

legalsuper
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025
ABN: 60 346 078 879

legalsuper
TABLE OF CONTENTS

	Page
Directors' Report	3
Remuneration Report	5
Auditor's Independence Declaration	9
Independent Auditor's report	10
Financial Statements	
Statement of Financial Position	13
Income Statement	14
Statement of Changes in Member Benefits	15
Statement of Changes in Reserves	16
Statement of Cash Flows	17
Notes to the Financial Statements	
1. Reporting Entity	18
2. Summary of material accounting policies	18 - 23
3. Member benefits	24
4. Fair value of financial instruments	24 - 26
5. Receivables	27
6. Property, plant and equipment	27
7. Leases	27
8. Payables	27
9. Changes in fair value of investments	28
10. Funding arrangements	28
11. Reserves	29
12. Income tax	29 - 30
13. Investment expenses	30
14. Operating expenses	30
15. Auditors remuneration	31
16. Cash flow statement reconciliation	31
17. Segment Information	31
18. Related party disclosures	31 - 33
19. Financial risk management objectives and policies	34 - 37
20. Investment Commitments	37
21. Insurance	38
22. Significant events after balance date	38
Trustee Declaration	39

legalsuper
Directors' Report
For the year ended 30 June 2025

The Directors of Legal Super Pty Ltd (the Trustee), as trustee for legalsuper (the Fund), present their report on the Fund for the financial year ended 30 June 2025 (the financial year). In order to comply with the provisions of the Corporations Act 2001, the Directors of the Trustee report as follows:

Principal Activities

legalsuper is operated for the purpose of providing superannuation and retirement benefits to members and their beneficiaries. We deliver high performing superannuation solutions for members in the legal industry. The Fund remains open to new members outside the legal industry.

Review and results of operations

Over the course of the financial year, the Fund continued to focus on providing wealth management and support services to Australia's legal community to empower its members to build wealth for their life in retirement.

The Fund's financial position strengthened during the year, with fund assets increasing by \$915,117,803 to \$7,043,549,165. Member benefits increased by \$854,515,318 over the period to \$6,816,843,446. The operational result after income tax for the year ended 30 June 2025 was \$21,672,559 (2024: 21,295,843).

Changes in state of affairs

There were no significant changes in the state of affairs of the Fund during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Future developments

There are no likely developments as at the date of this report.

Environmental regulation

The operations of the Fund are currently not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. The Fund is implementing a program to record and report climate related financial disclosures in accordance with legislative and regulatory requirements that come into effect from 1 July 2026.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are disclosed in the table below.

	2025	2024
	\$	\$
External Auditor - Deloitte and related network firms		
Other assurance and agreed-upon procedures under other legislation or contractual arrangements:		
- Tax compliance services	-	14,984
- Consulting services	400,032	183,010
- Actuarial services	11,736	10,462
Total superannuation activities income	411,768	208,456
Internal Auditor - PricewaterhouseCoopers and related network firms		
Other assurance and agreed-upon procedures under other legislation or contractual arrangements:		
- Tax compliance services	116,194	303,960
- Consulting services	127,087	107,036
Total superannuation activities income	243,281	410,996

legalsuper
Directors' Report
For the year ended 30 June 2025

The Directors of the Fund are satisfied that the provision of non-audit services provided during the financial year by the External Auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed above do not compromise the External Auditor's independence, for the following reasons:

- All non-assurance services provided by the external auditor have been approved by the Audit, Risk and Governance Committee as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APES 110).
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above Directors' statements are in accordance with the advice received from the Audit, Risk and Governance Committee.

Audit Services

Amounts received or due and receivable by the External Auditor - Deloitte, for:	2025	2024
	<u>\$</u>	<u>\$</u>
- audit of the financial statements and other statutory assurance services	<u>260,922</u>	<u>220,200</u>

Amounts received or due and receivable by Internal Auditor - PricewaterhouseCoopers, for:	2025	2024
	<u>\$</u>	<u>\$</u>
- internal audit services	<u>351,161</u>	<u>235,172</u>
Total of audit services	<u>612,083</u>	<u>455,372</u>

Auditor's independence declaration

External audit / Deloitte's independence declaration is included on page 8.

Rounding off of amounts

Amounts in the Directors' report have been rounded to the nearest whole dollars in accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, unless otherwise indicated.

legalsuper
Remuneration Report
For the year ended 30 June 2025

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of the key management personnel of legalsuper for the financial year.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, including any Director (whether executive or otherwise) of the Trustee of the Fund. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration of key management personnel
- Remuneration Policy
- Key terms of employment contracts.

Key management personnel

The Directors of the Trustee and other key management personnel of the Trustee during the financial year were:

Directors of the Trustee

Name	Role
Kirsten Mander	Independent Chair
Imogen Sturni	Member Director
James Peters AM, KC	Member Director
Kamal Farouque	Member Director (until 14 March 2025)
Daniel Papps	Member Director
Mary Macken	Member Director
Adam Awty	Employer Director
Andrew Boog	Employer Director (until 31 March 2025)
Richard Fleming	Employer Director
Richard Flitcroft	Employer Director
Michael Donnelly	Member Director (from 10 June 2025)
Ronan MacSweeney	Employer Director (from 27 May 2025)

Other key management personnel

Name	Role
Luke Symons	Chief Executive Officer
Michael Gogorosis	Chief Financial Officer
Paul Murray	Chief Investment Officer (until 20 December 2024)
Louise Eyres	Chief Marketing Officer
Colin Adamson	Chief Commercial Officer
Kaye Wheatley Brown	Executive Manager, Legal, Risk & Compliance
John Robinson	Executive Manager Business Enablement & Risk
Jennifer Abraham	Office of the CEO & Strategy (from 20 December 2024)
Andrew Lill	Chief Investment Officer (from 11 March 2025)

legalsuper
Remuneration Report (continued)
For the year ended 30 June 2025

Remuneration of key management personnel

2025	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Termination benefits	Total
	Salary & fees	Cash Bonus	Non-		Superannuation	Long service leave		
			monetary	Other				
	\$	\$	\$	\$	\$	\$	\$	\$
Directors of the Trustee								
Kirsten Mander	116,599	-	-	-	13,409	-	-	130,007
Imogen Sturni (i)	45,952	-	-	-	5,284	-	-	51,236
James Peters AM, KC	61,740	-	-	-	7,100	-	-	68,840
Kamal Farouque (ii)	36,527	-	-	-	4,460	-	-	40,987
Daniel Papps (iii)	45,952	-	-	-	5,284	-	-	51,236
Mary Macken (iv)	45,952	-	-	-	5,284	-	-	51,236
Adam Awty	57,441	-	-	-	6,606	-	-	64,046
Andrew Boog (v)	34,472	-	-	-	3,964	-	-	38,437
Richard Fleming	53,140	-	-	-	6,111	-	-	59,251
Richard Flitcroft	57,441	-	-	-	6,606	-	-	64,046
Michael Donelly (vi)	2,733	-	-	-	314	-	-	3,047
Ronan MacSweeney (vii)	4,522	-	-	-	520	-	-	5,042
	562,469	-	-	-	64,943	-	-	627,413
Other key management personnel								
Luke Symons	590,274	-	-	-	67,881	-	-	658,155
Michael Gogorosis	315,412	-	-	-	36,272	-	-	351,685
Paul Murray (viii)	215,087	-	-	-	22,369	-	-	237,457
Louise Eyres	231,199	-	-	-	26,588	-	-	257,787
Colin Adamson	343,150	-	-	-	39,462	-	-	382,612
Kaye Wheatley Brown	295,374	-	-	-	33,968	7,649	-	336,991
John Robinson	281,956	-	-	-	32,425	-	-	314,381
Jennifer Abraham (ix)	137,634	-	-	-	15,828	-	-	153,462
Andrew Lill (x)	144,231	-	-	-	16,587	-	-	160,817
	2,554,317	-	-	-	291,380	7,649	-	2,853,346
Total	3,116,786	-	-	-	356,324	7,649	-	3,480,759

(i) Payments totalling \$45,952 attributable to the services of Ms. Imogen Sturni during the financial year were paid to Australian Service Union.

(ii) Amounts in the table are for the period 1 July 2024 until 14 March 2025 when Mr Kamal Farouque resigned.

