

Member Outcomes Assessment

Pension

For the year ended 30 June 2025

Legal Super Pty Ltd ABN 37 004 455 789 AFSL 246315 as Trustee for legalsuper ABN 60 346 078 879

Purpose of this document

Section 52(9) of the Superannuation Industry (Supervision) Act 1993 ("SIS Act") requires RSE licensees to annually determine for each MySuper, Choice and Pension product whether the financial interests of the members that hold the product are being promoted.

This document sets out the annual Member Outcomes Assessment for legalsuper's Pension product for the year ended 30 June 2025. It compares the returns, fees and costs and investment risk for legalsuper's Pension product with comparable products, as well as the other attributes that contribute to good long-term outcomes. It also concludes that the financial interests of its members are being promoted by the Trustee.

Assessment

In determining for each product whether the financial interests of the beneficiaries of the entity who hold the product are being promoted, the Trustee has regard to the requirements of the SIS Act and Superannuation Prudential Standard 515 (SPS 515) including the following factors. The overall determination is based on a balanced review of each of these factors and their impact on members' financial interests, shown in order of importance.

- a) the net return for the product over various time frames, with a focus on long term returns (after the deduction of fees, costs and taxes);
- b) the fees and costs that affect the return;
- c) the level of investment risk for the product;
- d) whether the options, benefits and facilities offered under the product are appropriate to those beneficiaries;
- e) whether the investment strategy for the product, including the level of investment risk and the return target, is appropriate to those beneficiaries; and

- f) any other relevant matters, including the matters set out in SPS 515, (a. whether, because of the scale of, and within, the RSE licensee's business operations, those beneficiaries are disadvantaged; b. whether the operating costs of the RSE licensee's business operations are inappropriately affecting the financial interests of those beneficiaries; and c. whether the basis for the setting of fees is appropriate for those beneficiaries.)

Trustee determination

Having had regard to the matters set out in sections 52(9)-(11) of the SIS Act for the year ended 30 June 2025, Legal Super Pty Ltd as Trustee of legalsuper has determined that the financial interests of members of its Pension product are being promoted by the Trustee.

Introduction

The Trustee is responsible for the investment arrangements of legalsuper and for formulating a long-term investment strategy for legalsuper's Pension product in addition to individual investment strategies (investment options) made available to members.

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

Investment goal

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

Investment beliefs

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

Trustee determination:

Trustee determinations are set out below and cover the following areas:

- Comparisons with comparable products of other regulated superannuation funds
- Options, benefits and facilities offered to members
- legalsuper's Investment strategy
- Other relevant matters, including sustainability outcomes and scale, and
- Operating costs

Pension option comparisons

legalsuper offered 10 Pension investment options (not including the Direct Investment Option) as at 30 June 2025:

- 3 single asset class options: Cash, Australian Shares & Overseas Shares
- 7 blended asset class options: Conservative, Conservative Balanced, Balanced Index, Balanced SRI, Balanced, Growth & High Growth

Returns (net of tax and all fees except the fixed dollar administration fee)

Table A summarises the 1-year, 5-year and 10-year investment returns for legalsuper's pension investment options. All options returned strong positive returns over both the short- and long-term investment horizons.

