



SUNSUPER SUPERANNUATION FUND

A.B.N. 98 503 137 921

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

**Sunsuper Superannuation Fund's registered office
and principal place of business is:**

**30 Little Cribb Street
MILTON QLD 4064**

**SUNSUPER SUPERANNUATION FUND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022**

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**SUNSUPER SUPERANNUATION FUND
TRUSTEE'S STATEMENT
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022**

In the opinion of the Directors of Australian Retirement Trust Pty Ltd (name changed from Sunsuper Pty Ltd on 28 February 2022) (A.C.N. 010 720 840), being the Trustee of Sunsuper Superannuation Fund ("the Fund"):

- (a) the accompanying financial statements and notes are in accordance with:
 - (i) Australian Accounting Standards and other mandatory professional reporting requirements, and
 - (ii) present fairly the Fund's financial position as at 28 February 2022 and of its performance for the financial period ended on that date, and

- (b) the Fund has been conducted in accordance with its constituent Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and its accompanying Regulations; the relevant requirements of the Corporations Act 2001 and Regulations; the requirements under section 13 of the Financial Sector (Collection of Data) Act 2001, during the period ended 28 February 2022.

- (c) the Board of Directors of the trustee company approved a merger with Australian Retirement Trust (name changed from QSuper Fund on 28 February 2022). The merger was completed as a Successor Fund Transfer (SFT) of Fund members and assets into Australian Retirement Trust on 28 February 2022.

This statement is made in accordance with a resolution of the Board of Directors of the trustee company, Australian Retirement Trust Pty Ltd (formerly Sunsuper Pty Ltd).



Andrew Fraser
Director

Sydney
26 May 2022



Mary Elizabeth Hallett
Director

Sydney
26 May 2022

Sunsuper Superannuation Fund ABN 98 503 137 921

Report by the Registrable Superannuation Entity ("RSE") Auditor to the members

Opinion

We have audited the financial statements of Sunsuper Superannuation Fund for the period 1 July 2021 to 28 February 2022 as set out on pages 5 to 48 attached.

In our opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Sunsuper Superannuation Fund as at 28 February 2022 and the results of its operations, cash flows, changes in reserves and changes in members' benefits for the period 1 July 2021 to 28 February 2022.

Basis for Opinion

We conducted the 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 Statements* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern. As disclosed in Note 1, the financial report has been prepared on a non-going concern basis because of the Successor Fund Transfer of the member balances.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of management's use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee 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 identified during our audit.
- Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Frances Borg

Frances Borg
Partner
Chartered Accountants
Sydney, 26 May 2022

SUNSUPER SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

	Note	28 Feb 2022 \$M	30 Jun 2021 \$M
Assets			
Investments			
Australian shares	2(d)	-	24,733
International shares		-	22,557
Private capital		-	6,547
Property		-	7,366
Infrastructure		-	5,063
Fixed interest		-	10,743
Alternative strategies		-	3,837
Cash		-	4,182
Total investments		<u>-</u>	<u>85,028</u>
Other assets			
Cash and cash equivalents	3	-	8,645
Receivables and other assets		-	126
Total other assets		<u>-</u>	<u>8,771</u>
Total assets		<u>-</u>	<u>93,799</u>
Liabilities			
Benefits payable and other liabilities		-	264
Current tax liabilities		-	1,015
Deferred tax liabilities	9	-	1,653
Total liabilities		<u>-</u>	<u>2,932</u>
Net assets available for member benefits		<u>-</u>	<u>90,867</u>
Member liabilities			
Defined contribution member liabilities	4	-	87,690
Defined benefit member liabilities	5	-	1,858
Total member liabilities		<u>-</u>	<u>89,548</u>
Total net assets		<u>-</u>	<u>1,319</u>
Equity			
General reserve	8	-	406
Insurance reserve	8	-	1
Operational risk financial requirement (ORFR)	8	-	238
Defined benefits surplus	6	-	674
Total equity		<u>-</u>	<u>1,319</u>

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

SUNSUPER SUPERANNUATION FUND
INCOME STATEMENT
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

	Note	01 Jul 2021 to 28 Feb 2022 \$M	01 Jul 2020 to 30 Jun 2021 \$M
Superannuation activities			
Revenue			
Interest revenue		198	289
Dividend revenue		1,319	1,080
Distribution income		822	361
Rental and other income		32	60
Changes in fair value of investments	2 (c)	(293)	14,044
Total revenue		2,078	15,834
Expenses			
Direct investment expenses		(182)	(240)
Administration services expense	14 (b)	(99)	(142)
Other operating expenses	10	(97)	(86)
Total expenses		(378)	(468)
Results from superannuation activities before income tax expense			
		1,700	15,366
Income tax benefit/(expense) attributable to net result	9	372	(1,209)
Results from superannuation activities after income tax expense		2,072	14,157
Net benefits allocated to defined contribution members		(2,069)	(13,509)
Net change in defined member benefits		-	(12)
Operating result after income tax		3	636

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

SUNSUPER SUPERANNUATION FUND
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

	Note	Defined contribution member benefits \$M	Defined benefit member benefits \$M	Total \$M
Opening balance as at 1 July 2021		87,690	1,858	89,548
Employer contributions		3,820	22	3,842
Member contributions		944	1	945
Transfers from other funds		2,522	-	2,522
Successor fund transfers	7	327	-	327
Income tax on contributions		(595)	(3)	(598)
Net after tax contributions and rollovers		7,018	20	7,038
Benefits to members		(3,084)	(42)	(3,126)
Insurance proceeds credited to members' accounts		156	-	156
Insurance premiums charged to members' accounts (net of tax)	11	(195)	(1)	(196)
Transfers from defined benefit account to defined contribution account		59	(59)	-
Net benefits allocated, comprising:				
Net investment income		2,185	-	2,185
Net administration fees		(116)	-	(116)
Net change in defined benefit member benefits		-	-	-
Transfer to Australian Retirement Trust	1	(93,713)	(1,776)	(95,489)
Closing balance as at 28 February 2022		-	-	-
Opening balance as at 1 July 2020		67,371	1,353	68,724
Employer contributions		5,057	47	5,104
Member contributions		1,190	1	1,191
Transfers from other funds		3,587	-	3,587
Successor fund transfers	7	3,197	527	3,724
Income tax on contributions		(802)	(7)	(809)
Net after tax contributions and rollovers		12,229	568	12,797
Benefits to members		(3,663)	(59)	(3,722)
Benefits to members - Early release Covid-19		(1,760)	-	(1,760)
Insurance proceeds credited to members' accounts		253	-	253
Insurance premiums charged to members' accounts (net of tax)	11	(264)	(1)	(265)
Transfers from defined benefit account to defined contribution account		15	(15)	-
Net benefits allocated, comprising:				
Net investment income		13,662	-	13,662
Net administration fees		(153)	-	(153)
Net change in defined benefit member benefits		-	12	12
Closing balance as at 30 June 2021		87,690	1,858	89,548

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

SUNSUPER SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

	Note	28 Feb 2022 \$M	30 Jun 2021 \$M
Cash flows from operating activities			
Interest received		118	329
Dividends and distributions received		1,699	1,134
Rental and other income received		190	144
Insurance proceeds received		157	268
Administration service expenses paid		(116)	(128)
Direct investment expenses paid		(91)	(247)
Other operating expenses paid		(98)	(67)
Group life insurance premiums paid		(229)	(308)
Income tax paid		(1,100)	(516)
Net inflows of cash from operating activities	3	530	609
Cash flows from investing activities			
Purchase of investments		(31,551)	(42,179)
Proceeds from sale of investments		21,773	39,756
Net outflows of cash from investing activities		(9,778)	(2,423)
Cash flows from financing activities			
Employer contributions received		3,839	5,104
Member contributions received		945	1,191
Transfers from other funds		2,522	3,587
Successor fund transfers		321	1,697
Benefits paid		(3,096)	(5,534)
Net inflows of cash from financing activities		4,531	6,045
Net increase/(decrease) in cash held		(4,717)	4,231
Cash and cash equivalents at the beginning of the financial year		8,645	4,414
Transfer to Australian Retirement Trust	1	3,928	-
Cash and cash equivalents at the end of the financial year	3	-	8,645

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

SUNSUPER SUPERANNUATION FUND
STATEMENT OF CHANGES IN RESERVES
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

	Note 8	General reserve \$ M	Insurance reserve \$ M	Operational risk financial requirement (ORFR) \$ M	Defined benefits surplus \$ M	Total \$ M
Opening balance as at 1 July 2021		406	1	238	674	1,319
Operating result		(93)	-	7	89	3
Transfer to ORFR		(12)	-	12	-	-
Transfer to Australian Retirement Trust	1	(301)	(1)	(257)	(763)	(1,322)
Closing balance as at 28 February 2022		-	-	-	-	-
Opening balance as at 1 July 2020		224	1	183	275	683
Operating result		198	-	39	399	636
Transfer to ORFR		(16)	-	16	-	-
Closing balance as at 30 June 2021		406	1	238	674	1,319

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

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

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SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

1. GENERAL INFORMATION

Nature of the fund

The Fund was established under a Trust Deed dated 1 October 1987. It is a regulated superannuation fund registered by the Australian Prudential Regulation Authority (APRA) as a registrable superannuation entity (RSE). The RSE registration number is R1000337.

The Fund had both defined contribution and defined benefit members. The purpose of the Fund was to provide superannuation and insurance benefits for members and their dependants. The Fund operated on profit-for-members basis with all profits reinvested to provide improved outcomes for members.

Australian Retirement Trust Pty Ltd (named changed from Sunsuper Pty Ltd on 28 February 2022) (ACN 010 720 840) is the Trustee of the Fund and is responsible for managing the Fund, ensuring that it operates the Fund in the best interests of all members and complies with all relevant legal and regulatory requirements.

The Fund was administered by Precision Administration Services Pty Ltd (Precision) (ACN 098 977 667), which was a 100% owned entity of the Fund up to 28 February 2022.

The custodially held investment assets of the Fund were held by State Street Australia Limited (ACN 002 965 200).

The principal place of business of the Fund was Level 5 30 Little Cribb Street, Milton, Queensland 4064.

	28 Feb 2022	30 Jun 2021
Number of members of the Fund at 28 February 2022 ⁽¹⁾ and 30 June 2021	1,403,250	1,383,228

The number of members only includes members with an account balance greater than \$0.

(1) Total members of the Fund were transferred to Australian Retirement Trust on 28 February 2022

Non-going concern basis of preparation

On 25 February 2022, the Trustee resolved to terminate the Fund by way of a Successor Fund Transfer (SFT) to Australian Retirement Trust at the effective date of 28 February 2022. A SFT is the transfer of legal title of assets, liabilities and membership to the successor fund. Accordingly, all assets and liabilities have been recognised as being transferred at the date of these financial statements. At the effective date of the transfer, certain assets of the fund were in the process of being physically transferred and at the date of signing these financial statements such transfers have been completed. The Fund will be deregistered after the SFT. Thus, the Trustee has determined that the going concern basis of preparation is no longer appropriate.