(iii) Payments totalling \$45,952 attributable to the services of Mr. Daniel Papps during the financial year were paid to United Services Union.

(iv) Payments totalling \$4,173 attributable to the services of Ms. Mary Macken during the financial year were paid to United Services Union.

(v) Amounts in the table are for the period 1 July 2024 until 31 March 2025 when Mr Andrew Boog resigned.

(vi) Amounts in the table are from 10 June 2025 when Mr Michael Donelly was appointed, until 30 June 2025.

(vii) Amounts in the table are from 27 May 2025 when Mr Ronan MacSweeney was appointed, until 30 June 2025.

(viii) Amounts in the table are for the period 1 July 2024 until 20 December 2024 when Mr Paul Murray resigned.

(ix) Amounts in the table are from 20 December 2024 when Mrs Jennifer Abraham was appointed as key management personnel, until 30 June 2025.

(x) Amounts in the table are from 11 March 2025 when Mr Andrew Lill was appointed, until 30 June 2025.

legalsuper
Remuneration Report (continued)
For the year ended 30 June 2025

Remuneration of key management personnel (continued)

2024	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Termination benefits	Total
	Salary & fees	Cash Bonus	Non-monetary		Superannuation	Long service leave		
				Other				
	\$	\$	\$	\$	\$	\$	\$	\$
Directors of the Trustee								
Kirsten Mander	110,592	-	-	-	12,166	-	-	122,758
Imogen Sturni (i)	44,236	-	-	-	4,866	-	-	49,102
James Peters AM, KC	49,766	-	-	-	5,475	-	-	55,241
Kamal Farouque	49,766	-	-	-	5,475	-	-	55,241
Daniel Papps (ii)	44,236	-	-	-	4,866	-	-	49,102
Mary Macken (iii)	44,236	-	-	-	4,866	-	-	49,102
Adam Awty	55,296	-	-	-	6,083	-	-	61,379
Andrew Boog	44,236	-	-	-	4,866	-	-	49,102
Richard Fleming	60,825	-	-	-	6,691	-	-	67,516
Richard Flitcroft	55,296	-	-	-	6,083	-	-	61,379
	558,485	-	-	-	61,437	-	-	619,922
Other key management personnel								
Luke Symons	541,177	-	-	-	59,529	-	-	600,706
Michael Gogorosis (iv)	160,650	-	-	-	17,642	-	-	178,292
Paul Murray (v)	113,236	-	-	-	12,456	-	-	125,692
Louise Eyres (vi)	25,468	-	-	-	2,801	-	-	28,269
Colin Adamson (vii)	149,769	-	-	-	16,475	-	-	166,244
Kaye Wheatley Brown	273,924	-	-	-	30,106	7,296	-	311,326
John Robinson (viii)	214,718	-	-	-	23,619	-	-	238,337
Trevin Erichsen (ix)	63,835	-	-	-	4,549	-	62,026	130,410
Norman Zhang (x)	209,624	-	-	-	17,976	-	-	227,600
Carrie Norman (xi)	177,242	-	-	-	22,756	-	103,436	303,434
Jessica Lancashire (xii)	97,280	-	-	-	10,111	-	-	107,391
	2,026,923	-	-	-	218,020	7,296	165,462	2,417,701
Total	2,585,408	-	-	-	279,457	7,296	165,462	3,037,623

(i) Payments totalling \$44,236 attributable to the services of Ms. Imogen Sturni during the financial year were paid to Australian Service Union.

(ii) Payments totalling \$44,236 attributable to the services of Mr. Daniel Papps during the financial year were paid to United Services Union.

(iii) Payments totalling \$4,173 attributable to the services of Ms. Mary Macken during the financial year were paid to United Services Union.

(iv) Amounts in the table are from 27 November 2023 when Mr Michael Gogorosis was appointed, until 30 June 2024.

(v) Amounts in the table are from 12 March 2024 when Mr Paul Murray was appointed, until 30 June 2024.

(vi) Amounts in the table are from 15 May 2024 when Ms. Louise Eyres was appointed, until 30 June 2024.

(vii) Amounts in the table are from 12 January 2024 when Mr. Colin Adamson was appointed, until 30 June 2024.

(viii) Amounts in the table are from 07 December 2023 when Mr. John Robinson was appointed, until 30 June 2024.

(ix) Amounts in the table are for the period 1 July 2023 until 16 August 2023 when Mr Trevin Erichsen ceased employment

(x) Amounts in the table are for the period 1 July 2023 until 07 December 2023 when Mr Norman Zhang resigned.

(xi) Amounts in the table are for the period 1 July 2023 until 12 December 2023 when Mrs. Carrie Norman ceased employment.

(xii) Amounts in the table are for the period 1 July 2023 until 11 January 2024 when Mrs. Jessica Lancashire resigned.

legalsuper
Remuneration Report (continued)
For the year ended 30 June 2025

Remuneration policy

Legalsuper has developed a remuneration framework, including a Remuneration Policy and Board and Committee governance, that promotes effective management of its financial and non-financial risks and remuneration outcomes which are commensurate with its performance and risk outcomes.

The Board is responsible for the remuneration framework and its effective application and has established a Remuneration & Nomination Committee comprising of three Non-Executive Directors and chaired by the Independent Chair of the Board. The Committee supports the Board in fulfilling its remuneration responsibilities by making recommendations and reporting on the remuneration framework and policy, including compliance and risk issues, as well as Key Management Personnel remuneration. The Committee reviews the Remuneration Policy annually to ensure it remains aligned to business needs and meets remuneration principles including compliance with CPS 511.

The Remuneration Policy is also reviewed by the Committee if there is a material change to the size, business mix and complexity of the of the Fund. From time to time, the Committee also engages external remuneration consultants to assist with this review.

The effectiveness of the remuneration framework is also subject to a comprehensive review by operationally independent, appropriately experienced and competent persons at least every three years.

The guiding objectives of the Trustee in developing, applying and reviewing the Remuneration Policy are to:

- protect the best financial interests, and meet the reasonable expectations, of beneficiaries;
- support the business plan and strategic objectives of legalsuper;
- support the prevention and mitigation of conduct risk faced by legalsuper;
- promote sustainable performance and the long-term financial soundness of legalsuper;
- support the effective management of financial and non-financial risks faced by legalsuper;
- support legalsuper's Risk Management Framework; and
- attract and retain qualified and experienced professionals by adopting remuneration structures that are competitive and provide appropriate reward and recognition.

The Fund does not provide any variable remuneration to key management personnel linked to their performance.

Element	Purpose	Performance metrics	Potential value	Changes in FY 2025
Salaries	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at market rate	Reviewed in line with market positioning

Directors' remuneration

Directors receive directors fees which include a component for their board role and a component for chairing or participating on Board Committees. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chair does not receive additional fees for participating in or chairing committees.

Director's fees are increased by CPI annually as approved by the shareholders and nominating bodies and the Chair's fees by the Board, in each case supported by benchmarking.

All Directors enter into a service agreement with the Trustee in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Other key management personnel

Executives receive their salaries as cash with their salary levels reviewed annually or on promotion. Salaries are benchmarked against market data for comparable roles in other superannuation funds. The Fund aims to position executives around the median of the benchmark, with flexibility to take into account capability, experience, value to the Fund and performance of the individual. Superannuation is included in the salaries for all executives. Remuneration of the Chief Executives and each of the Executives is approved by the Board.

Key terms of employment contract

During the financial year, the following new contracts for services were negotiated between the Fund and members of the KMP when commencing a new role:

Component	Jennifer Abraham	Andrew Lill
Base salaries	\$269,058	\$500,000
Superannuation	\$30,942	\$57,500
Contract duration	Permanent Full-time	Contract 9 months
Notice Period	3 months	3 months
Variable remuneration	None	None

This Directors' report, inclusive of the Remuneration report, is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Trustee


 Kirsten Mander

Sep 19, 2025 5:31 PM AEST

Kirsten Mander
 Chair - Board



Richard Flitcroft

Richard Flitcroft
 Sep 19, 2025 3:43 PM AEST
 Chair - Audit, Risk and Governance Committee

Dated this 19 day of September 2025

Melbourne, Victoria

19 September 2025

The Board of Directors
Legal Super Pty Ltd (the Trustee)
legalsuper
Level 9, 627 Chapel Street
SOUTH YARRA VIC 3141

Dear Board Members

Auditor's Independence Declaration to the trustee of legalsuper

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Legal Super Pty Ltd as trustee of legalsuper.

