

Annual Financial Report 30 June 2024

AustralianSuper ABN 65 714 394 898

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Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

Directors' report

The Directors of AustralianSuper Pty Ltd (the "Trustee") present their report on AustralianSuper (the "Fund") for the year ended 30 June 2024.

Principal activities

AustralianSuper's purpose is to help members achieve their best financial position in retirement. We are focused on delivering strong long-term investment performance and lower fees for members.

As Australia's largest superannuation fund, we use our size, scale and expertise to help us access the best investment opportunities for members. As a profit-for-member superannuation fund, we don't pay profits or dividends to shareholders – any profit we make is for members.

The financial year ended 30 June 2024 was, like the previous year, characterised by ongoing inflation, high living costs and geopolitical tensions. The Fund acknowledges that members have felt the effects of these economic challenges and geopolitical tensions.

In this environment, the Fund remains focused on making it simpler and easier for members to get the right advice and information to help them achieve their best financial position in retirement. The Fund continues to review and refine its products and services to best meet the diverse and dynamic needs of members.

The Fund offers accumulation accounts for members who are saving for retirement, an account-based pension for eligible members and a Transition to Retirement account. We also offer members insurance cover (Death, Total & Permanent Disablement, and Income Protection). We provide support and guidance to help members manage their superannuation and approach their retirement with confidence.

There were no significant changes in the nature of the Fund's principal activities during the financial year.

Review of operations

As at 30 June 2024, AustralianSuper's key highlights include:

- a return of 8.46% this year and an 8.07% average annual return over the last 10 years for the Balanced investment option
- a return of 9.25% this year and an 8.83% average annual return over the last 10 years for the Choice Income pension Balanced investment option
- over \$341 billion of member assets invested for the long term, increased from nearly \$300 billion last year
- over 3.4 million members, representing one in seven working Australians¹.

Investment performance

Investment markets have provided favourable returns for members over the financial year. A significant contributor to performance was the robust growth in both Australian and international listed markets driven by technology advances and consumer spending. Each of the PreMixed options outperformed their median fund² and/or CPI objective over the 10 years to 30 June 2024 and have provided long-term returns in line with the risk profile of each option.

Investment returns

The Fund offers members the choice of 11 different investment options, including diversified options, specific asset class options and a range of diversified, single sector and single security investment options.

The Balanced option for super accounts, where most members are invested, returned 8.46% for the year to 30 June 2024. For Choice Income pension account holders, the Balanced option achieved a return of 9.25% for the year to 30 June 2024. All of the Fund's investment options generated positive investment returns for the year ended 30 June 2024.

The following table sets out the returns for the Balanced option for super and Choice Income pension accounts for one, five and 10 years to 30 June 2024³. Visit the Fund's website to see **the performance of all investment options**.

Performance to 30 June 2024

	1 year	5 years p.a	10 years p.a.
Balanced option (super accounts)	8.46%	6.68%.	8.07%
Balanced option - Choice Income (pension accounts)	9.25%	7.26%	8.83%

¹ Australian Bureau of Statistics (Labour force) and AustralianSuper Member Data, June 2024.

² SuperRatings Fund Crediting Rate Survey to 30 June 2024. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

³ Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

Portfolio positioning

The investment team has been adjusting the portfolios based on an improved economic outlook. This has meant a moderate increase in our exposure to growth assets, like listed shares. Over time, we expect to increase exposure through unlisted assets, such as private equity, infrastructure, and private credit. The focus of the investment team is to position the portfolio to deliver the best outcomes for members over the long term.

Global investment capability

Our global investment team of more than 380 professionals includes a diverse range of specialists with deep sector knowledge and investment experience.

The Fund has offices in Melbourne, Sydney, London, New York and Beijing. Local teams on the ground in these markets help us build relationships with world-class partners and source attractive investment opportunities for members.

With the opening of our expanded New York office this year, we have grown our international team to more than 150 colleagues across our three global offices.

Financial position

The Fund's financial position strengthened during the year, with net assets available for members' benefits increasing by \$43 billion to \$343 billion. The increase included net contributions received by the Fund of \$34 billion and was after making benefit payments to members and beneficiaries of \$17 billion. Also contributing to the strong growth in net assets was net investment income allocated to members of \$27 billion.

The Fund maintained strong reserve balances during the year, with total reserves at year-end reaching \$1.7 billion, an increase of \$0.4 billion during the financial year.