The financial report has not been prepared on a going concern basis and assets have been written down to the lower of their carrying amounts and their net realisable values. Net realisable value is the estimated selling price that the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. As there were no assets or liabilities at the reporting date, adopting the non-going concern basis did not change the carrying amounts of any assets or liabilities.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

1. GENERAL INFORMATION (CONT.)

Successor Fund Transfer - Australian Retirement Trust

On 28 February 2022, the Fund undertook a Successor Fund Transfer (SFT) with Australian Retirement Trust (name changed from QSuper Fund on 28 February 2022). The net amount transferred at the effective date of SFT was \$96,811m and is described as "Transfer to Australian Retirement Trust" in the Statement of Changes in Member Benefits (\$95,489m) and in the Statement of Changes in Reserves (\$1,322m). The assets and liabilities transferred were:

	Note	Amount \$M
Assets		
Investments		
Australian shares		25,547
International shares		22,069
Private capital		7,831
Property		8,353
Infrastructure		8,076
Fixed interest		12,561
Alternative strategies		4,618
Cash		5,720
Total investments		94,775
Other assets		
Cash and cash equivalents		3,928
Receivables and other assets		143
Total other assets		4,071
Total assets		98,846
Liabilities		
Benefits payable and other liabilities		276
Current tax liabilities		376
Deferred tax liabilities		1,383
Total liabilities		2,035
Net assets available for member benefits		96,811
Member liabilities		
Defined contribution member liabilities		93,713
Defined benefit member liabilities		1,776
Total member liabilities		95,489
Total net assets		1,322
Equity		
General reserve		301
Insurance reserve		1
Operational risk financial requirement (ORFR)		257
Defined benefits surplus		763
Total equity		1,322

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

1. GENERAL INFORMATION (CONT.)

Nature of contributions

Contributions to the Fund were determined by the type of membership. For defined contribution members, employers are expected to contribute at least a minimum rate as determined by Industrial Awards or Superannuation Guarantee Legislation. The Superannuation Guarantee rate for the period ending 28 February 2022 was 10% (30 June 2021: 9.5%). For defined benefit members, employers are expected to contribute at a rate determined by the Trustee acting on the advice of the appointed actuaries. Employees are also able to make voluntary contributions to defined contribution and defined benefit funds.

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with AASB 1056 and other Australian Accounting Standards and Interpretations, the Superannuation Industry (Supervision) Act 1993 and provisions of the Trust Deed and amendments thereto.

For the purposes of preparing the financial statements, the Fund is a profit for members entity.

The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

The financial statements were authorised for issue by the Directors on 26 May 2022.

Critical accounting judgments and key sources of estimation uncertainty

In the application of Accounting Standards, management is required to make judgments, estimates and assumptions about fair values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates were recognised in the period in which the estimate was revised, if the revision affected only that period, or in the period of the revision and future periods if the revision affected both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments, in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2 Investments (d): Fair value hierarchy
- Note 5 Defined benefit member liabilities

Analysis of COVID-19 Pandemic (COVID-19)

The Trustee acknowledges the effects COVID-19 had on the Fund and considers that all reasonable steps had been taken to ensure the values at 28 February 2022 prior to the SFT were appropriate. The robust risk management systems in place have seen the Fund appropriately navigate the period 1 July 2021 to 28 February 2022. The Trustee monitored the effects of COVID-19 on the operation of the Fund and has carefully considered the financial disclosures contained within these financial statements. It should be noted that certain external valuers have included statements in their respective valuation reports, as at 28 February 2022, that the valuation is subject to valuation uncertainty due to the ongoing economic impacts stemming from the COVID-19 pandemic. The Trustee considers the valuations to be materially appropriate for the purpose of recording these investments at fair value as at 28 February 2022, prior to the SFT.

Additional disclosures for the effect of COVID-19 are contained in the following notes:

- Note 2 Investments (d) Fair value hierarchy
- Note 13 Financial Risk Management (d) Market Risk; Interest Rate Sensitivity/ Price risk sensitivity
- Note 13 Financial Risk Management (e) Liquidity Risk

Application of new and revised Accounting Standards

At the date of authorisation of the financial statements, there were no new and revised accounting standards adopted that are relevant to the Fund.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

1. GENERAL INFORMATION (CONT.)

Standards and Interpretations in issue not yet adopted

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. These have not been adopted early and have not been assessed for impact given that the Fund is to be wound-up and deregistered.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The significant accounting policies have been set out below or within the relevant notes in these financial statements. The policies have been consistently applied to all periods presented in these financial statements.

(a) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Fund and the amount of revenue can be reliably measured. The following recognition criteria relates to the different items of revenue the Fund receives:

Dividend revenue

Revenue from dividends is recognised on the date the shares are quoted ex-dividend and if not received at the reporting date, the balance is reflected in the Statement of Financial Position as part of the underlying investment category.

Distributions from unit trusts

Distributions from unit trusts are recognised on a receivable basis on the date the unit value is quoted ex-distribution. If distributions from unit trusts are not received at the reporting date, the amount is reflected in the Statement of Financial Position as part of the underlying investment category.

Interest revenue

Revenue on money market and fixed interest securities is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of a financial asset to that asset's net carrying amount. If interest is not received at balance date, it is reflected in the Statement of Financial Position as part of the underlying investment category.

Rental income

Rental income from investment property is recognised in accordance with the rental agreement on a straight-line basis.

(b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

1. GENERAL INFORMATION (CONT.)

(c) Consolidation

Entities that meet the definition of an investment entity within AASB 10; 'Consolidated financial statements' are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The Fund meets the definition of an investment entity and accordingly accounts for controlled entities at fair value.

An exception to this treatment is where the subsidiary's main purpose and activities are to provide investment related services or activities that relate to the investment entity's investment activities. These types of services include investment advisory services, investment management, investment support and administrative services.

Given that the main purpose of Precision and Sunsuper Financial Services Pty Ltd (Sunsuper Financial Services) (ACN 087 154 818) was to provide administrative services and advice to the Fund and its members, both subsidiaries should be consolidated. However, as the net assets of Precision and Sunsuper Financial Services are not material to the users of the Fund's financial statements as a whole the net assets have been recognised as other assets within the financial statements. Refer to Note 14 (Related Party transactions) for further information. A list of all controlled entities is also included under Note 14 to the financial statements. Precision and Sunsuper Financial Services were included as part of the successor fund transfer to Australian Retirement Trust and are included as other assets in the table in Note 1 Successor Fund Transfer - Australian Retirement Trust.

(d) Insurance arrangements

The Fund provided income protection, death and disability benefits to its members. The Trustee had group policies in place with third party insurance companies to insure these income protection, death and disability benefits for the members of the Fund.

The Fund collected premiums from members on behalf of the insurance companies. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Using the definition contained within AASB 1056; 'Superannuation entities', the Trustee has determined that the Fund does not act in the capacity of an insurer. Therefore, group life insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities and reinsurance assets. Group life insurance premiums charged to members' accounts and insurance proceeds allocated to members' accounts are recognised in the Statement of Changes in Member Benefits.

(e) Contingent liabilities and assets

There are no material contingent liabilities or assets as at 28 February 2022 (30 June 2021: nil).

(f) Rounding

Due to the size of the Fund's assets, the financial statements and notes to the financial statements have been rounded to the nearest one million dollars unless otherwise stated.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

2. INVESTMENTS

(a) Asset classes

The Fund's investments have been aggregated by asset classes as contained in the Fund's product disclosure statement (PDS) issued 01 July 2021. These asset classes are used to construct members' investment choice options as disclosed in the PDS. The following asset classes also include derivatives including forwards, futures, options and swaps and are used per the Fund's hedging policy and are in accordance with the strategic asset allocation.

Australian shares

These are investments in companies that are listed on the Australian Securities Exchange (ASX).

International shares

These are investments in companies that are listed on foreign stock exchanges.

Private capital

This asset class generally consists of privately-owned assets including but not limited to private equity funds and venture capital funds.

Property

This asset class generally consists of investments in office buildings, industrial warehouses, retail shopping centres, holiday parks and multi-family residential.

Infrastructure

This asset class generally consists of investments in roads, airports, ports, utility assets, power generation and other community projects and assets.

Fixed interest

These are investments in securities to borrowers such as governments, companies and other entities.

Alternative strategies

This asset class generally consists of specific investments that use complex market trading strategies to generate returns that do not follow the normal investment cycles of the traditional asset classes as well as illiquid credit investments.

Cash

Cash can be any type of cash (including foreign currency) or fixed interest investment that has a short repayment period (normally less than one year). It includes bank bills and short-term bank deposits.

(b) Investment accounting policies

(i) Classification

The Fund's investments are classified based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial instrument. The Fund's investments are managed and the performance evaluation is made on a fair value basis.

The Fund's investments are classified as fair value through profit or loss. The investments in this classification include;

- Derivative financial instruments such as futures, forward contracts, options and swaps.
- Investments in exchange traded debt and equity instruments, unlisted trusts, unlisted securities, term deposits, commercial paper and direct property investments.

(ii) Recognition/derecognition

The Fund's financial instruments are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the investments are recognised from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all of the risks and rewards of ownership, such as what occurred with the SFT transaction to Australian Retirement Trust on 28 February 2022 (refer Note 1).

SUNSUPER SUPERANNUATION FUND
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2. INVESTMENTS (CONT.)

(b) Investment accounting policies (cont.)

(iii) Measurement

At initial recognition, the Fund measures a financial instrument at fair value. Transaction costs are expensed in the Income Statement. Subsequent to initial recognition, all investments at fair value through profit or loss are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

(c) Changes in fair value of investments

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Investments held at reporting date		
Australian shares	-	4,597
International shares	-	4,293
Private capital	-	1,347
Property	-	691
Infrastructure	-	(198)
Fixed interest	-	(360)
Alternative strategies	-	139
Cash	-	(2)
Diversified strategies	-	(2)
	<hr/>	<hr/>
	-	10,505
Investments realised and transferred⁽¹⁾ during the reporting period		
Australian shares	(1,315)	95
International shares	(82)	1,429
Private capital	1,517	349
Property	479	193
Infrastructure	(195)	549
Fixed interest	(696)	268
Alternative strategies	(8)	402
Cash	7	1
Diversified strategies	-	253
	<hr/>	<hr/>
	(293)	3,539
Total changes in fair values	<hr/> (293)	<hr/> 14,044
Included in the above		
Change in fair value of investments transferred to Australian Retirement Trust	(968)	-
Change in fair value of investments not realised during the reporting period	-	10,505
Change in fair value of investments realised during the reporting period	675	3,539
	<hr/>	<hr/>
Total changes in fair values	<hr/> (293)	<hr/> 14,044

(1) Investments transferred to Australian Retirement Trust as part of the SFT transaction (refer Note 1).

Changes in fair value of investments are recognised and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

SUNSUPER SUPERANNUATION FUND
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2. INVESTMENTS (CONT.)

(d) Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Fund's investments as at the reporting date was \$ nil due to the SFT transfer to Australian Retirement Trust (refer Note 1), the table below sets out the Fund's investments at fair value according to the fair value hierarchy as at 30 June 2021.

30 June 2021	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
Australian shares	24,687	28	18	24,733
International shares	22,566	(16)	7	22,557
Private capital	(17)	31	6,533	6,547
Property	120	616	6,630	7,366
Infrastructure	22	(14)	5,055	5,063
Fixed interest	706	10,036	1	10,743
Alternative strategies	147	2,681	1,009	3,837
Cash	3,393	789	-	4,182
Total	51,624	14,151	19,253	85,028

The pricing for the majority of the Fund's investments is sourced from independent pricing sources, the relevant investment manager or reliable brokers' quotes.