Table A: legalsuper investment returns performance

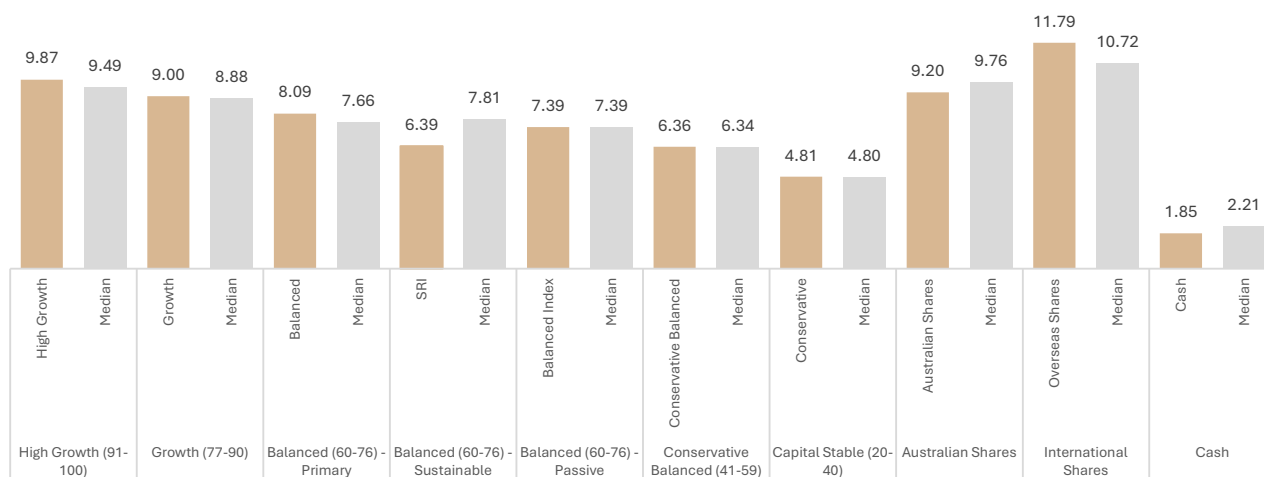
Investment option	1 year (% p.a.)	5 years (% p.a.)	10 years (% p.a.)
Blended asset class investment option			
High Growth	16.67	12.42	9.87
Growth	15.45	11.00	9.00
Balanced	13.84	9.70	8.09
Balanced Index	12.23	8.69	7.39
Balanced Socially Responsible	10.92	7.95	6.39
Conservative Balanced	11.68	7.17	6.36
Conservative	9.64	5.28	4.81
Single asset class investment option			
Australian Shares	11.26	10.35	9.20
Overseas Shares	26.97	16.35	11.79
Cash	4.49	2.22	1.85

*Source – Super Ratings Member Outcomes Report – 30 June 2025

Please note: Past performance is not an indicator of future performance.

Chart 1 shows the 10-year returns to 30 June 2025 for legalsuper's investment options against the relevant SuperRatings median in that asset class. legalsuper delivered strong returns for many of its investment options with 7 out of 10 options at or above the median return.

Chart 1: 10 Year Investment Performance (% p.a.)



Source – Super Ratings Member Outcomes Report – 30 June 2025

Please note: Past performance is not an indicator of future performance.

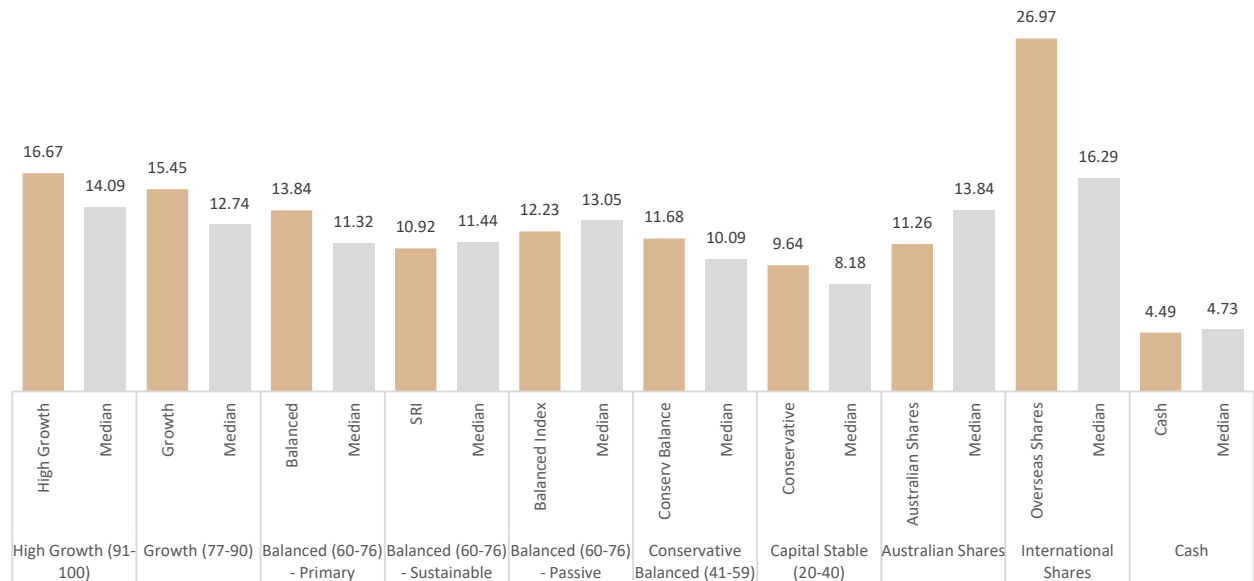
Analysis of 5-year returns to 30 June 2025 for legalsuper's investment options showed similar results to 10-year returns where 6 out of the 10 investment options were above the relevant SuperRating's Index median.