As lead audit partner for the audit of the financial report of legalsuper for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Fiona O'Keefe
Partner
Chartered Accountants

Independent Auditor's Report to the Members of legalsuper

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of legalsuper (the "RSE"), which comprises the statement of financial position as at 30 June 2025, the income statement, the statement of changes in member benefits, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of legalsuper is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of legalsuper's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the RSE Licensee ("the directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in legalsuper's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 8 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Legalsuper, for the year ended 30 June 2025, complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Fiona O'Keefe
Partner
Chartered Accountants

Melbourne, 19 September 2025

legalsuper
Statement of Financial Position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Cash and cash equivalents	16	22,020,001	18,250,317
Receivables	5	413,200	356,649
Investments			
Cash and short term deposits	4	312,096,932	240,525,599
Australian fixed interest securities	4	643,941,824	583,362,045
International fixed interest securities	4	261,880,910	247,252,194
Australian equities	4	2,071,983,950	1,808,008,909
International equities	4	2,093,994,332	1,701,910,652
Alternative assets	4	1,182,857,122	1,065,107,528
Property	4	448,751,560	460,851,853
Property, plant and equipment	6	275,889	257,681
Right-of-use assets	7(i)	1,082,670	1,347,813
Deferred tax assets	12	1,118,432	1,200,122
Income tax assets		3,132,343	-
Total assets		7,043,549,165	6,128,431,362
Liabilities			
Lease liabilities	7(ii)	(1,128,739)	(1,385,084)
Payables	8	(7,757,510)	(8,208,432)
Income tax payable		-	(12,444,032)
Deferred tax liabilities	12	(157,510,704)	(105,429,479)
Total liabilities excluding member benefits		(166,396,953)	(127,467,027)
Net assets available for member benefits		6,877,152,212	6,000,964,335
Member benefits			
Allocated to members		(6,814,440,998)	(5,958,512,843)
Unallocated to members		(2,402,448)	(3,815,285)
Total member benefits	3	(6,816,843,446)	(5,962,328,128)
Net assets		60,308,766	38,636,207
Equity			
General reserve	11	(45,015,885)	(25,072,053)
Operational risk reserve	11	(15,292,881)	(13,564,154)
Total equity		(60,308,766)	(38,636,207)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

legalsuper
Income Statement
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Superannuation activities			
Interest		32,357,992	19,647,993
Distributions and dividends		148,845,565	209,458,031
Changes in assets measured at fair value	9	716,048,401	324,061,734
Other investment income		1,828,614	1,220,023
Other income		88,231	94,584
Total superannuation activities income		899,168,803	554,482,365
Investment expenses	13	(21,150,164)	(16,118,906)
Administration expenses		(5,371,393)	(5,752,091)
Operating expenses	14	(16,755,589)	(15,619,134)
Total expenses		(43,277,146)	(37,490,131)
Net result from superannuation activities		855,891,657	516,992,234
Less: Net benefits allocated to members' accounts		(770,646,648)	(459,661,618)
Profit/(loss) before income tax		85,245,009	57,330,616
Income tax expense/(benefit)	12	63,572,450	36,034,773
Profit/(loss) after income tax		21,672,559	21,295,843

The above Income Statement should be read in conjunction with the accompanying notes.

legalsuper**Statement of Changes in Member Benefits
For the year ended 30 June 2025**

	Note	2025 \$	2024 \$
Opening balance of member benefits		5,962,328,128	5,443,572,377
Contributions:			
Employer		315,789,457	283,666,155
Member		139,424,973	103,591,011
Transfer from other superannuation plans		74,163,059	74,358,991
Government co-contributions		143,773	180,973
Income tax on contributions		(55,822,853)	(47,568,661)
Net after tax contributions		473,698,409	414,228,469
Benefits to members/beneficiaries		(385,852,877)	(349,553,307)
Insurance premiums charged to members' accounts		(21,777,237)	(22,076,340)
Death and disability insurance benefits credited to members' accounts		17,800,375	16,495,311
Benefits allocated to members' accounts, comprising:			
Net investment income		771,060,182	460,528,792
Administration fees		(413,534)	(867,174)
Closing balance of member benefits	3	6,816,843,446	5,962,328,128

The above Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

legalsuper
Statement of Changes in Reserves
For the year ended 30 June 2025

	General reserve	Operational risk reserve	Total equity
	\$	\$	\$
Opening balance as at 1 July 2024	25,072,053	13,564,154	38,636,207
Profit/(loss)	19,943,832	1,728,727	21,672,559
Closing balance as at 30 June 2025	45,015,885	15,292,881	60,308,766

	General reserves	Operational risk reserve	Total equity
	\$	\$	\$
Opening balance as at 1 July 2023	5,160,041	12,180,323	17,340,364
Profit/(loss)	19,912,012	1,383,831	21,295,843
Closing balance as at 30 June 2024	25,072,053	13,564,154	38,636,207

The above Statement of Changes in Reserves should be read in conjunction with the accompanying notes.

legalsuper
Statement of Cash Flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Interest received		32,357,992	19,647,993
Distributions and dividends received		148,845,565	209,458,031
Insurance proceeds received		17,890,420	16,574,143
Other general administration expenses paid		(21,778,595)	(20,783,695)
Other income received		1,828,614	1,220,023
Investment expenses paid		(21,595,609)	(14,322,125)
Insurance premiums paid		(21,838,984)	(22,003,075)
Income tax paid		(26,985,909)	(2,353,342)
Net cash inflows from operating activities	16	<u>108,723,493</u>	<u>187,437,952</u>
Cash flows from investing activities			
(Net purchase) of investments		(192,439,449)	(244,980,777)
(Net purchase) of fixed assets		(359,892)	(270,784)
Net cash outflows from investing activities		<u>(192,799,341)</u>	<u>(245,251,561)</u>
Cash flows from financing activities			
Employer contributions received		315,789,457	283,666,155
Member contributions received		139,424,973	103,591,011
Transfers from other superannuation plans received		74,163,059	74,358,991
Government co-contributions received		143,773	180,973
Benefits paid to members/beneficiaries		(385,852,877)	(349,553,307)
Income tax paid on contributions received		(55,822,853)	(47,568,661)
Net cash inflows from financing activities		<u>87,845,532</u>	<u>64,675,162</u>
Net increase/(decrease) in cash and cash equivalents		3,769,684	6,861,553
Cash and cash equivalents at the beginning of the financial period		18,250,317	11,388,764
Cash and cash equivalents at the end of the financial period	16	<u><u>22,020,001</u></u>	<u><u>18,250,317</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Reporting entity

legalsuper is a superannuation fund that was established on 6 March 1989. Since inception it has provided accumulation benefits and from 1 July 2006 it has also provided pension benefits. Under legalsuper's trust deed, Legal Super Pty Ltd (A.B.N. 37 004 455 789) is its Trustee. Members' entitlements are comprised of units valued using the unit price for the investment option(s) in which a member is invested.

In accordance with the Superannuation Industry (Superannuation) Act 1993 legalsuper was registered with the Australian Prudential Regulation Authority on 9 June 2006. (Registration number RSEL0002585).

The registered office of the Trustee is located in Australia at level 9, 627 Chapel Street, South Yarra. It does not pay dividends to its shareholders. All net profits generated by legalsuper, subject to any amounts held in reserve, are distributed to members.

The Northern Trust Company, Melbourne (A.B.N 62 126 279 918) is legalsuper's custodian.

MUFG Retirement Solutions, a division of MUFG Pension & Market Services (MUFG) (A.B.N 27 120 964 098), is legalsuper's fund administrator.

2. Summary of material accounting policies and changes in accounting policies and reporting requirements

(a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards, Interpretations, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Corporations Regulations 2001 and the provisions of the Fund's Trust Deed.

legalsuper is a not-for-profit entity for the purpose of preparing financial statements.

(b) Presentation currency and rounding

These financial statements are presented in Australian Dollars (\$). Amounts in the financial statements have been rounded off to the nearest whole dollars. The amounts disclosed in Note 19 have been rounded off to the nearest thousand dollars.