Investments for which values are based on quoted market prices in active liquid markets, e.g. recognised stock exchanges, and therefore classified within level 1, include listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. The level 2 instruments include fixed interest securities, over-the-counter derivatives and investments in unlisted unit trusts within which the underlying securities are primarily valued by applying quoted market prices in active markets. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted investment vehicles such as unit trusts and partnerships as well as direct property. As observable prices are not available for these investments, the Fund has typically received valuations from investment managers, or from independent valuers appointed by them, who have used generally accepted valuation techniques to derive fair value.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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2. INVESTMENTS (CONT.)

(d) Fair value hierarchy (cont.)

The Fund had a Valuation Committee (VC) which had oversight of non-daily priced asset valuations, valuation processes, guidelines and policies.

The Fund's policy is to recognise transfers into and transfers out of the fair value hierarchy as at the end of the reporting period. Investments are assessed annually to confirm that valuation techniques have remained consistent, otherwise the investments may be transferred between levels. Transfers identified below in the movement in level 3 investments for 30 June 2021, represent listed shares that were suspended for trading as at reporting date but were previously classified as level 1. There were no material transfers between levels in the fair value hierarchy for the period ended 28 February 2022 or 30 June 2021.

Movement in level 3 investments

The following tables present the movement in level 3 financial assets as at the reporting date by asset classes of financial instruments.

	Opening balance at 1 July	Changes in fair value of investments in Income statement	Purchases	Redemptions	Transfers out due to SFT (refer Note 1)	Closing balance at 28 Feb 2022
	\$M	\$M	\$M	\$M	\$M	\$M
28 February 2022						
Australian shares	18	(2)	-	(16)	-	-
International shares	7	-	-	(2)	(5)	-
Private capital	6,533	1,659	758	(1,155)	(7,795)	-
Property	6,630	541	933	(954)	(7,150)	-
Infrastructure	5,055	386	1,002	(59)	(6,384)	-
Fixed interest	1	-	-	-	(1)	-
Alternative strategies	1,009	30	136	(260)	(915)	-
Total	19,253	2,614	2,829	(2,446)	(22,250)	-

	Opening balance at 1 July	Changes in fair value of investments in Income statement	Purchases	Redemptions	Transfers to/(from) level 3	Closing balance at 30 Jun 2021
	\$M	\$M	\$M	\$M	\$M	\$M
30 June 2021						
Australian shares	4	(2)	-	-	16	18
International shares	3	-	1	(3)	6	7
Private capital	4,843	1,309	1,216	(835)	-	6,533
Property	5,942	633	984	(929)	-	6,630
Infrastructure	4,713	416	811	(885)	-	5,055
Fixed interest	2	-	-	(1)	-	1
Alternative strategies	982	(14)	362	(321)	-	1,009
Total	16,489	2,342	3,374	(2,974)	22	19,253

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

2. INVESTMENTS (CONT.)

(d) Fair value hierarchy (cont.)

Changes in fair value of level 3 investments in Income Statement on assets held at the reporting date were as below:

	28 Feb 2022	30 June 2021
	\$M	\$M
Australian shares	-	1
International Shares	-	(1)
Private capital	-	1,118
Property	-	523
Infrastructure	-	32
Alternative strategies	-	(13)
Total	-	1,660

Valuation inputs and relationships to fair value of level 3 investments

Where a valuation model technique is used, the underlying investment manager or external independent valuer considers liquidity, credit and market risk factors, and adjusts the model as deemed necessary. As part of this process, valuers generally consider several alternative valuation assumptions in their models which determine valuation ranges around the valuer's best estimate of fair value.

The Fund has worked with independent valuers and external managers to ensure that the valuations provided include thorough consideration of both the short-term and long-term impacts of COVID -19. The Fund maintains a diversified portfolio of investments which has meant that there is no single material driver across the Level 3 group of assets beyond the broad ranging impacts of COVID-19. The Fund has constructed this portfolio in order to avoid any specific risks or factors that might affect valuations across the entire category.

The following table illustrates how the valuation ranges around fair value provided to the Fund could affect operating result after income tax and net assets available for member benefits if other reasonably possible alternative valuation assumptions were used as at the reporting date.

	Effects on operating results after income tax / Net assets attributable to members			
	28 Feb 2022		30 Jun 2021	
	Favourable change	unfavourable change	Favourable change	unfavourable change
	\$M	\$M	\$M	\$M
Property	-	-	64	(59)
Infrastructure	-	-	237	(186)
Alternative strategies	-	-	26	(23)

(e) Offsetting financial assets and financial liabilities

Financial assets and liabilities, specifically derivative financial instruments, are offset and the net amount reported in the Statement of Financial Position, as there is a legally enforceable right to offset the recognised amounts. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the table below.

SUNSUPER SUPERANNUATION FUND
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2. INVESTMENTS (CONT.)

(e) Offsetting financial assets and financial liabilities (cont.)

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Derivative financial instruments		
Gross amounts of derivative financial assets	-	1,230
Gross amounts of derivative financial liabilities	-	(1,007)
	<hr/>	<hr/>
Net amount of derivative financial assets presented in the Statement of Financial Position	-	223
	<hr/>	<hr/>

(f) Investments commitments

The Fund has no investment commitments as at 28 February 2022 due to the SFT (2021: \$7,985m).

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and deposits held at call with a bank or other financial institution.

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Cash and deposits at call held in CBA bank account	-	120
Cash at bank held by the custodian	-	8,525
	<hr/>	<hr/>
Total cash and cash equivalents	-	8,645
	<hr/>	<hr/>

Reconciliation of net change in cash from operating activities to operating result after income tax.

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Operating result after income tax	3	636
Adjustments for:		
(Increase)/decrease in fair value of financial instruments	293	(14,044)
Dividends and distributions income re-invested	(57)	(279)
Net benefits allocated to DC members	2,069	13,509
Net benefits allocated to DB members	-	12
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(429)	89
Increase/(decrease) in payables	195	33
Increase/(decrease) in income tax payables	(910)	1,527
Group life insurance premiums paid	(229)	(308)
Insurance proceeds received	157	268
Income tax paid on contributions received	(562)	(834)
	<hr/>	<hr/>
Total net inflows from operating activities	530	609
	<hr/>	<hr/>

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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4. DEFINED CONTRIBUTION MEMBER LIABILITIES

Obligations relating to member entitlements are recognised as member liabilities. Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date. Defined contribution members bear the investment risk relating to the underlying assets of the Fund. Unit prices are updated on a daily basis for movements in investment markets. The Fund's management of the investment market risks is as disclosed within Note 13. Defined contribution members' liabilities were fully vested as at 28 February 2022 and 30 June 2021.

5. DEFINED BENEFIT MEMBER LIABILITIES

Defined benefit member liabilities are measured as the amount of the accrued benefits as at the reporting date, being the estimated present value of a portfolio of investments that would be needed as at the reporting date to yield future net cash flows that would be sufficient to meet the accrued benefits on the date when they are expected to fall due.

The Fund engages qualified actuaries on an annual basis to measure defined benefit member liabilities in each of its defined benefit plans. In determining the defined benefit member liabilities, the appointed actuary determines appropriate assumptions in respect to discount rate, salary adjustment rate, resignations and mortality.

The Fund has sixteen defined benefit plans as at the reporting date that were transferred due to SFT, therefore the liability balances as at 28 February 2022 are \$ nil (for comparative requirements, 30 June 2021 discount rate and salary adjustment rate used to determine the values of accrued liabilities for each of the defined benefit plans are reported below). In the Trustee's opinion, as at 28 February 2022 there was no significant change in the rates used in the calculation of the estimate of the defined benefit member liabilities as at 30 June 2021. Any resultant change in the defined benefit member liabilities is considered to be immaterial.

Defined benefit plan	30 Jun 2021			
	Pre-retirement discount rate	Post-retirement discount rate	Pension Increase rate	Salary adjustment rate
Amatil	3.4%	3.3%	2.0%	2.8%
CCH	6.0%	-	-	4.0%
Dulux Group (Australia)	5.3%	5.8%	-	3.3%
DXC	5.8%	6.3%	-	3.0%
Goodman Fielder	6.0%	-	-	4.0%
Hanson Australia	6.0%	-	-	4.5%
IAG	6.0%	6.5%	2.5%	3.0%
NRMA	6.0%	6.5%	-	3.0%
Mondelez	6.0%	6.5%	2.5%	4.0%
Otis	5.0%	-	-	3.0%
Procter & Gamble	5.8%	-	-	3.8%
RACV	5.3%	5.8%	-	2.5%
RB Super	5.8%	6.3%	3.0%	3.0%
Simplot Australia	6.0%	-	-	4.0%
Swiss Re	-	6.5%	2.5%	-
Unilever	3.3%	3.5%	2.0%	2.0%

The Fund and its actuaries use sensitivity analysis to monitor the potential impact of changes to the assumptions. The Fund and its actuaries have identified various assumptions (being the discount rate, pension increase rate and the rate of salary adjustment) for which changes are reasonably possible and that would have a material impact on the amount of the defined benefit member liabilities.

SUNSUPER SUPERANNUATION FUND
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5. DEFINED BENEFIT MEMBER LIABILITIES (CONT.)

The assumed discount rate has been determined by reference to the long-term investment returns expected on the investment portfolio of each sub-plan and takes into account the term of the member liabilities. The assumed annual salary adjustment has been determined by reference to the long-term salary increases and in consultation with the employer-sponsors. Changes to the other assumptions, including resignations and mortality rates, are not considered to have a material impact on the amount of the defined benefit member liabilities.

As at the reporting date the defined benefit member liability balances are \$ nil due to the SFT transfer to Australian Retirement Trust. For comparative requirements, the following are sensitivity calculations on a single variable basis for the discount rate and rate of salary adjustment assumptions for each of the defined benefit plans as at 30 June 2021:

Effects on defined benefit member liability				
in \$'000s				
(increase)/decrease in the member benefit liability				
30 Jun 2021				
Defined benefit plan	Discount rate		Salary adjustment rate	
	+0.5%	-0.5%	+1.0%	-1.0%
Amatil ⁽²⁾	1,616	(1,670)	(2,856)	2,640
CCH ⁽¹⁾	-	-	-	-
Dulux Group (Australia)	6,655	(9,381)	(9,028)	1,126 ⁽³⁾
DXC ⁽²⁾	715	(857)	(195)	174
Goodman Fielder ⁽¹⁾	-	-	-	-
Hanson Australia	339	(361)	(551)	498
IAG ⁽²⁾	6,455	(7,717)	(11,177)	9,809
NRMA ⁽²⁾	156	(156)	-	-
Mondelez	100	(106)	(201)	179
Otis ⁽²⁾	3,075	(3,495)	(5,033)	4,613
Procter & Gamble	2	(3)	(4)	3
RACV ⁽²⁾	2,447	(2,942)	(668)	636 ⁽³⁾
RB Super	73,066	(82,600)	(168,678)	134,964
Simplot Australia ⁽¹⁾	-	-	-	-
Swiss Re	424	(451)	(888)	797
Unilever	410	(463)	(906)	762
Total	95,460	(110,202)	(200,185)	156,201

(1) The Discount/Salary rate adjustments were applied to these Plans and the results were nil e.g. changing the assumptions had no impact on the member liability.