Chart 2 shows 1-year returns to 30 June 2025 for legalsuper's investment options. Many options were above the relevant SuperRating's Index median, only Balanced Index, Balanced Socially Responsible, Australian Shares, and Cash were below.

The primary drivers of outperformance relative to peers include asset allocation and manager-specific factors:

- Strong investment returns from our investment manager WCM led to outperformance against the overseas shares return benchmark and peers
- Our higher exposure to listed infrastructure relative to peers in our asset allocation across the investment portfolio led to outperformance in investment returns

Chart 2: 1-Year Investment Performance (% p.a.)



Source – Super Ratings Member Outcomes Report – 30 June 2025

Please note: Past performance is not an indicator of future performance.

Fees and costs

Table B shows legalsuper's fees and costs per annum at 30 June 2025 for each Pension investment option when compared with the SuperRatings median for the relevant All Funds universe for \$50,000 and \$250,000 account balances. Half of the legalsuper Pension investment options are below the median for the \$50,000 account balances.

Table B: Cost of product – Comparison to SuperRating's median by investment option (\$50,000 and \$250,000 account balance)

Investment option	\$50,000 account balance		\$250,000 account balance	
	legalsuper ¹	All funds median ²	legalsuper ¹	All funds median ²
High Growth	555	612	2,542	2,453
Growth	555	535	2,543	2,230
Balanced	563	549	2,580	2,300
Balanced Index	281	243	1,171	903
Balanced SRI	575	524	2,639	2,187
Conservative Balanced	479	461	2,160	1,922
Conservative	457	481	2,050	2,022
Australian Shares	528	546	2,406	2,371
Overseas Shares	434	545	1,936	2,390
Cash	234	236	937	864

Source:

¹ Fees and cost disclosed in comparative analysis is based on 30 June 2025 actuals and SPG515 guidance. These fees may differ from the PDS due to timing and estimation differences.

²SuperRatings Member Outcomes Report – Cost of Product 30 June 2025

legalsuper seeks to provide value for money to our members through offering personalised service, a range of products, and competitive investment returns.

Investment risk

Each investment option has a different level of risk reflected in different allocations to growth and defensive assets. The target and estimated level of investment risk for each option is set out below:

Name of investment option	Risk profile
Cash	very low
Conservative	low to medium
Conservative Balanced	medium
Balanced	medium to high ¹
Growth	high
High Growth	high
Australian Shares	very high
Overseas Shares	high
Balanced Index	high
Balanced SRI	high
Direct Investment Option	low to very high ²

¹The risk profile for the Balanced investment option increased to from 'medium to high' to 'high' effective from 1 September 2025

²The Direct Investment Option offers investments in assets from low-risk cash and term deposits to high risk listed securities.

This reflects the investment strategy adopted by the Trustee and is consistent with the median investment risk for products of comparable super funds with equivalent return targets.

Conclusion

legalsuper provides value for money by delivering strong investment returns to its member/beneficiaries.