Improvements to the Fund's service model

This year, the Fund made a number of changes to its service model. Two key changes included to:

- in-source the Fund's death claims management through a new Bereavement Centre, and
- build additional complaints handling capability.

Changes to the Fund's death claims and complaints services followed a decision late last financial year to transition to a new claims assessment model with our insurer, TAL¹.

Advocating for improvements

There were important changes to super this year. From 1 July 2024, the Superannuation Guarantee increased to 11.5% as part of the legislated increases which will see it reach 12% in 2025. In March 2024, the Federal Government announced that the Superannuation Guarantee would be extended to the Commonwealth Parental Leave Pay Scheme. We believe that defining an objective of super in legislation will provide certainty and stability. In November 2023, the following proposed objective, which we support, was introduced into the Federal Parliament: 'To preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way'.

AustralianSuper made 23 submissions in the last financial year. These are published on our website in the **About us/Policy and advocacy** section.

Enterprise agreement

This year, a new Enterprise Agreement was successfully negotiated with AustralianSuper colleagues and the Finance Sector Union. It became effective from October 2023 and will be in place until June 2026.

Changing for growth

AustralianSuper is growing and the superannuation industry is constantly changing. To ensure we're in the best position to help members achieve their goals, we need to change too. This year, the Fund has developed its 2035 Strategy.

We remain committed to our purpose to help members achieve their best financial position in retirement.

Significant changes in the state of affairs

There have been no significant changes to the Fund's state of affairs during the financial year.

Matters subsequent to the end of the financial year

The Directors are not aware of any matter or circumstance that has occurred since 30 June 2024 that has significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent financial years.

Likely developments

Likely developments in the Fund's operations in future financial years and the expected results of those operations are included in the Review of operations section of this report.

Environmental regulation

The Fund is not currently subject to significant environmental regulation in respect of its activities. However, climate change is one of the most significant investment issues today, impacting economies, industries, societies and the environment.

¹ AustralianSuper insurance is provided by TAL Life Limited (the Insurer) ABN 70 050 109 450, AFSL 237848.

Directors

The following table shows a list of Directors of the Trustee as at 30 June 2024.

Director	Appointment date	Expiry of current term ¹
Member nominated		
Julia Angrisano	31 Aug 2017	31 Aug 2026
Michele O'Neil	10 Sep 2021	10 Sep 2027
Jo-anne Schofield	9 Sep 2022	9 Sep 2025
Glenn Thompson	31 Jan 2020	31 Jan 2026
Misha Zelinsky	12 Oct 2023	12 Oct 2026
Employer nominated		
Gabrielle Coyne	31 Aug 2017	31 Aug 2026
John Dixon	26 Sep 2019	26 Sep 2025
Claire Keating	1 Jan 2020	1 Jan 2026
Janice van Reyk	1 Apr 2022	1 Apr 2025
Innes Willox	9 Dec 2014	9 Dec 2026
Independent		
Philippa Kelly	5 Nov 2021	5 Nov 2027
Dr Don Russell	2 May 2019	2 May 2025

¹ Directors may be re-appointed for up to three years under the terms of the Trustee's constitution.

Daniel Walton ceased as a member-nominated Director on 1 September 2023.

The qualifications, experience and special responsibilities of the Directors and Committee members can be found in the **About us/Our people** section of the Fund's website.

Non-audit services

During the year, the following amounts were paid to the Fund's auditor, PwC Australia and PwC network firms. The services provided and fees paid relate to all entities in the AustralianSuper group which is comprised of the Fund and its global reporting entities.

	2024 \$'000
Audit-related services	1,637
Audit of compliance and other regulatory returns	298
Other non-audit services	349
Total	2,284

The Directors are satisfied that the provision of non-audit services during the year by PwC is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and did not compromise the auditor independence requirements of that Act. In making these statements, the Directors have taken advice from the Fund's Finance and Audit Committee (FAC).

All appointments of PwC to perform non-audit services during the year were made in accordance with the Fund's Auditor Independence Policy. Under that policy, the provision of non-audit services by the external auditor must be warranted due to their particular expertise, knowledge and value proposition. The engagement of the external auditor for non-audit services is only done where there is no actual or perceived conflict of interest. Under its terms of reference, the FAC reviews and assesses the performance of the external auditor at least annually, including an assessment of whether the auditor meets the audit independence tests set out in Accounting Professional & Ethical Standards (APES) 110 Code of Ethics for Professional Accountants, as well as the additional auditor independence requirements set out in Prudential Standard SPS 510 Governance.