The financial statements were authorised for issue by the Board of Legal Super Pty Ltd, on 19th September 2025.

(c) New accounting standards and interpretations

(i) New and amended Australian Accounting Standards that are effective for the current year

The Fund has adopted all new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024. However, the adoption of these standards did not have a material effect on the annual report.

(ii) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

The following new and revised Accounting Standards and Interpretations have been issued but are not yet effective and have not been early adopted by the Fund:

- AASB 2024-2: Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments - Amendments to AASB 9 and AASB 7 (effective 1 January 2026)
- AASB 2025-2: Tier 2 Disclosures for Financial Instruments (effective 1 January 2026)
- AASB S2 Climate-related Disclosures (effective 1 July 2026)
- AASB 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The Fund is currently still assessing the effect of the forthcoming standards and amendments.

No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

2. Summary of material accounting policies (continued)

(d) Assessment as investment entity

Entities that meet the definition of an investment entity within AASB 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

legalsuper's product disclosure statement states its objective of providing services to members which includes investing in a diversified investment portfolio for the purpose of returns in the form of investment income and capital appreciation.

legalsuper reports to its members via an annual report on a fair value basis. All investments are reported at fair value to the extent allowed by AASB 1056 in legalsuper's annual report. legalsuper has a documented exit strategy for all of its investments.

The Trustee has also concluded that legalsuper meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities; it has more than one investor and its investors are not related parties.

The Trustee has therefore concluded that legalsuper meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics changes.

(e) Financial assets and liabilities

(i) Classification

legalsuper classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by legalsuper do not meet the hedge accounting criteria as defined by AASB 9. Consequently hedge accounting is not applied by legalsuper.

Financial instruments designated at fair value through profit or loss upon initial recognition

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of legalsuper.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. legalsuper includes in this category short term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

(ii) Recognition

legalsuper recognises a financial asset or financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that legalsuper commits to purchase or sell the asset.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- legalsuper has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) legalsuper has transferred substantially all the risks and rewards of the asset, or (b) legalsuper has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

legalsuper derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

2. Summary of material accounting policies (continued)

(e) Financial assets and liabilities (continued)

(iv) Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the income statement.

Loans and receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, legalsuper recognises the difference in the income statement, unless specified otherwise.

(v) Subsequent measurement

After initial measurement, legalsuper measures investments and derivatives at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in assets measured at fair value' through the income statement. Interest earned is recorded in 'Interest revenue' according to the terms of the contract. Dividend revenue is recorded in 'dividend revenue'.

(f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by legalsuper.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

legalsuper uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair Values have been determined as follows:

Market quoted investments

The fair value of an investment for which there is a readily available market quotation is determined as the last quoted sale price at the close of business on year end.

Non-market quoted investments

Investments for which market quotations are not readily available are valued at the fair value determined by the Trustee as follows:

- i) Unlisted securities are recorded with reference to recent arm's length transactions, current market value of another instrument substantially the same or discounted cash flows.
- ii) Where discounted cash flow techniques are used, estimated future cash flows are based on Trustee's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms, condition and risk.
- iii) Where other pricing models are used, inputs are based on market data at year end.
- iv) Private equity investments are valued according to the most recent valuation obtained from the underlying manager at fair value adjusted for subsequent investments, redemptions and significant changes in underlying market conditions through to year end.

2. Summary of material accounting policies (continued)

(f) Fair value measurements (continued)

Derivative Financial Instruments

Derivative financial instruments including financial futures and forward exchange contracts, interest rate swaps, exchange traded and other options and forward rate agreements are recorded at a mark to market basis at year end using the most recent verifiable sources of market prices or generally accepted valuation principles.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to Note 4.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Short term deposits are held with banks and/or authorised deposit-taking institutions.

For the purposes of the Statement of Cash Flows, no bank overdrafts existed at 30 June 2025 (2024: nil).

(h) Receivables and payables

Receivables are carried at nominal amounts due which approximate fair value. Receivables are normally settled within 30 days. An allowance for expected credit losses is only made where there is objective evidence that the debt will not be collected. Objective evidence may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Payables are carried at nominal amounts which approximate fair value. They represent liabilities for goods and services provided to legalsuper prior to year end that are unpaid when legalsuper becomes obliged to make future payments in respect of the purchase of these goods or services. Payables are normally settled on 30 day terms.

(i) Property, plant and equipment

Depreciation on property, plant and equipment is calculated using the diminishing value method as follows:

- Building improvements	7%-10% p.a.
- Furniture and fittings and computers	10%-40% p.a.
- Low value cost pool	18.75%-37.50% p.a.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to legalsuper and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised:

Changes in fair value

Changes in the fair value of investments and derivatives are calculated as the difference between the fair value at sale, or at year end, and the fair value at the previous valuation point. All changes are recognised in the income statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and is recognised in the Income Statement.

Dividends and distributions

Dividend and distribution revenue is recognised when legalsuper's right to receive payment is established. Revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the Income Statement.

2. Summary of material accounting policies (continued)

(k) Income tax

legalsuper is a complying superannuation fund for the purposes of the provisions of the Income Tax Assessment Act 1997. Accordingly, the concessional tax rate of 15% has been applied to legalsuper's taxable income.

Income tax in the income statement for the year comprises current and deferred tax.

- i) Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by year end.
- ii) Deferred tax is provided on all temporary differences at year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at year end.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Lease

The Fund's incremental borrowing rate is the rate that the Fund would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Using the modified retrospective approach, the Fund also recognises a right-of-use asset at the date of initial application. The asset is measured at the initial application date at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

Right-of-use assets are depreciated over the lease term or estimated useful life, whichever is the shorter, using the straight line method.

Payments associated with short-term leases of equipment and offices, all leases of low-value assets and any leases with substitution rights to the underlying asset are recognised on a straight-line basis as an expense in the income statement.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets of less than \$10,000 and comprise of IT equipment and small items of office furniture.

2. Summary of material accounting policies (continued)

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amounts of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

(n) Foreign currency

The functional and presentation currency of the Fund is Australian Dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at year end.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in a previous financial report, are recognised in the income statement in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(o) Accrued benefits

The liability for accrued benefits is legalsuper's present obligation to pay benefits to members and beneficiaries arising from membership up to 30 June.

(p) Material accounting judgements, estimates and assumptions

The preparation of legalsuper's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The material accounting policies and estimates have been consistently applied in the current and prior financial years unless otherwise stated. The key estimates and assumptions that have the most material effect on the amounts recognised in the financial statements are described in Note 4 Fair value of financial instruments.

3. Member benefits

Member balances are valued using a unit price determined by the Trustee based on underlying investment valuations.

Members bear the investment risk relating to the underlying assets and unit prices used to value member balances. Unit prices are updated daily.

At 30 June 2025 \$2,402,448 (2024: \$3,815,285) was not allocated to members at year end. The amount not yet allocated to members' accounts consists of contributions and insurance proceeds received by legalsuper that have not been able to be allocated to members as at year end.

Refer to Note 19 for the Fund's management of the investment risks.

Member benefits vest 100% to members.	2025	2024
	\$	\$
Members benefits at end of the year	<u>6,816,843,446</u>	<u>5,962,328,128</u>
As compared to net assets available for member benefits	<u>6,877,152,212</u>	<u>6,000,964,335</u>

4. Fair value of financial instruments

(a) Classification of financial instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	2025			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments				
Cash and short term deposits	59,854,605	252,242,327	-	312,096,932
Australian fixed interest securities	-	643,941,824	-	643,941,824
International fixed interest securities	-	261,880,910	-	261,880,910
Australian equities	1,891,490,041	180,493,909	-	2,071,983,950
International equities	1,305,850,183	788,144,149	-	2,093,994,332
Alternative assets	-	326,635,302	856,221,820	1,182,857,122
Property	-	-	448,751,560	448,751,560
Total investments	<u>3,257,194,829</u>	<u>2,453,338,421</u>	<u>1,304,973,380</u>	<u>7,015,506,630</u>

	2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments				
Cash and short term deposits	240,525,599	-	-	240,525,599
Australian fixed interest securities	-	583,362,045	-	583,362,045
International fixed interest securities	-	247,252,194	-	247,252,194
Australian equities	1,580,123,306	227,885,603	-	1,808,008,909
International equities	1,701,910,652	-	-	1,701,910,652
Alternative assets	-	309,048,606	756,058,922	1,065,107,528
Property	-	428,292,936	32,558,917	460,851,853
Total investments	<u>3,522,559,557</u>	<u>1,795,841,384</u>	<u>788,617,839</u>	<u>6,107,018,780</u>

4. Fair value of financial instruments (continued)

(a) Classification of financial instruments under the fair value hierarchy (continued)

Valuation process for Level 3 valuations

Valuations are the responsibility of the Trustee.