Options, benefits and facilities offered to members

Higher personal service for members/beneficiaries

legalsuper offers higher levels of personal service to members via our national Client Service Manager team. Our team helps members in their goal of building their savings for retirement (e.g. provision of factual information and general advice about legalsuper superannuation products). Our team met with both members and employers to answer their questions and provide information and support to increase their understanding of superannuation and also facilitate workplace seminars and one-on-one consultations. This information and support provides real value to members to help them make beneficial decisions regarding their superannuation account.

Meetings with members were facilitated in a face-to-face setting, or remotely online.

- 2,449 meeting meetings were facilitated for the year;
- 24,615 emails to members;
- 4,204 phone calls with members
- 307 education and/or strategic employer sessions.

Over the year, our Customer Service Managers were given a 96% customer satisfaction rating by members – covering initiatives including one-on one meetings, phone calls, seminars and webinars, which all form part of our growing range of members engagement options.

Direct investment option - more control for members in how they invest

In response to the level of member-directed investment choice, legalsuper offers a Direct Investment Option (DIO) whereby members can invest directly in S&P/ASX300 shares, a range of Exchange Traded Funds, Listed Investment Companies, and/or Term Deposits. DIO members have access to a dividend reinvestment plan and can also take advantage of a range of corporate actions.

Information, tools & other support

Our website makes available for members an extensive range of superannuation, investment, insurance, and retirement-focused material. It also includes a range of tools and calculators to assist members with engaging with their super including a retirement income forecaster, insurance needs calculator and insurance fee calculator. Members can also log on to their personal account to check or update account details or transact on their account.

We recently launched our new legalsuper learn education hub on our website, complementing our mobile app, LinkedIn presence and continually updated website information and resources which collectively provide secure, timely and accessible information and commentary for the benefit of all members.

Retirement income products and member support

legalsuper's Retirement Income Strategy outlines the support provided to Fund members leading up to and throughout retirement. In particular, the Trustee recognises the importance of assisting Fund members approaching retirement to consider their retirement income needs and opportunities.

legalsuper's retirement incomes products give members access to various pension options including:

- a Transition to Retirement pension,
- an account-based pension option for those who have retired and want a flexible income stream in retirement, allowing for commutations or lump sum withdrawals if the need arises.

legalsuper members receive age-based retirement-related guidance to help them prepare for retirement. This includes emails, seminars, webinars, education material, Member Services phone support and online tools and calculators. legalsuper continues to provide a range of quality assistance tools in recognition of the growing need by members for help in achieving a dignified retirement.

legalsuper's Retirement Income Strategy is reviewed annually to ensure members needs are being met.

Research & insights

legalsuper regularly researches member views and needs and seeks member feedback. This research, and the insights gained, inform the ongoing development of our products and services to ensure they are appropriate for the needs of our members.

Conclusion

The options, benefits and facilities offered are appropriate to the members/beneficiaries of the Pension product.

Investment strategy

Investment strategy

The investment strategy, level of investment risk and return targets have been formulated having regard to a range of considerations including the demographics of legalsuper's members and liquidity requirements.

The investment strategy is predicated on delivering competitive performance measured against a core peer group of funds while at the same time differentiating performance with a high level of active management, along with niche/specialist investment opportunities which drive long-term performance. The execution of the strategy is guided by legalsuper's investment goals and beliefs as outlined earlier in this document.

The Trustee monitors the effectiveness of its investment strategy over both short and longer-term time-periods.

Environmental, social & governance

Investment beliefs have been adopted by the Trustee which recognise that environmental, social, and governance (ESG) opportunities and risks exist and should be taken into consideration to the extent practical and within the context of optimising net risk-adjusted returns.

Many of legalsuper's incumbent investment managers have regard to ESG considerations in building and managing their investment mandates.

legalsuper also offers an ESG option (Balanced Socially Responsible) which has an exposure to securities in industries which demonstrate leading ESG considerations and ethical practices and a wider range of exclusions (fossil fuels, alcohol, gambling and others).

Conclusion:

The investment strategy, including level of investment risk and returns targets, are appropriate to the Pension members / beneficiaries of legalsuper as disclosed in legalsuper's PDS.