(2) New Defined benefit plan for FY2021.

(3) The assumed pension increase was unchanged at 0% per annum.

SUNSUPER SUPERANNUATION FUND
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6. DEFINED BENEFIT PLANS THAT ARE OVER / (UNDER) FUNDED

The actuarial reviews completed for valuation date as of 30 June 2021 reported the below results for the Fund's defined benefit plans. There are no new actuarial reviews as of 28 February 2022, the Successor Fund's Trustee will revalue the defined benefit plans on its next reporting date.

As at 30 June 2021

Defined benefit plan	Net assets for defined benefit members at valuation date \$'000s	Actuarial value of accrued benefits for defined benefit members \$'000s	Over funded or (Under funded) \$'000s
Amatil	65,729	53,878	11,851
CCH	2,395	2,330	65
Dulux Group (Australia) ⁽²⁾	182,560	186,547	(3,987)
DXC	54,825	38,910	15,915
Goodman Fielder	4,715	3,839	876
Hanson Australia	40,044	35,853	4,191
IAG	209,932	166,974	42,958
NRMA	44,600	34,689	9,911
Mondelez	71,413	59,722	11,691
Otis	177,177	149,947	27,230
Proctor & Gamble	3,589	2,240	1,349
RACV	56,188	48,994	7,194
RB Super	1,583,129	1,047,344	535,785
Simplot Australia	1,513	1,171	342
Swiss Re	15,332	12,759	2,573
Unilever	18,762	12,673	6,089
Total⁽¹⁾	2,531,903	1,857,870	674,033

(1) The Net assets for defined benefit members at valuation date is represented in the Statement of Financial Position by Defined benefit member liabilities and Defined benefits surplus.

(2) As at 30 June, the Dulux plan was in an unsatisfactory financial position and is subject to a Restoration Plan as required under Prudential Standard SPS 160

The amount of vested benefits attributable to defined benefit members as at 28 February 2022 is \$ nil (2021: \$1,805m). All defined benefit liabilities were transferred to Australian Retirement Trust as part of the SFT. The total defined benefit net asset balance transferred was \$2,539m.

SUNSUPER SUPERANNUATION FUND
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7. TRANSFERS FROM SUCCESSOR FUNDS

In the period ending 28 February 2022, there was one successor fund transfer (SFT) plus additional assets received for a prior year SFT (30 June 2021: six). The assets which were transferred have been valued in accordance with the Fund's accounting policies. The transfers occurred as follows:

Fund/Plan	Transfer Date	Amount \$M
2022		
Dell	Feb 2022	319
Amatil	Oct 2021	<u>2</u>
Total		<u>321</u>
2021		
Otis	Jul 2020	305
Amatil	Oct 2020	435
RACV	Oct 2020	174
IAG-NRMA	Nov 2020	2,311
DXC	Nov 2020	414
Worley	Mar 2021	<u>123</u>
Total		<u>3,762</u>

The transfers from all SFTs have resulted in following movements in member liabilities and reserves of the Fund:

	28 Feb 2022 \$M	30 Jun 2021 \$M
Defined contribution member liabilities	327	3,197
Defined benefit member liabilities	-	527
General reserve	-	-
Operational risk financial requirement reserve	-	-
Other liabilities	<u>(6)</u>	<u>38</u>
Total	<u>321</u>	<u>3,762</u>

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8. RESERVES

In order to comply with legislative and Trust Deed requirements, the Trustee maintained a number of reserves in the Fund for the benefit of members.

Operational risk financial requirement

The Trustee was required to maintain adequate financial resources to address losses arising from operational risks that may affect its business operations. The operational risk financial requirement (ORFR) is the target amount of financial resources that the Trustee determined was necessary to respond to these losses.

The Trustee set an ORFR target amount at 0.25% of Fund net assets plus 0.10% of the Sunsuper Pooled Superannuation Trust (PST) net assets. The PST was a controlled entity (refer Note 14) and has the same trustee as the Fund.

The amount of ORFR held by the Fund which is attributed to the PST just prior to the successor fund transfer to Australian Retirement Trust on 28 February 2022 was \$14m (2021: \$11m).

Initial funding of the ORFR and top-ups or replenishments were made from the general reserve. The ORFR was invested in the Balanced Option.

General reserve

The Trustee maintained a general reserve in the Fund for the benefit of members. The general reserve was maintained in order to:

- Assist meeting the operating expenses of the Fund;
- Assist with the management of the operational risks of the Fund, including meeting losses from events not covered by insurance, or not claimed under insurance policies, and not met from the ORFR;
- Assist the ORFR;
- Assist the timing differences between the level of investment tax and the investment costs incurred by the Fund and the level of investment tax and investment fees charged to members; and
- Assist expenses and capital investments in assets designed to enhance the efficiency of the Fund's operations.

The Trustee did not maintain the general reserve for the purpose of smoothing investment earnings of any investment options. Members' accounts are credited or debited with the actual earnings of their investment option or options.

The general reserve was invested in:

- The Balanced Option;
- The Conservative Option;
- Low volatility investments (e.g. cash) to fund significant short-term liabilities (e.g. taxes);
- New investment options up to a combined total of \$5m to provide seed funding on a temporary basis; and
- Any other investments approved by the Trustee.

Insurance Reserve

The Trustee maintained an insurance reserve in the Fund predominantly for the benefit of insured members in the Sunsuper for Life industry product. The insurance reserve was maintained in order to:

- Reduce insurance premiums;
- Help offset insurance administration costs and/or insurance project costs; and
- Ensure the insurance service offering for members is simple, efficient and improves the customer experience.

The insurance reserve was invested in cash.

SUNSUPER SUPERANNUATION FUND
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9. INCOME TAX

This note provides an analysis of the Fund's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 as amended. Accordingly, the concessional tax rate of 15% has been applied.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or benefit in the Income Statement.

(a) Income tax (benefit)/expense recognised in Income Statement

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Tax expense comprises:		
Current tax (benefit)/expense	(214)	254
Adjustments for current tax of prior years	-	31
Deferred tax expense relating to the origination and reversal of temporary differences	(158)	924
Total income tax (benefit)/expense	<u>(372)</u>	<u>1,209</u>

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9. INCOME TAX (CONT.)

(a) Income tax (benefit)/expense recognised in Income Statement (cont.)

The prima facie income tax expense on results from superannuation activities before tax reconciles to the income tax expense in the financial statements as follows:

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Operating results before income tax	1,700	15,366
Income tax expense at 15%	255	2,304
Non-assessable investment income	(323)	(830)
Imputation credits and other rebates	(379)	(248)
Other	75	(48)
Adjustments for current tax of prior years	-	31
Total income tax (benefit)/expense	(372)	1,209

There has been no change in the superannuation tax rate of 15% when compared with the previous reporting period.

(b) Deferred tax balances

The balances comprise temporary differences attributable to:

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Deferred tax liabilities:		
Net unrealised revenue gains	(139)	(41)
Net unrealised capital gains	1,522	1,694
Transfer to Australian Retirement Trust	(1,383)	-
Net deferred tax liabilities	-	1,653

Sunsuper Superannuation Fund has received a Private Binding Ruling from the Commissioner of Tax confirming it is eligible for tax relief for merging superannuation legislation under Division 310 of the Income Tax Assessment Act 1997. The financial statements have therefore been prepared on the basis that the deferred tax liability is transferred to Australian Retirement Trust under the merger (refer Note 1).

10. OTHER OPERATING EXPENSES

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Sponsorship and advertising ⁽¹⁾	6	7
Trustee company administration fees	8	1
Project expenditure	37	27
Insurance reserve funded group life premiums	-	1
Salaries and employee benefits	36	41
Statutory charges	5	5
Other expenses	5	4
	97	86

(1) Please refer to Note 14(f) for the portion of sponsorship and advertising expenses paid to related parties included in sponsorship and advertising operating expenses.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

11. INSURANCE PREMIUM EXPENSE

Sunsuper members who have insurance cover have their premiums deducted from their super-savings account each month. The Fund previously subsidised members premiums directly from the Insurance Reserve. This arrangement ceased in 2021.

	28 Feb 2022	30 Jun 2021
	\$M	\$M
Insurance premiums charged to members' accounts (net of tax)	196	265
Tax benefit rebated to members	34	46
Member funded group life premiums	230	311
Insurance reserve funded group life premiums	-	1
Total insurance premium expense	230	312

12. REMUNERATION OF AUDITORS & ACTUARIES

Remuneration of auditors	28 Feb 2022	30 Jun 2021
	\$	\$
Deloitte Touche Tohmatsu		
External audit services	435,661	464,649
Other non-audit services - advisory services	10,450	357,641
	446,111	822,290
KPMG		
Internal audit services	269,017	418,863
Other non-audit services - advisory services	154,665	113,302
	423,682	532,165
Remuneration of actuaries	28 Feb 2022	30 Jun 2021
	\$	\$
Towers Watson Australia Pty Ltd		
Actuarial Services	264,652	817,946
Other non-actuarial services	-	465,163
	264,652	1,283,109
Mercer		
Actuarial Services	160,750	-
Other non-actuarial services	645,372	60,331
	806,122	60,331
AON	16,720	64,351
Sunsuper Financial Services Pty Ltd	59,461	35,636

Towers Watson Australia Pty Ltd is the actuary for OTIS, Amatil, Unilever and RB Super defined benefit plans. Mercer is the actuary for IAG, NRMA and RACV defined benefit plans. AON is the actuary for DXC defined benefit plan. Sunsuper Financial Services (see Note 14) is the actuary for the Fund's other defined benefit plans which comprises of CCH, Dulux Group (Australia), Goodman Fielder, Hanson Australia, Mondelez, Procter & Gamble, Simplot Australia and Swiss RE .

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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13. FINANCIAL RISK MANAGEMENT

(a) Financial instruments management

The investments of the Fund were primarily managed externally on behalf of the Trustee by specialist fund managers who are required to invest the assets allocated for management in accordance with the terms of a written investment management agreement or relevant offer document. The Trustee had determined that the appointment of these managers was appropriate for the Fund and is in accordance with the Trustee's investment strategy.

State Street Australia Limited acted as custodian on behalf of the Trustee and as such provides services including physical custody and safekeeping of assets, settlement of trades, collection of dividends, securities lending and accounting for investment transactions.

(b) Financial risk management objectives

The Fund was exposed to a variety of financial risks as a result of its activities. These risks included credit risk, market risk (including interest rate risk, currency risk, and price risk) and liquidity risk. The Fund's risk management and investment policies, approved by the Trustee, sought to manage the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain derivative financial instruments.

It was the responsibility of the Trustee to ensure that there was an effective risk management control framework in place. Consistent with regulatory requirements the Trustee had the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee had developed, implemented and maintained a Risk Management Framework (RMF) that was used in the daily operations of the Fund.

The RMF identifies the Trustee's policies and procedures, processes and controls that comprise its risk management and control systems. These systems sought to address the material risks, financial and non-financial, likely to be faced by the Fund. Annually, the Trustee certified to APRA that adequate strategies had been put in place to monitor those risks. The Trustee had systems in place to provide reasonable assurance that the Fund complied with legislative and prudential requirements and that the Trustee had satisfied itself as to the compliance with the RMF.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund.