For financial instruments classified in Level 3 in the fair value hierarchy some of the inputs to the valuation models are unobservable and therefore subjective in nature. The use of reasonably possible alternative assumptions could produce a different fair value measurement. If the impact of using those alternative assumptions would cause the fair value of Level 3 assets to be higher or lower by 5% of the net assets of legalsuper then the result for the year would have been higher or lower by \$65,248,669 (2024: \$39,430,892).

Significant unobservable inputs in level 3 measuring financial instruments

The below table sets out information about significant unobservable inputs used at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type	Fair value \$	Valuation approach	Key unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Units in unlisted unit trusts - Alternative assets and property assets				
2025	1,304,973,380	Discounted Cashflows Capitalisation rate Price of recent investment	Cashflows attributed to underlying assets using Discounted Cashflows or Capitalisation rate methodologies	Increase or decrease in the discount rates or capitalisation rate causes an increase or decrease in the value of investments
2024	788,617,839			

4. Fair value of financial instruments (continued)

(b) Level 3 reconciliation

2025	Property \$	Alternative assets \$	Total \$
Opening balance	32,558,917	756,058,922	788,617,839
Total realised/unrealised gains and (losses)	(2,484,953)	76,882,341	74,397,387
Purchases/applications	-	32,917,955	32,917,955
(Sales)/(redemptions)	-	(18,330,698)	(18,330,698)
Transfers into level 3	418,677,597	147,277,062	565,954,659
Transfers out of level 3	-	(138,583,761)	(138,583,761)
Closing balance	448,751,560	856,221,820	1,304,973,380

2024	Property \$	Alternative assets \$	Total \$
Opening balance	-	604,837,202	604,837,202
Total realised/unrealised gains/(losses)	577,042	28,382,194	28,959,236
Purchases/applications	-	179,971,291	179,971,291
(Sales)/(redemptions)	-	(87,665,206)	(87,665,206)
Distributions and interest income	-	30,533,441	30,533,441
Transfers into / (out of) level 3	31,981,875	-	31,981,875
Closing balance	32,558,917	756,058,922	788,617,839

(c) Transfers Between Hierarchy Levels

The following table presents the transfers between levels for the year ended 30 June 2025.

2025	Level 1 \$	Level 2 \$	Level 3 \$
Transfers between levels 1 and 2:			
Cash and short-term deposits	(252,242,327)	252,242,327	-
Australian equities	92,384,074	(92,384,074)	-
Australian equities	(56,405,126)	56,405,126	-
International equities	(788,144,149)	788,144,149	-
Transfers between levels 2 and 3			
Property	-	(418,677,597)	418,677,597
Alternative Assets	-	(147,277,062)	147,277,062
Alternative Assets	-	138,583,761	(138,583,761)
	(1,004,407,528)	577,036,630	427,370,898

At 30 June 2025, the assets transferred from level 1 to level 2 comprise of unit trusts which hold cash and short-term deposits, Australian and international equities, the fair value of which is derived from quoted prices for identical or similar assets in active or non-active markets.

The assets transferred from level 2 to level 1 are listed Australian equities with quoted prices in active markets at reporting date.

The transfer of property assets from level 2 to level 3 relates to eight unlisted unit trusts due to the use of valuation methodologies such as Discounted cash flow (DCF), Direct Capitalisation method and/or Direct comparison. These valuation techniques use significant unobservable inputs to measure the fair value of the asset.

Two alternative assets, comprising of private debt funds, were transferred from level 2 to level 3. These assets are valued using the DCF method, which similarly incorporates significant unobservable inputs in determining the fair value.

The alternative asset, which was transferred from level 3 to level 2 at reporting date, consisted of a single unit trust, the fair value of which is derived from quoted prices for identical or similar assets in active or non-active markets.

2024	Level 1 \$	Level 2 \$	Level 3 \$
Transfers between levels 2 and 3			
Property	-	(31,981,875)	31,981,875
	-	(31,981,875)	31,981,875

At 1 July 2023, one property trust was transferred from Level 2 to Level 3. The valuation of the asset is derived using the Discounted cashflow method which uses significant unobservable inputs.

legalsuper
Notes to the Financial Statements
For the year ended 30 June 2025

5. Receivables

	2025	2024
	\$	\$
Recoverable within 12 months		
GST receivable	329,130	285,724
Prepayments	84,070	70,925
	<u>413,200</u>	<u>356,649</u>

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Information regarding credit risk exposure is set out in Note 19.

6. Property, plant and equipment

	2025	2024
	\$	\$
<u>Building improvements</u>		
Cost	107,387	107,387
Accumulated depreciation	<u>(30,651)</u>	<u>(19,912)</u>
	<u>76,736</u>	<u>87,475</u>
<u>Office equipment and furniture</u>		
Cost	1,193,765	1,069,682
Accumulated depreciation	<u>(997,619)</u>	<u>(904,287)</u>
	<u>196,146</u>	<u>165,395</u>
<u>Cost - Low Value Cost Pool</u>		
Cost	17,702	17,702
Accumulated depreciation and impairment	<u>(14,695)</u>	<u>(12,891)</u>
	<u>3,007</u>	<u>4,811</u>
Net written down value	<u>275,889</u>	<u>257,681</u>

7. Leases

(i) Right-of-use assets

	2025	2024
	\$	\$
Cost of right-of-use assets	1,856,005	1,856,005
Accumulated Amortisation	<u>(773,335)</u>	<u>(508,192)</u>
	<u>1,082,670</u>	<u>1,347,813</u>

(ii) Lease liabilities

	2025	2024
	\$	\$
Not later than one year	264,041	256,345
Later than one year and not later than five years	864,698	1,128,739
Later than five years	-	-
	<u>1,128,739</u>	<u>1,385,084</u>

The Fund leases an office premises from Goldfields House Pty Ltd and the lease term is 7 years commencing on 1 August 2023.

8. Payables

	2025	2024
	\$	\$
Due within 12 months		
Insurance premiums payable	5,426,835	5,488,582
Audit fees payable	23,152	114,503
Investment expenses payable	354,673	315,822
Operating expenses payable	743,204	1,188,649
Administration expenses payable	404,480	406,564
Provision for employee benefits	503,868	486,694
Sundry creditors	301,298	207,618
	<u>7,757,510</u>	<u>8,208,432</u>

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in Note 19.

9. Changes in fair value of investments

	2025	2024
	\$	\$
Investments held at year end		
Cash and short term deposits	(8,381,522)	4,529,591
Interest bearing securities	14,369,944	(7,870,613)
Australian equities	126,107,268	69,599,316
International equities	394,236,919	217,709,288
Alternative assets	102,157,252	46,878,506
Property	(14,988,751)	(37,851,368)
Total unrealised gains/(losses)	613,501,110	292,994,720
Investments realised during the year		
Cash and short term deposits	(39,717,942)	2,460,889
Interest bearing securities	10,495,465	7,740,345
Australian equities	26,682,731	36,755,217
International equities	104,433,454	(16,672,194)
Alternative assets	653,583	323,462
Property	-	459,295
Total realised gains/(losses)	102,547,291	31,067,014
Change in fair value of investments	716,048,401	324,061,734

The amounts recorded as 'realised gains/(losses)' above is the difference between the fair value at sale and the carrying amount at the beginning of the year or when acquired, if acquired during the year.

10. Funding arrangements

During the year ended 30 June 2025, employers contributed the Superannuation Guarantee Charge of 11.5% (2024: 11%) to legalsuper on behalf of members. Member and additional employer contributions are paid to legalsuper at a rate determined by the member and/or employer.