Other relevant matters

Sustainability outcomes

APRA released its insights paper into superannuation trustees in operational efficiency, growth and competition in October 2025. The paper identified the increasing challenges Trustees were facing to maintain and improve member outcomes over the long term due to increasing cost pressures arising from governance, systems and capability uplift in a dynamic external environment.

Despite industry headwinds, legalsuper's rate of improvement is better than the industry when comparing 1 year and 3 year averages. legalsuper Administration & Operating Expense Ratio of 0.34% in FY25 decreased 8% from the 3 year average of 0.37%. This is compared to Industry median decrease of 4%. legalsuper is above industry median for all Growth and Competitive Positioning metrics for both 1 and 3 year averages.

	Legalsuper			APRA Industry median		
	3-year Ave	1-year	% Change	3-year Ave	1-year	% Change
Operational Efficiency						
Administration & Operating Expense Ratio	0.37%	0.34%	-8.0%	0.28%	0.27%	-4.0%
Growth						
Natural Cash Flow Ratio	2.97%	3.04%	2.0%	1.68%	1.63%	-3.0%
Member account growth (%)	14.24%	7.28%	-45.0%	12.02%	0.71%	-94.0%
Competitive positioning						
Net rollover ratio	-1.56%	-1.80%	15.0%	-1.56%	-2.09%	34.0%

Source: APRA 2025 Delivering member outcomes into the future (3 October 2025)

Scale

legalsuper has acquired scale through its partners

legalsuper has sufficient scale to negotiate competitive services and fee structures with large and specialist skilled and resourced outsourced providers including investment managers, fund administrator, custodian and insurer. Material outsourced providers are periodically subject to tender or reviewed to ensure services and fees are competitive. To the best of our knowledge, there have been no instances where members/beneficiaries have been disadvantaged by legalsuper's size and scale.

legalsuper's cost per member decreased in the year to 30 June 2025 from \$500.41 to \$483.03, as measured by SuperRatings in their Member Outcomes analysis. This demonstrates legalsuper's ongoing efforts to ensure costs are managed in the best interests of members. The percentage decrease is greater than the All Fund Median reduction over the same period.

As a smaller fund, legalsuper is more nimble and able to access niche investment opportunities

At 30 June 2025 legalsuper managed \$6.87 billion on behalf of 47,280 members, with an average account balance of \$145,000, above the APRA Industry median of \$79,000. Whilst the fund is smaller in terms of net assets and member accounts, we provide access to personalised service as required by our higher average account members.

Position as at 30 June 2025	legalsuper	APRA Industry Median
Net Assets (\$bn)	6.87	7.72
Member Accounts	47,280	97,930
Net assets per member account	\$145,400	\$79,000

Source: APRA 2025 *Delivering member outcomes into the future* (3 October 2025)

As a smaller fund, legalsuper can be nimble in identifying and securing investment opportunities that are less accessible to larger funds and make a material contribution to overall performance. legalsuper makes investment decisions more efficiently and quickly and takes decisive and timely action to add or remove investments from the portfolio.

Conclusion

Based on our comparison of fees with comparable funds and rigorous management of operating costs we conclude that our operating costs are such that our Pension member fees are fair value.

Having had regard to the matters set out in sections 52(9)-(11) of the SIS Act for the year ended 30 June 2025, Legal Super Pty Ltd as Trustee of legalsuper has determined that the financial interests of members of its Pension product are being promoted by the Trustee.

The information in this page is of a general nature and does not take into account your objectives, financial situation or needs. Before deciding if legalsuper is right for you, please read the Product Disclosure Statement (PDS) and Target Market Determination (TMD). We encourage you to obtain personal advice from a licensed financial adviser before making any decision based on this website. legalsuper handles information in accordance with its Privacy Policy. The relevant PDS, TMD, and Privacy Policy are available on this website. Past performance is not an indicator of future performance. Legal Super Pty Ltd ABN 37 004 455 789 AFSL 246315 as the Trustee for legalsuper ABN 60 346 078 879.