There were two main sources of credit risk in Sunsuper's investments:

- the risk that a borrower will default on payments due under certain financial instruments that the Fund holds as an asset; and
- the risk that a counterparty to a financial derivative contract will not meet payments that are due.

The Trustee had adopted the policy of spreading the aggregate value of transactions amongst approved counterparties with appropriate credit qualities, as a means of mitigating the risk of financial loss.

In particular, the Trustee had appointed investment managers who were required to explicitly consider the credit quality of the underlying investments and were also required to restrict exposure to individual borrowers and counterparties. Compliance with these requirements was continuously monitored through the managers' internal compliance functions and was also independently monitored by the custodian appointed by the Trustee. In addition, the Trustee had entered into netting arrangements to restrict the maximum potential loss that could result from a failure by counterparties to derivative contracts.

The Trustee received regular reporting on breaches and where appropriate sought compensation in respect to any breach that resulted in a material loss.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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13. FINANCIAL RISK MANAGEMENT (CONT.)

(c) Credit risk (cont.)

The principal asset classes in which material credit risk could arise was in the cash, fixed interest, and alternative strategies portfolios. The carrying amounts of the financial assets represent the maximum credit risk exposure at the reporting date. The majority of borrowers in respect to bonds and loans in the cash and fixed interest asset classes had been assessed at the time of investment as “investment grade” by a recognised ratings agency.

The Fund did not have any significant credit risk exposure to any single counterparty or to any group of counterparties having similar characteristics, with the exception of the Australian banking sector. Concentration of credit risk related to the Australian banking sector at 28 February 2022 was 0% (30 Jun 2021: 3.03%) of total investments.

Non-Investment credit risk was regarded as minimal for the Fund. Liabilities only arose after contributions are actually received from employers and other receivables were not material to the Fund.

(d) Market risk

Market risk is the risk that the fair value of a financial asset will fluctuate because of general market changes, fundamental changes that affect specific assets, or changes in sentiment. Market risk is manifested in three main types of risk: market interest rates (interest rate risk), foreign exchange (currency risk), and market prices (price risk). The Fund’s policies and procedures put in place to mitigate exposure to market risk were detailed in the Trustee’s investment policies and the RMF. COVID-19 related effects did not require any material change to the nature of the Fund’s exposure to market risks or the manner in which it managed and measured the risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund’s investments in bonds, fixed interest securities, debt securities and cash were subject to interest rate risk.

The Fund’s activities exposed it to the financial risk of changes in interest rates. In relation to the financial assets of the Fund, floating rate instruments exposed the Fund to cash flow risk, whereas fixed interest rate instruments exposed the Fund to fair value interest rate risk. The Fund had no direct exposure to interest rate risk for any financial liabilities but does note that changes in interest rates may affect the fair value of the Fund’s financial assets which in turn affect the value of members’ accounts.

The following table has been included for comparative purposes (as at 30 June 2021). Due to the SFT transaction (refer Note 1) there are no financial assets or liabilities as at 28 February 2022. The interest rate risk disclosures have been prepared on the basis of the Fund’s direct investments and not on a look-through basis for investments held indirectly through unit trusts or other investment vehicles.

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13. FINANCIAL RISK MANAGEMENT (CONT.)

(d) Market risk (cont.)

Interest rate risk (cont.)

	Floating interest rate	3 months or less	Fixed interest rate			Non- interest bearing	Total
			3-12 months	1-5 years	Over 5 years		
30 June 2021 ⁽¹⁾	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Financial assets							
Investments							
-Australian shares	20	18	5	-	-	24,690	24,733
-International shares	72	-	-	1	-	22,484	22,557
-Private capital	100	-	-	-	-	6,447	6,547
-Property	47	-	-	-	-	7,319	7,366
-Infrastructure	470	-	-	-	9	4,584	5,063
-Fixed interest	1,360	173	644	2,759	5,167	640	10,743
-Alternative strategies	223	(2)	-	-	159	3,457	3,837
-Cash	325	1,039	2,509	-	309	-	4,182
-Diversified strategies	-	-	-	-	-	-	-
Cash and cash equivalents	8,645	-	-	-	-	-	8,645
Receivables and other assets	25	-	-	-	-	101	126
	11,287	1,228	3,158	2,760	5,644	69,722	93,799
Financial liabilities							
Payables	-	-	-	-	-	264	264
Net financial assets	11,287	1,228	3,158	2,760	5,644	69,458	93,535

(1) Although the Fund is being wound up (refer Note 1), the current expected maturities of the financial assets as at 30 June 2021 in this table have been disclosed past the next 12 months, as these assets are expected to continue to be held post SFT to Australian Retirement Trust.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. The Fund had relied on discussions with our independent advisers to ensure that the sensitivity analysis considers the effect of COVID-19 and the likely scenarios for the foreseeable future. Due to the SFT transaction (refer Note 1) there are no financial assets or liabilities as at 28 February 2022.

For comparative purposes, a 77 basis points increase or decrease represents management's assessment of the possible change in interest rates as at 30 June 2021. An increase of 77 basis points would have caused a decrease of \$417m on operating results after income tax / net assets available for member benefits. A decrease of 77 basis points would have caused an increase of \$417m on operating results after income tax / net assets available for member benefits. Liability for accrued benefits would have also change by a similar amount as net assets available for member benefits.

Currency risk

Currency risk is the risk that the fair value of a financial asset will fluctuate because of changes in foreign exchange rates. All foreign currency transactions during the period reported are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date and exchange differences are recognised in the Income Statement in the period in which they arise.

The Fund undertook certain transactions denominated in foreign currencies and was therefore exposed to the effects of exchange rate fluctuations. This exchange rate exposure was managed in line with the Trustee's RMF, investment policies and parameters. The Fund's overall strategy in foreign currency risk management remained unchanged from 2021 up until the SFT transaction.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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13. FINANCIAL RISK MANAGEMENT (CONT.)

(d) Market risk (cont.)

It was the policy of the Trustee to enter into forward foreign exchange contracts and cross currency swaps to cover the change in asset values that may arise from currency translation. The contracts are entered into on a rolling basis throughout the year and, consequently, there is no specific cover for foreign currency payments and receipts.

Due to the SFT transaction (refer Note 1) there was no exposure to foreign exchange rate movements on investments as at 28 February 2022. For comparative purposes, the Fund's exposure to foreign exchange rate movements on its investments was follows:

	Investments denominated in foreign currency							
	USD	EUR	GBP	JPY	CAD	CNY	CHF	OTHER
30 June 2021	A\$ M	A\$ M	A\$ M	A\$ M	A\$ M	A\$ M	A\$ M	A\$ M
Gross investment amounts denominated in foreign currency	31,650	3,485	1,806	1,427	544	701	626	4,474
Less: Currency forwards and swaps	16,384	1,011	876	(384)	(677)	(65)	1,724	213
Net exposure	15,266	2,474	930	1,811	1,221	766	(1,098)	4,261

Currency sensitivity

The following table details the Fund's sensitivity to a 9% (30 Jun 2021: 9%) increase and decrease in the Australian Dollar against the relevant foreign currencies. A 9% increase or decrease is management's assessment of the possible change of foreign exchange rates and their effect on investment returns based on a 10-year historical average. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 9% (30 Jun 2021: 9%) change in foreign currency rates. Liability for accrued benefits would also change by a similar amount as net assets available for member benefits. There were no outstanding foreign currency denominated monetary items as at 28 February 2022 due to the SFT transaction (refer Note 1), therefore the sensitivity analysis is \$ nil for the reporting period.

	Effects on operating results after income tax / Net assets available for member benefits			
	28 Feb 2022		30 Jun 2021	
	+ 9%	- 9%	+ 9%	- 9%
	\$M	\$M	\$M	\$M
USD impact	-	-	(1,071)	1,283
EUR impact	-	-	(174)	208
GBP impact	-	-	(65)	78
JPY impact	-	-	(127)	152
CAD impact	-	-	(86)	103
CNY impact	-	-	(54)	64
CHF impact	-	-	77	(92)
Other currencies impact	-	-	(299)	358

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

13. FINANCIAL RISK MANAGEMENT (CONT.)

(d) Market risk (cont.)

Price risk

Price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Fund had investments in a variety of assets which are exposed to price risk. The Fund was exposed to equity price risk arising from market equity investments and other price risk arising from its investments in collective vehicles.

As the majority of the Fund's financial instruments were carried at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions would directly affect net investment income.

Price risk was mitigated by the Fund's investment managers by constructing diversified portfolios of instruments traded on various markets.

Price risk sensitivity

The following table illustrates the effect on operating results after income tax and net assets available for member benefits from specified changes in average market prices that are reasonably likely over a year based on management's assessment of the volatility the Fund was exposed to, including any exposure to COVID-19 affected investments at the reporting date.

The below changes in volatility factors have been determined by taking a rolling 10-year historical average movement in absolute returns. This approach is consistent with long term nature of Superannuation investments and is consistent with prior period disclosures. There were no investments held as at 28 February 2022 due to the SFT transaction (refer Note 1), therefore the sensitivity analysis is \$ nil for the reporting period.

	Change in variable		Effects on operating results after income tax / Net assets available for member	
	28 Feb 2022 +/-	30 Jun 2021 +/-	28 Feb 2022 \$M	30 Jun 2021 \$M
Australian shares	15%	15%	-	3,336
International shares	16%	16%	-	3,212
Private capital	12%	12%	-	707
Property	8%	8%	-	521
Infrastructure	13%	13%	-	593
Alternative strategies	7%	7%	-	231

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

13. FINANCIAL RISK MANAGEMENT (CONT.)

(e) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as and when they fall due or can only do so on terms that are materially disadvantageous. The Fund's approach to managing liquidity was to ensure that it would always have sufficient liquidity to meet its liabilities. The Fund allowed members to withdraw benefits and it was therefore exposed to the liquidity risk of meeting members' withdrawals within the timeframes permitted under relevant law. In some circumstances, the Trustee had the discretion to delay redemptions. The value of the liabilities to members was determined by the value of the assets.

The Fund's liquidity risk was managed in accordance with the Fund's investment strategy and liquidity policy. The Fund principally managed liquidity risk by maintaining adequate banking facilities, continuous monitoring of forecast and actual cash flows, matching the maturity profiles of financial assets and liabilities and through regular scenario testing designed to control the minimum exposure to liquid asset classes at any one point in time. The Fund also had a high level of net inward cash flows (through new contributions) which provide additional capacity to manage liquidity risk.

The following table summarises the maturity profile of the Fund's financial liabilities for comparative purposes (as at 30 June 2021). Due to the SFT transaction (refer Note 1) there were no financial liabilities as at 28 February 2022. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund could be required to pay.

