

Dexus

First Sentier

Goodman

GPT Group

GQG Partners

Hyperion Asset Management

ICG

IFM Investors

Lendlease

Lighthouse

Macquarie

Ninety One

Partners Group

Pendal

QIC

Resolution Capital

Sanders Capital

Siguler Guff

Solaris

State Street Global Advisors

Wellington Management

Changes in investment managers and advisors in 2020-21

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

Aikya

Alliance Bernstein

ClearBridge Investments

IFM Investors

Ninety One

Pendal

BCA Research

bfinance

Frontier Advisors

Heuristic Investment Systems

Terminations

Allan Gray

AMP Capital

Cooper Investors

Genesis

Lazard

Magellan

Oak Hill Advisors

River and Mercantile

Schroders

Yarra Capital

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 2021.

	AUSTRALIAN SHARES	%	INTERNATIONAL SHARES	%	PROPERTY	%
1	BHP	5.7%	Alphabet	3.8%	Gosford Private Hospital, NSW	3.2%
2	CSL	5.5%	Microsoft	2.9%	1 Farrer Place, NSW	3.1%
3	Westpac Banking Corporation	4.6%	Facebook	2.5%	Gateway, 1 Macquarie Place, NSW	3.0%
4	Macquarie	4.6%	Taiwan Semiconductor	2.2%	Westfield Carindale, QLD	2.4%
5	National Australia Bank	3.3%	Apple	2.1%	Westfield Miranda, NSW	2.3%
6	James Hardie Industries	3.1%	Unitedhealth	1.8%	MLC Centre, NSW	2.1%
7	Commonwealth Bank of Australia	3.1%	Amazon	1.7%	Sunshine Plaza, QLD	2.0%
8	Transurban	2.7%	Samsung Electronics	1.7%	Darling Park 1 & 2, NSW	1.8%
9	Telstra	2.7%	Daimler	1.5%	International Towers – Tower One, NSW	1.8%
10	South32	2.6%	Unilever	1.3%	International Towers – Tower Two, NSW	1.6%
11	Woodside Petroleum	2.5%	Uni-President Enterprises	1.2%	Macarthur Square, NSW	1.6%
12	Stockland	2.4%	Micron Technology	1.2%	John James Hospital Campus, ACT	1.6%
13	Atlas Arteria	2.4%	Aia	1.0%	Lakeside Joondalup, WA	1.6%
14	Fletcher Building	2.3%	Roche	1.0%	Erina Fair, NSW	1.5%
15	Woolworths	2.2%	Astrazeneca	1.0%	International Towers – Tower Three, NSW	1.5%
16	Suncorp	2.2%	Fomento Economico Mexicano	0.9%	Cairns Central, QLD	1.4%
17	Aristocrat Leisure	2.1%	Nvidia	0.9%	Liberty Place, NSW	1.3%
18	QBE Insurance	2.0%	Visa	0.8%	530 Collins Street, VIC	1.3%
19	Orora	1.9%	Bayerische Motoren Werke	0.8%	Riverside Centre, QLD	1.3%
20	Goodman	1.9%	BNP Paribas	0.8%	Darling Quarter, 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="0"> <tr><td>Australian shares</td><td>27</td></tr> <tr><td>Overseas shares</td><td>27</td></tr> <tr><td>Infrastructure</td><td>9</td></tr> <tr><td>Private markets</td><td>2</td></tr> <tr><td>Property</td><td>12</td></tr> <tr><td>Fixed interest</td><td>11</td></tr> <tr><td>Credit</td><td>7</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	27	Overseas shares	27	Infrastructure	9	Private markets	2	Property	12	Fixed interest	11	Credit	7	Cash	5	<table border="0"> <tr><td>Cash</td><td>100</td></tr> </table>	Cash	100	<table border="0"> <tr><td>Enhanced cash</td><td>97</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Enhanced cash	97	Cash	3
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* The annual return is net of all tax and fees except the weekly \$1.30 Administration fee.