11. Reserves

	2025 \$	2024 \$
General reserve	45,015,886	25,072,053
Operational risk reserve	15,292,881	13,564,154
	<u>60,308,767</u>	<u>38,636,207</u>

The Board has established a General Reserve Policy and an Operational Risk Financial Requirement (ORFR) Policy that sets out the approach, requirements, and considerations in managing and maintaining the reserves.

(a) General Reserve:

The General Reserve Policy sets out the purpose of the reserve which is established:

- To account for timing differences between the deduction or addition of amounts from or to member accounts
- To fund operating activities of the Fund and
- To monitor the insurance premiums deducted from members and paid to the insurers

(b) Operational Risk Financial Requirement Reserve:

The ORFR Policy sets out the purpose of the reserve which is to comply with the requirements of the APRA's Prudential Standard SPS 114.

This standard seeks to protect members from losses due to operational risks that relate to the Fund's business operations. The reserve is subject to a target amount of 0.25% of net assets and the Board has determined a tolerance limit of up to a 20% reduction in the ORFR target amount. The Board conducts a review of the ORFR target amount and tolerance limit at least annually based on the operational risks identified.

The reserve may be replenished from the General Reserve or by levying additional charges against members' accounts. In the current financial year, the movements in the reserve are due to market movements.

12. Income tax

(a) Major components of income tax expense/(benefit) for the years ended 30 June 2025 and 2024:

	2025 \$	2024 \$
Income statement		
<i>Current tax expense</i>		
Current tax charge	14,374,830	9,533,944
Adjustments in respect of current income tax of previous years	(2,965,295)	(3,059,422)
<i>Deferred tax</i>		
Relating to origination and reversal of temporary differences	52,162,915	29,560,251
Total tax expense/(benefit) as reported in the Income Statement	<u>63,572,450</u>	<u>36,034,773</u>

	2025 \$	2024 \$
(b) Reconciliation between income tax expense/(benefit) and accounting profit before income tax		
Profit/(loss) from operating activities	85,245,009	57,330,616
Income tax at 15%	12,786,750	8,599,592
Derecognition of temporary differences	307,692	(1,360,050)
Net benefit allocated to member accounts	112,392,442	69,079,319
Capital (gains)/losses not (assessable)/deductible	(30,595,528)	(13,954,828)
Exempt pension income	(11,008,611)	(6,773,884)
Net imputation and foreign tax credits	(17,345,000)	(16,495,954)
Under/(over) provision in the previous year	(2,965,295)	(3,059,422)
	<u>63,572,450</u>	<u>36,034,773</u>

12. Income tax (continued)

(c) Deferred Tax

	Opening balance \$	2025 (Deducted) / added to income \$	Closing balance \$
Deferred tax assets			
Fund expenses accrued but not paid	1,200,122	(81,690)	1,118,432
	<u>1,200,122</u>	<u>(81,690)</u>	<u>1,118,432</u>
Deferred tax liabilities			
Income receivable	-	-	-
Unrealised (gains) / losses on investments	(105,429,479)	(52,081,225)	(157,510,704)
	<u>(105,429,479)</u>	<u>(52,081,225)</u>	<u>(157,510,704)</u>
Net deferred tax (liability) / asset	<u>(104,229,357)</u>	<u>(52,162,915)</u>	<u>(156,392,272)</u>
	Opening balance \$	2024 (Deducted) / added to income \$	Closing balance \$
Deferred tax assets			
Fund expenses accrued but not paid	928,147	271,975	1,200,122
	<u>928,147</u>	<u>271,975</u>	<u>1,200,122</u>
Deferred tax liabilities			
Income receivable	(629,321)	629,321	-
Unrealised (gains) / losses on investments	(74,967,932)	(30,461,547)	(105,429,479)
	<u>(75,597,253)</u>	<u>(29,832,226)</u>	<u>(105,429,479)</u>
Net deferred tax (liability) / asset	<u>(74,669,106)</u>	<u>(29,560,251)</u>	<u>(104,229,357)</u>

legalsuper offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities.

13. Investment expenses

	2025 \$	2024 \$
Asset consultancy fees	437,521	382,546
Custodian fees	1,451,715	1,992,002
Other investment fees	2,349,064	1,028,660
Brokerage	1,910,462	1,974,088
Investment Management Fees	10,945,339	9,209,034
Investments Management Staff	2,397,322	1,620,037
Directors remuneration	96,557	88,998
Withholding Tax	1,562,184	(176,459)
	<u>21,150,164</u>	<u>16,118,906</u>

14. Operating expenses

	2025 \$	2024 \$
Directors remuneration	530,856	530,922
Staff costs and support	8,208,063	7,114,300
Audit , tax, legal and actuarial fees	822,192	2,029,115
Statutory fees / regulatory levies	438,450	773,534
Member services	1,065,777	1,272,795
Advice*	55,594	36,194
Advertising and marketing*	1,413,148	1,170,920
Sponsorship*	196,070	160,369
Trustee expenses*	397,710	374,473
Information technology*	944,576	520,325
Other expenses*	2,683,153	1,636,188
	<u>16,755,589</u>	<u>15,619,134</u>

* For 2024, Advice, Advertising and marketing, Sponsorship, Trustee expenses and Information technology have reclassified from "Other expenses".

legalsuper
Notes to the Financial Statements
For the year ended 30 June 2025

15. Auditors' remuneration

	2025 \$	2024 \$
Amounts received or due and receivable by Deloitte, for:		
- audit of the financial statements and other statutory assurance services	260,922	220,200
- other services	411,769	208,456
	<u>672,691</u>	<u>428,656</u>
Amounts received or due and receivable by PricewaterhouseCoopers, for:		
- internal audit, taxation and other services	594,442	646,168
	<u>1,267,133</u>	<u>1,074,824</u>

16. Cash flow statement reconciliation

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2025 \$	2024 \$
Cash and cash equivalents	<u>22,020,001</u>	<u>18,250,317</u>

Reconciliation of net cash from operating activities to net profit after income tax

Profit / (loss) after income tax	21,672,559	21,295,843
Adjustments for:		
(Increase) / decrease in assets measured in fair value	(716,048,401)	(322,580,773)
Depreciation and impairment	350,482	375,868
(Increase) / decrease in insurance	(3,976,862)	(5,581,029)
(Increase) / decrease in receivables	(56,551)	4,341
Increase / (decrease) in payables	(450,922)	580,653
Increase / (decrease) in income tax payable	36,586,540	33,681,431
Allocation to member accounts	770,646,648	459,661,618
Net cash outflows from operating activities	<u>108,723,493</u>	<u>187,437,952</u>

17. Segment information

legalsuper operates solely in one reportable business segment, being the provision of superannuation benefits to members. legalsuper also operates from one reportable geographic segment, being Australia, from where its activities are managed. Revenue is derived from interest, dividends, gains on the sale of investments and unrealised changes in the value of investments.

18. Related party disclosures

a) Trustee

The Trustee of legalsuper is Legal Super Pty Ltd. The shareholders of Legal Super Pty Ltd are the Law Institute of Victoria and the Law Society of New South Wales, each holding 50% of the issued capital of Legal Super Pty Ltd.

No dividends are paid to the shareholders of Legal Super Pty Ltd.

The Board of Legal Super Pty Ltd has ten Directors, including:

- (i) Independent Chair – Kirsten Mander
- (ii) 4 Employer Directors – Adam Awty, Richard Fleming, Richard Flitcroft and Ronan MacSweeney
- (iii) 5 Member Directors – Imogen Sturni, James Peters AM, KC, Daniel Papps, Mary Macken and Michael Donnelly

The Independent Chair is appointed by the Board of Legal Super Pty Ltd.

All other Directors are nominated by the stakeholders of legalsuper, including:

- (i) 2 Employer Directors by the Law Institute of Victoria;
- (ii) 2 Employer Directors by the Law Society of New South Wales;
- (iii) 2 Member Directors by the New South Wales Local Government, Clerical, Administrative, Energy, Airlines and Utilities Union, trading as the United Services Union;
- (iv) 2 Member Directors by the Australian Municipal, Administrative, Clerical and Services Union, trading as the Australian Services Union (Victorian Private Sector Branch); and
- (v) 1 Member Director by the Victorian Bar Inc.

18. Related party disclosures (continued)

b) Director remuneration

The remuneration of Directors differs to reflect their varying workload. Some Committees meet more often and more time is involved for the Chairs of Committees.