30 June 2021⁽¹⁾	3 months or less \$M	3-12 months \$M	1-5 years \$M	Over 5 years \$M	Total \$M
Member benefits					
Defined member contribution	88,057	-	-	-	88,057
Defined benefit contribution	1,491	-	-	-	1,491
Other:					
Payables	264	-	-	-	264
Other financial liabilities	2,910	-	-	-	2,910
Cash collateral repayable	1,229	-	-	-	1,229
Net derivative liabilities:					
Futures	49	-	-	-	49
Options	2	49	-	-	51
Forward foreign exchange contracts					
- Outflow	482	283	-	-	765
- Inflow	(75)	(10)	-	-	(85)
Cross - currency swaps					
- Outflow	-	1,043	3,210	330	4,583
- Inflow	-	(1,012)	(3,110)	(269)	(4,391)
	94,409	353	100	61	94,923

(1) Although the Fund is being wound up (refer Note 1), the current expected maturities of the financial assets as at 30 June 2021 in this table have been disclosed past the next 12 months, as these assets are expected to continue to be held post SFT to Australian Retirement Trust.

(f) Securities lending arrangements

The Fund entered into securities lending arrangements with the State Street Bank and Trust Company (ARBN 062 819 630) from October 2014 to August 2021 and with JP Morgan from September 2021, under which legal title to certain assets of the Fund could be transferred to another entity, notwithstanding the fact that the risks and benefits of ownership of the assets remained with the Fund including the right to vote.

SUNSUPER SUPERANNUATION FUND
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13. FINANCIAL RISK MANAGEMENT (CONT.)

(f) Securities lending arrangements (cont.)

Loaned Assets and Collateral

The assets transferred to other entities under securities lending arrangements could include Australian and International shares and fixed income securities that were held discretely by the Fund's Custodian. The risks of ownership to which the Fund remained exposed are currency risk, interest rate risk, credit risk and price risk.

Due to the SFT transaction (refer Note 1) the carrying amount of securities that may be eligible for securities lending activities at reporting date amounted to \$ nil (30 Jun 2021: \$46,471m). The carrying amount of securities on loan at reporting date was \$ nil (30 Jun 2021: \$2,414m).

The terms and conditions associated with the use of collateral held as security in relation to the assets lent are governed by a Securities Lending Agreement that requires the borrower to provide the lender with collateral to the value equal to or greater than the loaned securities. Total collateral held at reporting date as security had a fair value of \$ nil (30 Jun 2021: \$2,545m). The cash collateral held amounted to \$ nil (30 Jun 2021: \$1,229m) and is recognised as both a financial asset and a financial liability in the Statement of Financial Position. Non-cash collateral held is not recognised in the Statement of Financial Position. The State Street Bank and Trust Company and JP Morgan, as lending agents, indemnifies the Fund for replacement of any loaned securities (or, in certain circumstances, return of equivalent cash value) due to a Borrower default on a security loan.

The securities lending arrangement is to continue at Australian Retirement Trust. The values transferred to Australian Retirement Trust at SFT were:

- The carrying amount of securities that may be eligible for securities lending activities \$59,846m.
- The carrying amount of securities on loan \$5,138m.
- Total collateral held as security at fair value \$5,583m.
- Cash collateral held \$879m.

Earnings and Fees

During the period the gross earnings were \$5m (30 Jun 2021: \$12m). These amounts were received on behalf of the Fund and have been recognised in the Income Statement. During the period ended 28 February 2022, the Fund paid fees to the State Street Bank and Trust Company in the amount of \$0.2m (30 Jun 2021: \$2m) for acting as lending agent. These fees have been recognised in the Income Statement. Net benefits realised from the security lending arrangements were returned to members via an increase in unit prices.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

14. RELATED PARTY TRANSACTIONS

The Fund had a number of related parties and a number of transactions have occurred during the period. All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities. The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties. All transactions are recorded in the financial statements of the Fund. All balances at reporting date were transferred to Australian Retirement Trust at SFT.

(a) Australian Retirement Trust Pty Ltd (formerly Sunsuper Pty Ltd)

Australian Retirement Trust Pty Ltd (the Trustee) acts as the Trustee of the Fund. All expenses incurred by the Trustee in relation to the Trustee and its directors, were paid by Australian Retirement Trust Pty Ltd and then charged to the Fund in the form of Trustee service fees. All other expenses incurred by the Trustee in relation to administration of the Fund are paid by the Fund.

The following is a summary of transactions between the Fund and the Trustee during the period:

	28 Feb 2022	30 Jun 2021
	\$'000s	\$'000s
• Fees paid by the Fund to Australian Retirement Trust Pty Ltd for the trustee services provided for the year ¹	8,135	1,652
• Amounts charged by the Fund for expenses paid by the Fund on behalf of Australian Retirement Trust Pty Ltd. These charges were determined on the basis of the Trustee's direct share of expenses incurred by the Fund	9	57
• The Fund paid other expenses to Australian Retirement Trust Pty Ltd	12	21

The following balances were part of the SFT to Australian Retirement Trust (2021: are included in the Fund's Statement of Financial Position) and related to the Trustee:

• Net receivable/(payable) due from/(to) Australian Retirement Trust	5	361
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(1) Fee reflects merger costs and capitalisation of Trustee given changed operating environment and regulatory changes.

The Fund received superannuation contributions from Australian Retirement Trust Pty Ltd in relation to superannuation guarantee contributions and salary sacrifice contributions made in relation to Australian Retirement Trust Pty Ltd Directors who are members of the Fund.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS (CONT.)

(b) Precision Administration Services Pty Ltd

Precision was a wholly owned subsidiary of the Fund and provided administration services to the Fund.

The following is a summary of transactions between the Fund and Precision during the period:

	28 Feb 2022	30 Jun 2021
	\$'000s	\$'000s
• Fees paid by the Fund for the employer and member administration services provided for the year	97,479	142,178
• Fees paid by the Fund for project related expenses	36,421	29,998
• Amounts reimbursed by the Fund for expenses paid by Precision on the Fund's behalf	913	465
• Amounts charged by the Fund for expenses paid by the Fund on behalf of Precision. These mainly included Office rental, operating losses and salaries. These charges were determined on the basis of the company's direct share of expenses incurred by the Fund	3,994	7,112
• Interest charged by the Fund on the loan facility to Precision	183	396
• Amounts charged by the Fund for interest on property leases by the Fund, of which the fund owns 50% ⁽¹⁾	200	161
• Loan repayments made by Precision to the Fund	-	10,000

The following balances were part of the SFT to Australian Retirement Trust (2021: are included in the Fund's Statement of Financial Position) and related to Precision:

• Estimated fair value of Precision	51,939	46,801
• Loan receivable	25,000	25,000
• Net payable to Precision	19,455	18,508
• Lease liabilities for office, land and buildings owned 50% by the Fund ⁽¹⁾	-	3,283

⁽¹⁾ Precision leases several floors in two office buildings in which the Fund owned a 50% direct interest up until 25 February 2022. The building was co-owned by the Property manager who held the other 50% ownership interest until divestment of the asset. The Fund co-tenanted part of the facilities with Precision up until SFT date.

On 10 February 2016, a loan facility was agreed with Precision for a maximum of \$50m. As at 28 February 2022, \$25m had been drawn down (2021: \$25m). The repayment date per the loan agreement is 30 June 2026.

The Fund received superannuation contributions from Precision in relation to superannuation guarantee contributions, salary sacrifice contributions and member voluntary contributions made in relation to subsidiary employees who are members of the Fund.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS (CONT.)

(c) Sunsuper Financial Services Pty Ltd

Sunsuper Financial Services was a wholly owned subsidiary of the Fund and provided actuarial consulting services to members of the Fund and sponsoring employers.

The following is a summary of transactions between the Fund and Sunsuper Financial Services during the period:

	28 Feb 2022	30 Jun 2021
	\$'000s	\$'000s
• Amounts charged by the Fund for expenses paid by the Fund on behalf of Sunsuper Financial Services. These mainly included actuarial consulting services and other operating expenses. These charges were determined on the basis of the company's direct share of expenses incurred by the Fund	35	67
• Other expenses paid by the Fund such as Professional Fees and Actuarial Consulting	(13)	288

The following balances were part of the SFT to Australian Retirement Trust (2021: are included in the Fund's Statement of Financial Position) related to Sunsuper Financial Services:

• Estimated fair value of Sunsuper Financial Services	205	198
• Net receivable/(payable) due from/(to) Sunsuper Financial Services	(1)	31

(d) Sunsuper Pooled Superannuation Trust

Sunsuper Pooled Superannuation Trust (PST) was used as an investment vehicle supporting the overall investment strategy of the Fund. The following is a summary of transactions and balances between the Fund and PST:

	28 Feb 2022	30 Jun 2021
	\$'000s	\$'000s
• The Fund made a net purchase/(redemption) of units in PST	329,775	376,315
• Amounts charged by the Fund. These charges were determined on the basis of the Trust's direct share of expenses incurred by the Fund	106	-
• The Fund made a payment to PST to compensate for the tax liability on assessable contributions transferred from the Fund to PST.	-	532,500
• The estimated fair value of PST as included in investments transferred to Australian Retirement Trust as part of the SFT (2021: included in the Fund's financial statements).	14,366,194	11,336,660

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
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14. RELATED PARTY TRANSACTIONS (CONT.)

(e) Sunsuper Infrastructure Trust 3

Sunsuper Infrastructure Trust (SIT3) was used as an investment vehicle supporting the infrastructure investment strategy of the Fund. The following is a summary of transactions and balances between the Fund and SIT3:

	28 Feb 2022	30 Jun 2021
	\$'000s	\$'000s
<ul style="list-style-type: none"> Estimated fair value of SIT3 as included in investments transferred to Australian Retirement Trust as part of the SFT (2021: included in the Fund's financial statements). 	194,613	172,780

(f) Other related parties

The Board of Directors of Australian Retirement Trust Pty Ltd up to the date of the SFT to Australian Retirement Trust had equal numbers of employer nominated, employee nominated and independent directors. There were six shares on issue. With the exception of independent directors, each share had the right to nominate one director. Independent Directors are appointed or removed by the Directors in accordance with the Constitution. The shares in the Company, and therefore the right to nominate certain Directors were owned as follows:

Chamber of Commerce & Industry Queensland	3
Queensland Council of Unions	2
The Australian Workers' Union of Employees, Queensland	1

The Fund has entered into transactions with these bodies which include the receipt of superannuation contributions and other minor transactions such as membership subscriptions and seminar registrations. These transactions are conducted under agreed terms and conditions.

In addition to the items referred to, below is a summary of the significant transactions between the Fund/Trustee and these related entities.

	28 Feb 2022	30 Jun 2021
	\$	\$
Payments for Committee and Board advice services		
The Australian Workers' Union of Employees, Queensland	61,494	100,285
Director fees paid to the employer of Director (included in compensation of key management personnel (refer note 15(b)))		
Queensland Council of Unions	71,475	119,482
The Australian Workers' Union of Employees, Queensland	47,487	60,238

Director fees paid to the employers of certain Directors were paid by the Trustee, Australian Retirement Trust Pty Ltd.

In addition to the employer and union bodies referred to above, the Fund has entered into transactions with other entities which share common directorship or key management personnel with the Fund. This includes the receipt of superannuation contributions from the other entities. These transactions are conducted under agreed terms and conditions.

SUNSUPER SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2021 TO 28 FEBRUARY 2022

14. RELATED PARTY TRANSACTIONS (CONT.)

As noted in the disclosures, no key management personnel (including directors) have entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving key management personnel (including directors) interests existing at year-end.