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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="0"> <tr><td>Australian shares</td><td>12</td></tr> <tr><td>Overseas shares</td><td>12</td></tr> <tr><td>Infrastructure</td><td>6</td></tr> <tr><td>Property</td><td>8</td></tr> <tr><td>Fixed interest</td><td>18</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	12	Overseas shares	12	Infrastructure	6	Property	8	Fixed interest	18	Credit	8	Enhanced cash	26	Cash	10	<table border="0"> <tr><td>Australian shares</td><td>19</td></tr> <tr><td>Overseas shares</td><td>19</td></tr> <tr><td>Infrastructure</td><td>7</td></tr> <tr><td>Property</td><td>10</td></tr> <tr><td>Fixed interest</td><td>15</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	19	Overseas shares	19	Infrastructure	7	Property	10	Fixed interest	15	Credit	8	Enhanced cash	15	Cash	7	<table border="0"> <tr><td>Australian shares</td><td>34</td></tr> <tr><td>Overseas shares</td><td>24</td></tr> <tr><td>Property</td><td>10</td></tr> <tr><td>Fixed interest</td><td>24</td></tr> <tr><td>Cash</td><td>8</td></tr> </table>	Australian shares	34	Overseas shares	24	Property	10	Fixed interest	24	Cash	8
Australian shares	12																																												
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* The annual return is net of all tax and fees except the weekly \$1.30 Administration fee.

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>27</td></tr> <tr><td>Overseas shares</td><td>27</td></tr> <tr><td>Infrastructure</td><td>9</td></tr> <tr><td>Private markets</td><td>2</td></tr> <tr><td>Property</td><td>12</td></tr> <tr><td>Fixed interest</td><td>11</td></tr> <tr><td>Credit</td><td>7</td></tr> <tr><td>Cash</td><td>5</td></tr> </table>	Australian shares	27	Overseas shares	27	Infrastructure	9	Private markets	2	Property	12	Fixed interest	11	Credit	7	Cash	5	<table border="1"> <tr><td>Australian shares</td><td>34</td></tr> <tr><td>Overseas shares</td><td>34</td></tr> <tr><td>Infrastructure</td><td>6</td></tr> <tr><td>Private markets</td><td>2</td></tr> <tr><td>Property</td><td>11</td></tr> <tr><td>Fixed interest</td><td>7</td></tr> <tr><td>Credit</td><td>3</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Australian shares	34	Overseas shares	34	Infrastructure	6	Private markets	2	Property	11	Fixed interest	7	Credit	3	Cash	3	<table border="1"> <tr><td>Australian shares</td><td>40.5</td></tr> <tr><td>Overseas shares</td><td>40.5</td></tr> <tr><td>Infrastructure</td><td>5</td></tr> <tr><td>Private markets</td><td>2</td></tr> <tr><td>Property</td><td>9</td></tr> <tr><td>Cash</td><td>3</td></tr> </table>	Australian shares	40.5	Overseas shares	40.5	Infrastructure	5	Private markets	2	Property	9	Cash	3
Australian shares	27																																														
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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>25.2</td></tr> <tr><td>Overseas shares</td><td>33</td></tr> <tr><td>Alternatives</td><td>14.5</td></tr> <tr><td>Property</td><td>4.9</td></tr> <tr><td>Fixed interest</td><td>14.5</td></tr> <tr><td>Cash</td><td>7.9</td></tr> </table>	Australian shares	25.2	Overseas shares	33	Alternatives	14.5	Property	4.9	Fixed interest	14.5	Cash	7.9
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* The annual return is net of all tax and fees except the weekly \$1.30 Administration fee.

Direct Investment Option

This option gives members greater choice and control over how their super is invested.

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

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.

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.