The remuneration of the Independent Chair is determined by the Board. The remuneration of other directors requires the approval of the organisations that nominate directors (i.e. the stakeholders set out above). Remuneration is indexed annually for a cost of living adjustment. Travel, accommodation and other incidental costs associated with performing their responsibilities as directors are either paid directly by legalsuper or paid by a director and reimbursed by legalsuper.

Remuneration paid to the Directors for the last two years is shown below. Remuneration is gross of any tax impacts for the recipient and includes any superannuation contributions paid or salary sacrificed. As indicated in the table, some Directors have instructed the Trustee to pay their remuneration to another organisation.

Director fees paid to each of the Directors were as follows:

Current directors at 30 June 2025

Director name	Committee roles	Remuneration paid to:	2025	2024
			\$	\$
Kirsten Mander	Remuneration and Nomination (Chair since 15/12/2017)	Director	130,007	122,758
Richard Flitcroft	Audit, Risk and Governance (Chair since 31/03/2021)	Director	64,046	61,379
Imogen Sturni	Audit, Risk and Governance Remuneration and Nomination (since 02/05/2025)	Australian Services Union	51,236	49,102
Richard Fleming	Investment (Chair since 04/03/2018 to 21/08/2024) Administration and Insurance (since 28/04/2025 to 15/08/2025)	Director	59,251	67,516
Adam Awty	Administration and Insurance (Chair since 22/09/2022) Remuneration and Nomination	Director	64,046	61,379
James Peters	Investment (Chair since 22/08/2024)	Director	68,840	55,241
Mary Macken	Audit, Risk and Governance	Director United Services Union	47,063 4,173	44,929 4,173
Daniel Papps	Administration and Insurance	United Services Union	51,236	49,102
Ronan MacSweeney	(commenced on 27/05/2025) Investment (since 15/08/2025)	Director	5,042	-
Michael Donelly	(commenced on 10/06/2025) Administration and Insurance (since on 15/08/2025)	Director	3,047	-
Retired directors				
Andrew Boog	Administration and Insurance Remuneration and Nomination (retired 31/03/2025)	Director	38,437	49,102
Kamal Farouque	Investment (retired 14/03/2025)	Director	40,987	55,241
Total			627,413	619,922

18. Related party disclosures (continued)

b) Director remuneration (continued)

During the year legalsuper paid Trustee service fees to Legal Super Pty Ltd of \$1,014,179 (2024: \$994,393). Trustee service fees paid by the fund are a reimbursement of expenses incurred for Directors fees, trustee indemnity insurance, training and development and meeting costs.

Legal Super Pty Ltd has in place a trustee liability insurance policy for director and officer liabilities, professional indemnity and crime. During the year, premiums and broker costs of \$236,417 (2024: \$264,753) which included broker costs paid for the prior year amounting to \$27,500 (2024: \$27,500) for the trustee liability insurance policy.

Directors have the benefit of a right of indemnity under the Constitution of the Trustee.

The following Directors are members of legalsuper:

(i) Adam Awty	(v) Richard Flitcroft
(ii) James Peters AM, KC	(vi) Daniel Papps
(iii) Imogen Sturni	(vii) Mary Macken
(iv) Richard Fleming	(viii) Michael Donnelly

Directors are subject to the same terms and conditions that apply to all other members of legalsuper.

c) Key management personnel

The Board has determined that the following individuals are key management personnel of the Trustee:

Name	Role
Luke Symons	Chief Executive Officer
Michael Gogorosis	Chief Financial Officer
Paul Murray	Chief Investment Officer (until 20 December 2024)
Louise Eyres	Chief Marketing Officer
Colin Adamson	Chief Commercial Officer
Kaye Wheatley Brown	Executive Manager, Legal, Risk & Compliance
John Robinson	Executive Manager Business Enablement & Risk
Jennifer Abraham	Office of the CEO & Strategy (from 20 December 2024)
Andrew Lill	Chief Investment Officer (from 11 March 2025)

The above individuals were key management personnel of legalsuper and its Trustee during the year. They are employed by the Trustee and paid remuneration that is included in these Financial Statements.

Remuneration paid and payable to the key management personnel for services to legalsuper is as follows:

	2025	2024
Short-term employee benefits (salaries)	2,554,317	2,026,923
Post-employment benefits (superannuation)	291,380	218,020
Other long-term benefits (payable)	7,649	7,296
Termination payments	-	165,462
Total	<u>2,853,346</u>	<u>2,417,701</u>

Apart from those details disclosed in this note, no key management personnel have entered into a contract for services with legalsuper since the end of the previous financial year and there are no contracts involving key management personnel subsisting at year end.

d) Other

The Trustee sponsors professional development events in the legal community. This sponsorship also increases awareness of legalsuper's products and services in the legal community.

The aggregate amount paid for these sponsorships was \$196,070 (2024: \$160,369).

The organisations sponsored by legalsuper includes shareholders of the Trustee, the Law Society of New South Wales and the Law Institute Victoria.

19. Financial risk management objectives and policies

(a) Financial instruments

legalsuper's principal financial instruments are units in pooled superannuation trusts, equity securities, fixed interest securities, cash and short-term deposits. The main purpose of these financial instruments is to generate a return.

legalsuper also has other financial instruments such as sundry receivables and payables, which arise directly from its operations and are mainly current in nature.

legalsuper has entered into foreign currency derivative contracts to mitigate movements in foreign currency. legalsuper also indirectly invests in derivatives. Investments in derivative are not used to gear legalsuper's investment portfolio, and are limited to the asset allocation limits for the underlying investment class.

The main risks arising from legalsuper's financial instruments are interest rate risk, credit risk, market risk and currency risk. The Trustee has policies for managing each of these risks and they are summarised below.

legalsuper's accounting policies in relation to derivatives are set out in Note 2.

(b) Market risk

Market risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Market risk is minimised by ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

(i) Other price risk

Other price risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar instruments traded in the market. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

legalsuper is exposed to the price risk relating to changes in the fair value of its investments. Changes in the fair value of investments are due to movements in the unit price of the unit trusts that legalsuper invests in or changes in the value or prices of underlying assets or securities.

The Trustee mitigates this risk through careful selection of investment managers that trade in securities and other financial instruments within specified limits. legalsuper's overall market positions are monitored by the Trustee.

The asset allocation ranges for each investment option have been determined by the Trustee. These ranges have been set to ensure the appropriate overall fund risk is maintained and to ensure satisfactory diversification across asset classes. Investments in each non-cash asset class will be spread over more than one investment manager. In this way legalsuper is less exposed to the risk of investment failure of one investment manager.

The volatility of expected returns for the purpose of this analysis has been based on historical analysis and input from the Trustee's asset consultant (Frontier). The following table represents the returns that would be considered reasonably possible based on the underlying asset classes as at year end.

19. Financial risk management objectives and policies (continued)

(i) Other price risk (continued)

Sensitivity analysis

This analysis has been performed on a pre tax basis.

2025	Carrying amount \$'000	Movement in underlying sectors %	Increase/ (decrease) in profit (loss) before tax \$'000	Increase/ (decrease) in equity \$'000
Australian fixed interest securities	643,942	4.75%	30,587	30,587
International fixed interest securities	261,881	4.80%	12,570	12,570
Australian equities	2,071,984	25.45%	527,320	527,320
International equities	2,093,994	21.00%	439,739	439,739
Property	448,752	11.60%	52,055	52,055
Alternative assets				
Infrastructure	451,399	14.95%	67,484	67,484
Equity strategies	289,925	29.60%	85,818	85,818
Debt	223,357	7.95%	17,757	17,757

2024	Carrying amount \$'000	Movement in underlying sectors %	Increase/ (Decrease) in profit (loss) before tax \$'000	Increase/ (decrease) in equity \$'000
Australian fixed interest securities	583,362	4.75%	27,710	27,710
International fixed interest securities	247,252	4.80%	11,868	11,868
Australian equities	1,808,009	25.45%	460,138	460,138
International equities	1,701,911	21.00%	357,401	357,401
Property	460,852	11.60%	53,459	53,459
Alternative assets				
Infrastructure	400,157	14.95%	59,823	59,823
Equity strategies	252,420	29.60%	74,716	74,716
Debt	216,733	7.70%	16,688	16,688

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cashflow of a financial instrument will fluctuate because of changes in foreign exchange rates. legalsuper has exposure to foreign currency risk by way of securities denominated in a foreign currency. Foreign exchange contracts are used by investment managers within a mandate approved by the Trustee to mitigate the risk of foreign currency movements.