(g) Controlled Entities⁽¹⁾

Parent entity	Country of incorporation	Ownership interest	
		Feb 2022	Jun 2021
Sunsuper Superannuation Fund			
Controlled entities			
Sunsuper Financial Services Pty Ltd ⁽²⁾	Australia	-	100%
Precision Administration Services Pty Ltd ⁽²⁾	Australia	-	100%
Beston Accommodation Parks Trust	Australia	-	95%
CCP Bidco Trust 2	Australia	-	76%
Corporate Opportunity Fund 2A LP	Australia	-	83%
CWC Corporate Opportunity 1A Trust	Australia	-	100%
CWC Corporate Opportunity 1B Trust	Australia	-	100%
Discovery Parks Holdings Pty Ltd	Australia	-	95%
Eveleigh Trust 2	Australia	-	100%
Riversdale Investment Op Trust	Australia	-	100%
Riversdale Investment Prop Trust	Australia	-	100%
Sunsient Ltd	Cayman Islands	-	100%
Sunsuper Infrastructure Trust 1	Australia	-	100%
Sunsuper Infrastructure Trust 3	Australia	-	100%
Sunsuper Infrastructure Trust 4	Australia	-	100%
Sunsuper Infrastructure Trust 5	Australia	-	100%
Sunsuper Pooled Superannuation Trust	Australia	-	100%
SunVest LLC	USA	-	100%
Sunkina Choice LP	Jersey	-	100%
Sunrock Discretionary Co-Investment Fund, LLC	USA	-	100%
Sunvard LP	USA	-	100%
Sunman LLC	USA	-	55%
Sunsuper AUD Collateral Trust	Australia	-	100%
Sunsuper USD Collateral Trust	USA	-	100%
SunVest II LLC	USA	-	100%
Sunstone Real Estate LP	USA	-	100%
Sunsuper Retail Property Trust 1	Australia	-	100%
CorSun LLC	USA	-	100%
SunRock Discretionary Co-Investment Fund II LLC	USA	-	100%
Sunberg PE Opportunities Fund LLC	USA	-	99%
PAG-S AR Co-Investment Fund LP	Cayman Islands	-	100%
Sunstone PE Opportunities Fund LLC	USA	-	100%
Manikay Sunsuper Co-Investment Fund LLC	USA	-	100%
Sunbridge Investments LLC	USA	-	100%
SunSIRA Infrastructure Fund, LLC	USA	-	100%
Australian Pub Fund	Australia	-	72%
MHC Lambton Park Trust	Australia	-	88%
Pacific Equity Partners Secure Assets Fund Coinvestment Trust A	Australia	-	100%

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14. RELATED PARTY TRANSACTIONS (CONT.)

(g) Controlled Entities (cont.)

Controlled entities (cont.)	Country of incorporation	Ownership interest	
		2022	2021
Sunsuper Asia Co-investment Pty. Ltd.	Singapore	-	100%
Tanarra Capital Private Investment Fund 1	Australia	-	100%
Two Sigma SunSigma Fund, LLC	USA	-	100%
Carnegie Catalyst Healthcare Real Estate Trust	Australia	-	100%
Macquarie Special Situations Limited	Bermuda	-	69%
Pellicano Trust	Australia	-	50%
Waud Capital Align Coinvest	USA	-	59%
Caspian Suncas Fund LP	Canada	-	100%
Macquarie Air Finance LP	UK	-	25%
Sunhay LP	Cayman Islands	-	100%
SunMan European Trust	Luxembourg	-	100%
Sunsuper Co-Investment Opportunity Fund 2019 Trust	Australia	-	100%
EIG Sunsuper Co-Investment II LP	Cayman Islands	-	100%
Sunvard Opportunity Fund LP	USA	-	100%
Sunbern Alternative Opportunities Fund LLC	USA	-	100%
Summit Coinvestment (Australiasia) Unit Trust	Australia	-	100%
SC Lowy SUNS CI LLC	Cayman Islands	-	100%

(1) Refer to Note 1 General Information (c) Consolidation for accounting of Controlled Entities

(2) Refer to Note 1 General Information (c) Consolidation for accounting of Subsidiaries not material to the user of the Fund's Financial Statements

SUNSUPER SUPERANNUATION FUND
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15. KEY MANAGEMENT PERSONNEL

(a) Key management personnel (KMP)

The following is a list of the Directors of Australian Retirement Trust Pty Ltd (Trustee of the Fund) and Executive of the Fund who at any time during the period and up to the date of this report had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly.

Name	Current Position Title ⁽¹⁾	Date appointed as KMP	Date ceased ⁽¹⁾
Andrew Fraser (Chair) ⁽²⁾	Director - Independent ⁽²⁾	16 Sep 2015	
Michael Clifford (Deputy chair) ⁽³⁾	Director - Member Nominated	01 Feb 2016	
Mark Goodey	Director - Member Nominated	01 Jan 2020	31 Mar 2022
Mary Elizabeth Hallett	Director - Employer Nominated	27 Mar 2014	
Mark Harvey	Director - Employer Nominated	01 Jul 2016	28 Feb 2022
Jennifer Mack	Director - Independent	01 Jul 2015	28 Feb 2022
Michael Traill	Director - Independent	16 Sep 2015	
Georgina Williams	Director - Employer Nominated	20 Jul 2018	
Catherine Wood	Director - Member Nominated	06 Dec 2019	28 Feb 2022
Bernard Reilly	Chief Executive Officer	08 Oct 2019	
Teifi Whatley	Chief Executive Officer (Acting)	19 Jun 2000	
Ian Patrick	Chief Investment Officer	23 Nov 2015	
Shane Channells	Chief Financial Officer (Acting)	19 Apr 2021	28 Feb 2022
Stevhan Davidson	IMO Executive Lead	01 Mar 2019	
Lachlan East	Chief Risk Officer	01 Nov 2016	28 Feb 2022
Rodney Greenaway	Chief Technology Officer	06 Apr 2020	
Teresa Hamilton	Company Secretary	01 Jul 2014	28 Feb 2022
Danielle Mair	Chief Strategy & Impact Officer (Acting)	26 Mar 2018	28 Feb 2022
Steven Travis	Chief Member Officer	24 Oct 2018	08 Oct 2021
Petrina Weston	Executive General Manager, People and Culture	01 Mar 2019	28 Feb 2022
David Woodall	Executive General Manager, Employer Growth	01 Mar 2019	

The following Directors were appointed to Australian Retirement Trust Pty Ltd on 28 February 2022 but had no authority and responsibility for planning, directing and controlling the activities of the Fund whilst it was operating prior to SFT:

Name	Current Position Title	Date appointed as KMP	Date ceased
Don Luke (Chair)	Director - Independent	28 Feb 2022	
Bruce Cowley	Director - Member nominated	28 Feb 2022	
Mary-Anne Curtis	Director - Employer nominated	28 Feb 2022	
Shayne Maxwell	Director - Member nominated	28 Feb 2022	
Beth Mohle	Director - Member nominated	28 Feb 2022	
Janine Walker	Director - Employer nominated	28 Feb 2022	
Kate Ruttiman	Director - Member nominated	28 Feb 2022	

(1) KMP without a cease date are KMP for Australian Retirement Trust post SFT (28 February 2022). Titles listed relate to the period prior to 28 February 2022.

(2) From 28 February 2022 Andrew Fraser is no longer Chair and is an employer nominated Director.

(3) Michael Clifford is no longer Deputy chair from 28 February 2022.

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15. KEY MANAGEMENT PERSONNEL (CONT.)

(b) Compensation and evaluation of key management personnel

Remuneration of Directors and Executives

Director remuneration consists of Board and committee fees and superannuation guarantee contributions. The fees reflect the demands on and responsibilities of those directors. Director remuneration was paid by Australian Retirement Trust Pty Ltd.

Executive remuneration comprises salaries, superannuation contributions, and short-term incentive bonuses. The Board, in conjunction with the Nominations and Remuneration Committee and the CEO, was responsible for determining the remuneration of key management personnel. The Nominations and Remuneration Committee reviewed the CEO's remuneration. The Committee made recommendations to the Board for approval of the CEO's remuneration.

Director and Executive remuneration including the CEO's, was reviewed at least annually. Remuneration levels were benchmarked against independent external sources. The Directors and Executives were paid in accordance with Remuneration Policies. In the case of directors, fees could be paid to the Director, paid to the employer of the Director or salary sacrificed as superannuation contributions.

Short-term incentive bonuses plan

The short-term incentive bonus plan rewards individual Executives for achievement of goals and attributes. Performance goals were set at the beginning of the financial year to which they relate and are measured over the course of each financial year (July to June). Performance goal results were assessed through the remuneration review process that occurs annually.

A comprehensive explanation of remuneration for key management personnel is disclosed on the Fund's public website and can be accessed via <https://www.australianretirementtrust.com.au/governance-and-reporting/prescribed-information> under Executive Officer Remuneration.

Remuneration paid and payable

The following table sets out the total remuneration paid and payable to key management personnel attributed to the Fund.

	28 Feb 2022	30 Jun 2021
	\$	\$
Directors		
Short-term employee benefits	593,914	852,527
Post-employment benefits ⁽¹⁾	80,804	114,466
	<u>674,718</u>	<u>966,993</u>
Other key management personnel		
Short-term employee benefits	4,444,355	6,368,585
Post-employment benefits	595,578	830,656
Other long-term employee benefits ⁽²⁾	71,456	52,641
Termination	1,411,579	56,280
	<u>6,522,968</u>	<u>7,308,162</u>
	<u>7,197,686</u>	<u>8,275,155</u>

(1) For directors, post-employment benefits are contributions paid or payable to superannuation plans. These include salary sacrifice payments.

(2) Other long-term employee benefits represent long service leave. Other key management personnel are entitled to pro-rata long service leave when a 7-year service period has been reached. Only key management personnel with 7 or more years of service have remuneration reflected in other long-term employee benefits. At reporting date following when 7 years of service has been reached, the full long service leave entitlement will be included in other long-term employee benefits. Subsequent reporting periods will include any increase in this entitlement as other long-term employee benefits.

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15. KEY MANAGEMENT PERSONNEL (CONT.)

(b) Compensation and evaluation of key management personnel (cont.)