Other investment information

Overall asset allocation

The overall asset allocation across legalsuper at 30 June 2021 and the preceding year was as follows:

ASSET CLASS	30-JUN-20	30-JUN-21
Australian shares	28.0%	28.4%
Overseas shares	27.6%	27.9%
Property	10.8%	9.5%
Alternative assets	13.7%	N/A ²
Infrastructure	N/A ¹	7.6% ²
Private markets	N/A ¹	1.9% ²
Credit	N/A ¹	7.5% ²
Fixed interest	9.3%	7.2%
Cash/Enhanced cash	8.7%	7.4%
Diversified	2.8%	2.7%

¹ Infrastructure, Private market and Credit were classified under Alternative assets in 2019/20.

² Alternative assets replaced by three new asset classes (including Infrastructure, Private markets and Credit).

Investments greater than 5% of total assets

As at 30 June 2021, the following investment managers invested more than 5% of legalsuper's total assets:

INVESTMENT MANAGER	TOTAL ASSETS
Solaris	15.3%
State Street Global Advisors	10.0%
Alliance Bernstein	8.6%
Sanders	7.4%
ClearBridge Investments	5.7%



Fund governance

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
- Fellow, Australian Risk Management Institute

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)
- 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-current)
- 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
- Chartered Manager, Chartered Management Institute, UK

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-current)
- Member, Legal Practitioners Board Examinations Committee (2016-current)
- Member, AICD Western Region Committee (2015-current)
- Adjunct Lecturer, College of Law (2015-current)
- Member, Finance Committee, Verto (2015-2020)
- 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-current)
- Member, Business Law Specialist Accreditation Committee (2012-current)
- Conduct Panel Member, CPA Australia (2010-2015)
- President, Orana Law Society Inc (2003-6, 2009-current)
- Mediator, Centacare (2008-current)
- Managing Partner, Austen Brown Boog (1985-current)



Richard Fleming
EMPLOYER DIRECTOR

APPOINTMENT DATE

27 May 2016

NOMINATING ORGANISATION

Law Institute of Victoria

QUALIFICATIONS

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

EXPERIENCE

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



Richard Fliteroft
EMPLOYER DIRECTOR

APPOINTMENT DATE
31 March 2019

NOMINATING ORGANISATION
Law Society of New South Wales

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

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



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, the Hon 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–current)
 - 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)



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)
 - 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**
- Permanent Chair, Selection Appeals Board, Rowing Australia (2017–2021)
 - Member, AOC Appeals Tribunal, Australian Olympic Team (2020–2021)
 - Director, Victoria Law Foundation, Law Institute Victoria (2009–2013)
 - Member, Counsel Committee, Victorian Bar, (2014–2015)
 - Member, Indictable Crimes Certificate Committee, Victorian Bar, (2014–2015)
 - Member, Ethics Committee, Victoria Bar (2009–2014)
 - Chairman of Victorian Bar, Audit & Finance Committee, Victoria Bar (2011–2014)
 - President Victorian Bar Council, Victoria Bar (2015)



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)



Imogen Sturni
MEMBER DIRECTOR

APPOINTMENT DATE
31 March 2019

NOMINATING ORGANISATION
Australian Services Union

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

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

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Board Committees & membership

At 30 June 2021

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*
Remuneration & Nomination Committee	Responsible for making annual recommendations to the Board on the remuneration of the senior executives and others in accordance with the Board's Remuneration Policy, and determining the processes for the interview of nominees for the role of Director and making a recommendation to the Board. It is also responsible for reviewing the nomination of directors to the Board and meets at least three times per financial year.	Kirsten Mander	Andrew Boog Carita Kazakoff

* Appointed to the Committee effective 3 July 2021

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	8	8	-	-	-	-	-	-	5	5
Adam Awty	3	3	-	-	-	-	-	-	-	-
Andrew Boog	8	8	-	-	4	4	-	-	5	4
Richard Fleming	8	8	-	-	-	-	7	7	-	-
Richard Flitcroft	8	8	6	6	4	4	-	-	-	-
Carita Kazakoff	8	8	6	6	-	-	-	-	3	3
Imogen Sturni	8	8	6	6	-	-	-	-	-	-
Nikhil Mishra	8	8	-	-	-	-	6	6	-	-
Anastasia Polites	6	6	-	-	-	-	-	-	-	-
James Peters AM QC*	-	-	-	-	-	-	-	-	-	-
Geoff Hone	5	5	-	-	4	4	-	-	-	-
Emma Maiden	2	2	-	-	-	-	2	2	3	3
Phil Kennon	7	7	-	-	-	-	7	7	-	-

* Appointed 30 June 2021

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 Board.