Total net exposure to fluctuations in foreign currency exchange rates at year-end was as follows:

Sensitivity analysis

The movement in exchange rates for the purpose of this analysis has been based on historical analysis and input from the Trustee's asset consultant (Frontier).

2025	Carrying amount \$'000	Movement in exchange rate %	Increase/ (decrease) in profit (loss) before tax \$'000	Increase/ (decrease) in equity \$'000
USD	1,199,097	16.80%	201,448	201,448
EUR	295,926	12.60%	37,287	37,287
JPY	34,473	19.50%	6,722	6,722
GBP	242,211	17.00%	41,176	41,176
Other	148,861	16.80%	25,009	25,009

2024	Carrying amount \$'000	Movement in exchange rate %	Increase/ (decrease) in profit (loss) before tax \$'000	Increase/ (decrease) in equity \$'000
USD	1,169,429	16.80%	196,464	196,464
EUR	197,984	12.60%	24,946	24,946
JPY	20,122	19.50%	3,924	3,924
GBP	84,773	17.00%	14,411	14,411
Other	140,042	16.80%	23,527	23,527

The Fund has updated the carrying amounts in the 2024 foreign currency risk disclosure to incorporate the total exposure to foreign currency within its investments to provide financial statement users with a more complete view of the Fund's foreign currency risk.

19. Financial risk management objectives and policies (continued)

(ii) Foreign currency risk (continued)

An 16.54% (2024:16.54%) strengthening/weakening of the Australian dollar against the tabled currencies at 30 June 2025 would have \$311,642,000 (2024: \$263,272,000) (decrease)/increase to the net assets available to pay member benefits and the net result from superannuation activities by the amounts as shown above. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. legalsuper's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing securities.

The following table sets out the carrying amount, by maturity, of legalsuper's financial instruments that are exposed to interest rate risk.

2025	Floating interest rate	Fixed Interest Rate - Time to Maturity			
		1 Year or less	1 - 5 Years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash at bank	22,020	-	-	-	22,020
Cash & short term deposits	-	312,097	-	-	312,097
Australian fixed interest securities	-	411,451	55,879	176,612	643,942
International fixed interest securities	-	64,504	108,220	89,157	261,881
	22,020	788,052	164,099	265,769	1,239,940

2024	Floating interest rate	Fixed Interest Rate - Time to Maturity			
		1 Year or less	1 - 5 Years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash at bank	18,250	-	-	-	18,250
Cash & short term deposits	-	240,526	-	-	240,526
Australian fixed interest securities	-	373,777	58,305	151,280	583,362
International fixed interest securities	-	51,144	123,606	72,502	247,252
	18,250	665,447	181,911	223,782	1,089,390

The Fund has updated the presentation of amounts in the interest rate risk disclosure to incorporate fixed interest securities to provide financial statement users with a more complete view of the Fund's risk exposures.

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

Financial instruments of legalsuper, other than fixed interest rate securities and financial assets mentioned in above tables, are non-interest bearing and therefore are not subject to interest rate risk.

Sensitivity analysis

The following table represents the returns that would be considered reasonably possible based on expected movements in interest rates as at year end.

	2025			2024		
	Carrying amount	Change in interest rates	Increase/ (decrease) in profit (loss) before tax	Carrying amount	Change in interest rates	Increase/ (decrease) in profit (loss) before tax
	\$'000	%	\$'000	\$'000	%	\$'000
Financial assets						
Cash at bank	22,020	1.50%	330	18,250	1.50%	274
Cash & short term deposits	312,097	1.50%	4,681	240,526	1.50%	3,608
Australian fixed interest securities	643,942	1.50%	9,659	583,362	1.50%	8,750
International fixed interest securities	261,881	1.50%	3,928	247,252	1.50%	3,709

(iv) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause legalsuper to incur a financial loss.

With respect to credit risk arising from the financial assets of legalsuper, other than derivatives, legalsuper's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these investments.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that transactions are undertaken with a number of counterparties.

19. Financial risk management objectives and policies (continued)

(iv) Credit risk (continued)

legalsuper's financial assets exposed to credit risk amount to the following:

30 June 2025	AAA \$'000	AA \$'000	A \$'000	BB \$'000	BBB \$'000	Not Rated \$'000	Total \$'000
Cash and cash equivalents	-	-	-	-	-	22,020	22,020
Cash and short term deposits	-	-	-	-	-	312,097	312,097
Australian fixed interest securities	101,018	283,093	169,530	-	23,534	66,766	643,942
International fixed interest securities	37,885	169,666	30,462	-	9,146	14,722	261,881
	138,903	452,759	199,992	-	32,680	415,606	1,239,940

30 June 2024	AAA \$'000	AA \$'000	A \$'000	BB \$'000	BBB \$'000	Not Rated \$'000	Total \$'000
Cash and cash equivalents	-	-	-	-	-	18,250	18,250
Cash and short term deposits	-	-	-	-	-	240,526	240,526
Australian fixed interest securities	106,293	229,243	167,333	-	8,011	72,482	583,362
International fixed interest securities	168,530	22,537	21,862	-	15,232	19,091	247,252
	274,823	251,781	189,194	-	23,243	350,349	1,089,390

The Fund has updated the presentation of amounts in the credit risk management disclosure to incorporate fixed interest securities and cash and short-term deposits to provide financial statement users with a more complete view of the Fund's credit risk exposures.

(v) Liquidity and cash flow interest rate risk

Liquidity risk is the risk that legalsuper will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

To control liquidity and cash flow interest rate risk, legalsuper invests in financial instruments, which under normal market conditions are readily convertible to cash.

2025	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 month \$'000	1-6 months \$'000	> 6 months \$'000
Financial liabilities					
Accounts payable	7,254	7,254	-	7,254	-
Income tax payable	-	-	-	-	-
Provision for employee benefits	504	504	-	-	504
Deferred income tax liability	157,511	157,511	-	-	157,511
Member benefits	6,816,843	6,816,843	6,816,843	-	-
Total financial liabilities	6,982,112	6,982,112	6,816,843	7,254	158,015

2024	Carrying amount \$'000	Contractual cash flows \$'000	Less than 1 month \$'000	1-6 months \$'000	> 6 months \$'000
Financial liabilities					
Accounts payable	7,722	7,722	-	7,722	-
Income tax payable	12,444	12,444	-	12,444	-
Provision for employee benefits	487	487	-	-	487
Deferred income tax liability	105,429	105,429	-	-	105,429
Member benefits	5,962,328	5,962,328	5,962,328	-	-
Total financial liabilities	6,088,410	6,088,410	5,962,328	20,166	105,916

Member benefits, as per Note 3, have been included in the less than one month column, as this is the amount that members could call upon as at year-end. This is the earliest date on which legalsuper could be required to pay members vested benefits, however members may not necessarily call upon amounts vested to them during this time.

20. Investment Commitments

legalsuper has outstanding investment capital commitments. Commitments contracted for year end but not recognised as liabilities are as follows:

	2025 \$	2024 \$
- not later than 1 year	107,562,626	111,564,196
- later than 1 year but not later than 5 years	14,641,221	15,463,695
- later than 5 years	45	38,709,658
	122,203,892	165,737,549

legalsuper

Notes to the Financial Statements For the year ended 30 June 2025

21. Insurance

The Fund has death and disability insurance arrangements in place with external insurance providers for members.

The following factors indicate that the Fund is not exposed to material insurance risk:

- Members (or their beneficiaries) only receive insurance benefits if the external insurer pays claims
- Insurance premiums are only paid through the Fund for administrative purposes
- Insurance premiums are set by the external insurers

Insurance premiums charged to member accounts and insurance benefits paid to members or their beneficiaries are recognised in the statement of changes in member benefits.

The related cashflows are recognised in the statement of cash flows.

22. Significant events after balance date

There have been no other matters or circumstances which have arisen in the interval between year-end and the date of this report likely to significantly affect legalsuper's operations, the results of its operations, or the state of legalsuper in future years.