The following table sets out the detailed remuneration paid and payable to key management personnel:

	Base Director Fees and Salary including short-term leave ⁽¹⁾	Chair Fees, Board and Committee ⁽²⁾	Incentive and other bonus ⁽³⁾	Non-monetary benefits - reportable fringe benefits	Superannuation contributions, (including salary sacrifice superannuation payments)	Long service leave	Termination benefits	Total ⁽⁷⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Period ended 28 Feb 2022								
Andrew Fraser	103,252	-	-	-	13,939	-	-	117,191
Michael Clifford ⁽⁴⁾	45,424	27,222	-	-	9,925	-	-	82,571
Mark Goodey ⁽⁵⁾	45,424	-	-	-	6,132	-	-	51,556
Mary Elizabeth Hallett	45,424	27,222	-	-	9,925	-	-	82,571
Mark Harvey	45,424	9,074	-	-	7,396	-	-	61,894
Jennifer Mack	45,424	9,308	-	-	7,506	-	-	62,238
Michael Traill	45,424	18,148	-	-	8,660	-	-	72,232
Georgina Williams	45,424	27,222	-	-	9,925	-	-	82,571
Catherine Wood	45,424	9,074	-	-	7,396	-	-	61,894
Bernard Reilly	528,489	-	-	-	62,499	-	-	590,988
Ian Patrick	329,682	-	-	-	42,095	-	-	371,777
Shane Channelles	207,547	-	28,330	-	32,202	-	-	268,079
Stevhan Davidson	225,044	-	-	-	29,981	3,959	-	258,984
Lachlan East	198,792	-	-	-	28,230	5,048	-	232,070
Rodney Greenaway	213,186	-	-	-	27,971	-	-	241,157
Teresa Hamilton ⁽⁶⁾	318,205	-	77,197	-	41,744	4,640	281,523	723,309
Danielle Mair ⁽⁶⁾	193,282	-	151,960	-	50,826	4,332	243,320	643,720
Steven Travis ⁽⁶⁾	162,807	-	-	-	22,477	-	717,207	902,491
Petrina Weston ⁽⁶⁾	126,448	-	144,558	-	46,578	3,332	169,529	490,445
Teifi Whatley	292,188	-	-	-	39,102	6,073	-	337,363
David Woodall	258,851	-	-	-	33,582	44,072	-	336,505

(1) The figures exclude amounts that have been salary sacrificed as superannuation payments

(2) Additional Board and Committee allowances are paid for the following positions: Investment Committee Chair, Audit Compliance and Risk Management Committee Chair, Nominations and Remuneration Committee Chair, and Claims Committee Chair. Director chairs who sit as a chair on one or more Committees are only entitled to one chair allowance. Directors who sit on two or more committees are also provided an additional committee allowance (and only one committee allowance is paid).

(3) As at the date of this report, KMP continuing with Australian Retirement Trust have not completed the performance period required to qualify for an incentive payment for the 2022 financial year. The 28 February 2022 financial results of the Fund include an incentive provision for these KMP for the period 1 July 2021 to SFT date (\$1.1m). Final individual performance goal results will be assessed through the remuneration review process that occurs annually.

(4) Director fees were paid to the employer of the Director, Queensland Council of Unions.

(5) Director fees were paid to the employer of the Director, The Australian Workers' Union of Employees.

(6) Termination benefits refer to redundancy payments arising from the KMP's role becoming redundant due to the SFT to Australian Retirement Trust and the KMP not appointed to a role in Australian Retirement Trust. Payments were in accordance with the Sunsuper Redundancy Policy.

(7) Reporting is in line with accounting standards and this may not agree to cash physically paid in the financial year

SUNSUPER SUPERANNUATION FUND
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15. KEY MANAGEMENT PERSONNEL (CONT.)

(b) Compensation and evaluation of key management personnel (cont.)

	Base Director Fees and Salary including short-term leave ⁽¹⁾	Chair Fees, Board and Committee ⁽²⁾	Incentive and other bonus	Non-monetary benefits - reportable fringe benefits	Superannuation contributions, (including salary sacrifice superannuation payments)	Long service leave	Termination benefits	Total ⁽⁶⁾
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2021								
Andrew Fraser	145,126	-	-	-	19,592	-	-	164,718
Michael Clifford ⁽³⁾	63,846	37,418	-	-	13,553	-	-	114,817
Mark Goodey ⁽⁴⁾	63,846	-	-	-	8,619	-	-	72,465
Mary Elizabeth Hallett	63,846	37,418	-	-	13,553	-	-	114,817
Mark Harvey	63,846	12,472	-	-	10,264	-	-	86,582
Jennifer Mack	63,846	37,418	-	-	13,553	-	-	114,817
Michael Traill	63,846	24,946	-	-	11,909	-	-	100,701
Georgina Williams	63,846	37,418	-	-	13,553	-	-	114,817
Catherine Wood	63,846	9,546	-	-	9,869	-	-	83,261
Bernard Reilly	737,932	-	124,728	-	109,374	-	-	972,034
Ian Patrick	466,271	-	455,602	-	122,496	-	-	1,044,369
Shane Channells	60,983	-	8,659	-	9,592	-	-	79,234
Stevhan Davidson	285,604	-	113,593	-	53,633	4,246	-	457,076
Lachlan East	310,626	-	115,776	-	56,624	5,039	-	488,065
Rodney Greenaway ⁽⁵⁾	307,424	-	134,041	-	59,277	-	-	500,742
Teresa Hamilton	287,171	-	144,052	-	56,231	4,700	-	492,154
Danielle Mair	266,563	-	118,047	-	51,849	4,414	-	440,873
Jason Sommer	420,186	-	150,000	-	59,479	-	56,280	685,945
Steven Travis	391,524	-	192,941	-	77,661	-	-	662,126
Petrina Weston	245,192	-	125,286	-	50,794	29,353	-	450,625
Teifi Whatley	315,216	-	130,777	-	60,768	4,890	-	511,651
David Woodall	398,457	-	184,785	2,626	74,915	-	-	660,783

(1) The figures exclude amounts that have been salary sacrificed as superannuation payments.

(2) Additional Board and Committee allowances are paid for the following positions: Investment Committee Chair, Audit Compliance and Risk Management Committee Chair, Nominations and Remuneration Committee Chair, and Claims Committee Chair. Director chairs who sit as a chair on one or more Committees are only entitled to one chair allowance. Directors who sit on two or more committees are also provided an additional committee allowance (and only one committee allowance is paid).

(3) Director fees were paid to the employer of the Director, Queensland Council of Unions.

(4) Director fees were paid to the employer of the Director, The Australian Workers' Union of Employees.

(5) Rodney Greenaway's employment changed to the Fund 30 September 2020 and prior to this he was remunerated by Precision Administration Services Pty Ltd.

(6) Reporting is in line with accounting standards and this may not agree to cash physically paid in the financial year

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15. KEY MANAGEMENT PERSONNEL (CONT.)

(b) Compensation and evaluation of key management personnel (cont.)

The following table sets out information about the short-term incentive bonuses which were paid or payable to each Executive in the period ended 28 February 2022 and 30 June 2021.

Name	Incentive bonus inclusive of superannuation payment	Financial year the bonus was paid/will be payable	Financial year the performance relates to	% of incentive bonus that was paid/will be payable	% of incentive bonus that was forfeited
Bernard Reilly	141,567	2022, 2023 & 2024 ⁽¹⁾	2021	91%	9%
Ian Patrick	517,108	2022, 2023 & 2024 ⁽¹⁾	2021	95%	5%
Shane Channells	9,871	2022 & 2023 ⁽²⁾	2021	88%	12%
Stevhan Davidson	128,928	2022, 2023 & 2024 ⁽¹⁾	2021	84%	16%
Lachlan East	131,406	2022, 2023 & 2024 ⁽¹⁾	2021	97%	3%
Rodney Greenaway	152,137	2022, 2023 & 2024 ⁽¹⁾	2021	84%	16%
Teresa Hamilton	163,499	2022, 2023 & 2024 ⁽¹⁾	2021	97%	3%
Danielle Mair	133,984	2022, 2023 & 2024 ⁽¹⁾	2021	84%	16%
Petrina Weston	142,200	2022, 2023 & 2024 ⁽¹⁾	2021	95%	5%
Teifi Whatley	148,432	2022, 2023 & 2024 ⁽¹⁾	2021	84%	16%
David Woodall	209,731	2022, 2023 & 2024 ⁽¹⁾	2021	95%	5%
Steven Travis	218,988	2022, 2023 & 2024 ^(1,4)	2021	95%	5%
Bernard Reilly		2023, 2024 & 2025 ⁽³⁾	2022		
Ian Patrick		2023, 2024 & 2025 ⁽³⁾	2022		
Shane Channells		2023, 2024 & 2025 ⁽³⁾	2022		
Stevhan Davidson	Performance period not yet completed ⁽⁵⁾	2023, 2024 & 2025 ⁽³⁾	2022		
Lachlan East		2023, 2024 & 2025 ⁽³⁾	2022		
Rodney Greenaway		2023, 2024 & 2025 ⁽³⁾	2022		
Teifi Whatley		2023, 2024 & 2025 ⁽³⁾	2022		
David Woodall		2023, 2024 & 2025 ⁽³⁾	2022		
Teresa Hamilton	87,619	2022, 2023 & 2024 ^(1,4)	2022	50%	50%
Danielle Mair	82,242	2022, 2023 & 2024 ^(1,4)	2022	50%	50%
Petrina Weston	78,948	2022, 2023 & 2024 ^(1,4)	2022	50%	50%
Shane Channells	28,420	2022 ⁽⁶⁾	2022	50%	50%
Danielle Mair	79,500	2022 ⁽⁶⁾	2022	100%	0%
Petrina Weston	75,000	2022 ⁽⁶⁾	2022	100%	0%

(1) 60% of the total incentive payment was paid in FY 2022 20% will be paid in FY 2023 and the remaining 20% will be paid in FY2024

(2) 75% of the total incentive payment was paid in FY 2022 and remaining 25% will be paid in FY 2023

(3) 60% of the total incentive payment will be paid in FY 2023 20% will be paid in FY 2024 and the remaining 20% paid in FY2025

(4) KMP's role was made redundant and KMP retrenched. The deferred amount will remain on-foot and payable on the 2 year schedule.

(5) As at the date of this report, KMP continuing with Australian Retirement Trust have not completed the performance period required to qualify for an incentive payment for the 2022 financial year. The 28 February 2022 financial results of the Fund include an incentive provision for these KMP for the period 1 July 2021 to SFT date (\$1.1m). Final individual performance goal results will be assessed through the remuneration review process that occurs annually.

(6) Retention bonus incurred and paid in 2022.

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15. KEY MANAGEMENT PERSONNEL (CONT.)

(c) Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the period 1 July 2021 to 28 February 2022 and the number of meetings attended by each director (while they were a director or committee member).

	Board	Audit, Compliance and Risk Management Committee	Investment Committee	Nominations and Remuneration Committee	Member Outcomes and Claims Committee	Corporate Plans Committee
Number of meetings held in the year	9	5	3	4	7	5
Directors	Number of meetings attended ⁽¹⁾					
Andrew Fraser	9 (9)	5 (5)	3 (3)	4 (4)	N/A	N/A
Michael Clifford	9 (9)	N/A	2 (3)	4 (4)	N/A	N/A
Mark Goodey	9 (9)	5 (5)	N/A	N/A	N/A	N/A
Mary Elizabeth Hallett	9 (9)	5 (5)	3 (3)	4 (4)	N/A	5 (5)
Mark Harvey	8 (9)	5 (5)	N/A	N/A	6 (7)	N/A
Jennifer Mack	9 (9)	N/A	N/A	4 (4)	7 (7)	5 (5)
Michael Traill	9 (9)	N/A	2 (3)	N/A	N/A	N/A
Georgina Williams	9 (9)	N/A	2 (3)	N/A	7 (7)	5 (5)
Catherine Wood	9 (9)	N/A	3 (3)	N/A	7 (7)	N/A

(1) Where the total number of meetings the Director was eligible to attend is less than the number of meetings held in the year, the number of meetings the Director was eligible to attend is shown in brackets. Eligibility to attend meetings may be less than the number of meetings held in the year due to appointment and resignation of Directors and rotation of committee membership.

16. SUBSEQUENT EVENTS

There have been no other matters or circumstances since 28 February 2022 that have significantly affected or may significantly affect the Fund.