Professional development

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

Directors' and officers' insurance policy

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

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.

Retirements and appointments through 2020–21 are as follows:

DATE	ROLE	RETIREMENT	APPOINTMENT
20/09/2020	Member Director	Emma Maiden	
21/09/2020	Member Director		Anastasia Polites
31/03/2021	Employer Director	Geoff Hone	Adam Awty
09/06/2021	Member Director	Phil Kennon QC	
30/06/2021	Member Director		James Peters AM QC

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	DATE APPOINTED DURING YEAR	DATE RETIRED DURING YEAR	2019–20 \$	2020–21 \$	REMUNERATION PAID TO
Kirsten Mander			103,734	103,734	Kirsten Mander
Adam Awty	31 March 2021		N/A	10,373	Adam Awty
Andrew Boog			41,493	41,493	Andrew Boog
Richard Fleming			57,053	57,053	Richard Fleming
Richard Flitcroft			40,640	43,154	Richard Flitcroft
Geoff Hone		31 March 2021	51,867	38,900	Geoff Hone
Chris Joyce		31 March 2020	31,120	-	Chris Joyce
Carita Kazakoff			51,867	51,867	Australian Services Union
Phil Kennon QC		09 June 2021	46,680	44,047	Phil Kennon QC
Emma Maiden		20 September 2020	46,680	16,373	Emma Maiden
Nikhil Mishra	31 March 2020		10,373	46,124	Nikhil Mishra
Anastasia Polites	21 September 2020		N/A	32,377	Anastasia Polites
Imogen Sturni			40,640	40,853	Australian Services Union
James Peters AM QC	30 June 2021		N/A	N/A	N/A

Governance

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

The Executive team

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 experience across the superannuation industry with fund administrators, investment managers, custodians and superannuation funds. Andrew is a member of the Finance & Investment Committee of the Law Institute of Victoria, and a member of the Policy Committee and Member Services Committee of the Australian Institute of Superannuation Trustees. He is also a former Director of the Australian Institute of Superannuation Trustees and former member of the Victorian Executive of the Association of Superannuation Funds of Australia. He regularly presents at superannuation industry conferences and writes superannuation columns for law society journals.



David Eastwood

EXECUTIVE MANAGER, OPERATIONS AND MEMBER SERVICES

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

QUALIFICATIONS

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

EXPERIENCE

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



Jessica Lancashire

MANAGER, PEOPLE & CULTURE

Jessica was appointed in November 2019. She reports to the Chief Executive and is responsible for the management of people and culture. Jessica has more than 20 years of 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

EXECUTIVE MANAGER, MEMBER EXPERIENCE

Carrie was appointed in September 2020. Reporting to the Chief Executive, she is responsible for overseeing legalsuper's member experience. Carrie has more than 12 years of experience in the superannuation industry.

QUALIFICATIONS

- Graduate Certificate 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 20 years, starting in the financial and legal services and energy industries in a range of marketing and communications roles. For the past 12 years she has worked in the superannuation industry, gaining broad experience leading teams across member and employer experience, engagement 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 the Chief Executive and Executive team. 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
Executive Manager, Operations and Member Services
Executive Manager, Member Experience
Executive Manager, Legal, Risk & Compliance and Company Secretary
Chief Investment Officer

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.

Over the past year, legalsuper has invested in the leadership capability of the executive team through a tailored leadership program. Further leadership development opportunities were extended to other people managers throughout the organisation, ensuring our people have well rounded skills to support all areas of their responsibilities.

Identifying and managing risk

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

The Board has a commitment to a high standard of corporate governance practice, and promotion of a strong risk culture.

The Trustee has approved a Risk Management Framework 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.

It includes systems, structures, policies, processes and people that identify, assess, monitor, report on, mitigate and manage all internal and external sources of risk, including the failure to implement and maintain an effective governance framework. Risks are monitored and a quarterly risk report is provided to the Audit, Risk & Governance Committee and the Board.

Cyber risk review and management

Managing and mitigating cyber risk is an ongoing operational endeavour 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.

Executive remuneration

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

ROLE	NAME	DATE APPOINTED	DATE CEASED EMPLOYMENT	2019-20 \$	2020-21 \$
Chief Executive	Andrew Proebstl			485,054	494,757
Executive Manager, Operations and Member Services	David Eastwood			329,999	336,600
Executive Manager, Member Experience	Carrie Norman	September 2020			206,654
Executive Manager, Member Experience	Patsy Mullen		July 2020	234,999	131,261
Executive Manager, Legal, Risk & Compliance and Company Secretary	Kaye Wheatley-Brown			219,999	242,000
Chief Investment Officer	Norman Zhang	March 2020		96,666	307,401
Chief Investment Officer	Edward Smith		September 2019	148,247	-

Third-party advisers

legalsuper engages specialist external providers and expert advisers.

<p>LEGAL ADVISER</p>  <p>Hall & Wilcox smarter law</p>	<p>LEGAL ADVISER</p>  <p>HOLDING REDLICH</p>	<p>LEGAL ADVISER</p>  <p>Maddocks</p>
<p>TAX ADVISER</p>  <p>pwc</p>	<p>INTERNAL AUDITOR</p> <p>Deloitte Touche Tohmatsu</p>	<p>EXTERNAL AUDITOR</p>  <p>KPMG</p>
<p>FUND ADMINISTRATION</p>  <p>LINK Group</p>	<p>MEMBER INSURANCE</p>  <p>OnePath</p>	<p>CUSTODIAN</p>  <p>BNP PARIBAS The bank for a changing world</p>
<p>INVESTMENT ADVISORS & MANAGERS</p> <p>legalsuper has appointed 5 investment advisors and 29 third party investment managers (see pages 24 & 25) 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, but also passionate and dedicated – with a growth and improvement mindset.

Professional development

To provide service beyond member expectations, legalsuper recognises the need to nurture and retain its employees. Staff are encouraged to undertake training on superannuation and also in their respective areas of expertise and leadership capability.

Team members who provide information to members undertake ongoing training to keep abreast of changes in superannuation. Every year, all staff attend a strategic planning and professional development meeting, where expert speakers are invited to brief the team on current industry trends and developments, and training consultants facilitate professional development sessions. legalsuper also encourages and supports staff to undertake further studies, by both paying the cost of work-related study and providing study leave.

Wellbeing

legalsuper places importance on the health and wellbeing of its staff. All staff have access to an Employee Assistance Program and are encouraged to attend confidential counselling, wellbeing coaching, people management advice and additional support services. legalsuper is committed to providing a healthy workplace for all employees. We are proactive in promoting a healthy and safe work environment, physically, mentally and emotionally. These endeavours have been particularly valuable during these 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 on their terms to unleash a greater level of productivity. We are committed to retaining our skilled and dedicated staff and actively support employees by providing flexible workplace arrangements.

Diverse thought, shared values

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

Gender

	FEMALE	MALE
Board (%)	40%	60%
All Staff (%)	49%	51%

Tenure (years)

	LESS THAN 1	1	2 TO 5	6 TO 10	11+
Board	3	1	6	-	-
All Staff	4	6	18	7	6

Age

	UNDER 30	30 TO 39	40 TO 49	50 TO 59	60 TO 69	70+
Board	1	2	2	2	3	-
All Staff	1	11	7	18	3	1

Staff statistics

FULL TIME	PART TIME	PARENTAL LEAVE	RESIGNATIONS	NEW HIRES
41	7	0	7	5

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 2020 (\$)	30 JUNE 2021 (\$)
ASSETS	Investments	4,210,894,378	5,059,653,609
	Other	718,968	1,000,484
	Tax	3,837,887	968,135
	Total assets	4,215,451,233	5,061,622,228
LIABILITIES	Tax	38,081,876	102,479,517
	Other	6,399,430	8,212,025
	Total liabilities	44,481,306	110,691,542
	Net assets	4,170,969,927	4,950,930,686
LIABILITY FOR ACCRUED BENEFITS	Member benefits	4,156,592,935	4,934,037,855
	Reserves	14,376,992	16,892,831
	Total liability for accrued benefits	4,170,969,927	4,950,930,686

OPERATING STATEMENT		30 JUNE 2020 (\$)	30 JUNE 2021 (\$)
REVENUE	Investment	-33,172,445	790,256,624
	Contributions and transfers	374,386,159	368,145,007
	Total revenue	341,213,714	1,158,401,631
EXPENDITURE	Insurance premiums	16,947,891	19,594,727
	Operating	18,973,487	20,457,155
	Tax	12,712,278	102,373,641
	Total expenditure	48,633,656	142,425,523
	Net revenue	292,580,058	1,015,976,108

Other important information

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 2021 for the past three years and change each year are shown below:

YEAR	RESERVE BALANCE	CHANGE IN BALANCE
2021	\$16,892,831	\$2,515,839
2020	\$14,376,992	-\$9,622,280
2019	\$23,999,272	\$2,909,793

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, Looked 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 apply 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 will be 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 2020, 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 December 2020 for the year ended 30 June 2020, 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 2020. legalsuper's MySuper product also passed APRA's annual performance test that considered net returns up to 30 June 2021 against benchmarks.

Superannuation reforms

Employer superannuation payments

The legislated superannuation guarantee increase of 0.5% to 10% applies from 1 July 2021. The Your Future, Your Super legislation provides that from 1 November 2021, employers must contribute to a new employee's existing 'stapled fund' if the employee does not choose for the employer to contribute to legalsuper.

New thresholds on 1 July 2021 for some existing measures

From 1 July 2021, the thresholds for a number of existing super measures increased, including the amount individuals can voluntarily contribute through salary sacrifice or by making a non-concessional contribution. The key super rates and thresholds for 2021/22 are:

- the concessional contributions cap is \$27,500, up from \$25,000
- the non-concessional contributions cap is \$110,000, up from \$100,000 (or \$330,000 under the bring-forward rule over three years)
- the CGT cap amount for non-concessional contributions is \$1.615 million, up from \$1.565 million
- the general transfer balance cap is \$1.7 million, up from \$1.6 million.

Other changes

- Members aged 65 and 66 can make up to three years of non-concessional contributions under the "bring forward" rule. Previously, only those under 65 could do so. This applies to non-concessional contributions made on or after 1 July 2020.
- Contributions made from 1 July 2021 that exceed concessional contributions cap no longer attract the excess concessional contributions charge. However, they are still taxed at marginal rates, with a 15% tax offset for contributions tax already paid by the fund.

COVID-related measures

The following changes form part of the Government's response to the economic effects of COVID-19:

- the minimum amounts required to be drawn down from an account based pension again halved from 1 July 2021
- COVID-19 withdrawals from super may be chosen to be recontributed to the super system from 1 July 2021 until 30 June 2030. A deduction cannot be claimed for these recontributions, but they will not affect the non-concessional contributions cap.

Contact us

 legalsuper.com.au  1800 060 312  mail@legalsuper.com.au  Locked Bag 5081, Parramatta NSW 2124

This Annual Report was issued in November 2021 by Legal Super Pty Ltd (ABN 37 004 455 789 RSE L0002585 AFSL 246315), Level 37, 140 William Street, Melbourne, 3000 as Trustee for legalsuper (ABN 60 346 078 879).

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 legalsuper Product Disclosure Statement (PDS). The PDS is available by contacting legalsuper or at legalsuper.com.au.