Auditor's independence declaration

The auditor's independence declaration is set out on page 23.

Rounding off

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest million dollars, or, in certain cases, the nearest thousand dollars.

Remuneration report

AustralianSuper engages qualified and experienced colleagues to deliver benefits and services to our members.

The Remuneration Report includes an overview of our remuneration framework as well as information on the remuneration arrangements of our Key Management Personnel (KMP). The Key Management Personnel for FY24 are as follows:

Director	Position	Term as KMP
Julia Angrisano	Director	Full year
Gabrielle Coyne	Director	Full year
John Dixon	Director	Full year
Claire Keating	Director	Full year
Philippa Kelly	Director	Full year
Michele O'Neil	Director	Full year
Dr Don Russell	Director	Full year
Jo-anne Schofield	Director	Full year
Glenn Thompson	Director	Full year
Janice van Reyk	Director	Full year
Daniel Walton	Director (ceased 1 September 2023)	Part year
Innes Willox	Director	Full year
Misha Zelinsky	Director (appointed 12 October 2023)	Part year
Pippa Downes	Specialist Committee Member	Full year
Russell Maddox	Specialist Committee Member	Full year
Richard Price	Specialist Committee Member	Full year

Executive	Position	Term as KMP
Paul Schroder	Chief Executive	Full year
Mark Delaney	Chief Investment Officer & Deputy Chief Executive	Full year
Paula Benson	Chief Officer Strategy & Corporate Affairs (appointed 18 September 2023)	Part year
Shawn Blackmore	Chief Officer Retirement	Full year
Peter Curtis	Chief Operating Officer	Full year
Michele Glover	Chief Colleague Officer	Full year
Rose Kerlin	Chief Member Officer	Full year
Andrew Mantello	Chief Risk Officer	Full year

Damian Moloney, Deputy Chief Investment Officer & Head of International Investments is part of the Executive Committee but not KMP.

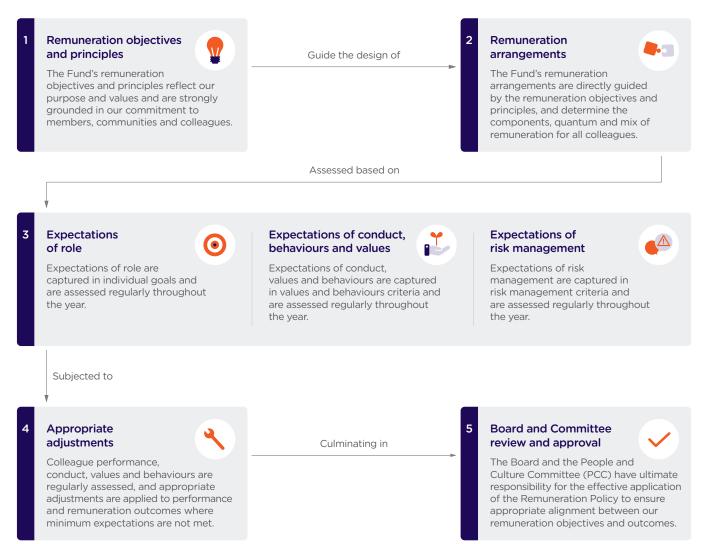
Remuneration approach

AustralianSuper is a purpose and values-led organisation that exists for the achievement of members' best financial interests. As an industry superannuation fund, our singular focus is to help members achieve their best possible retirement outcomes.

Our remuneration arrangements reflect this commitment and bear a strong alignment to the principles outlined in our Members' Best Financial Interest Framework. The design and application of our remuneration arrangements is underpinned by our remuneration objectives and principles that are the direct articulation of how the Fund's approach to remuneration supports the achievement of its ambition, purpose, vision, strategy and risk management framework. Remuneration outcomes of our colleagues are subject to assessments on expectations of their role as well as expectations of conduct and risk. Remuneration outcomes are also subject to appropriate adjustments where these expectations are not met. Extensive governance and oversight mechanisms are in place to ensure appropriate alignment between our remuneration objectives and outcomes.

The illustration (below) depicts how remuneration is set and managed at AustralianSuper and provides an overview of elements that influence remuneration design and outcomes.

How remuneration is set and managed at AustralianSuper



Remuneration report (cont.)

Remuneration objectives

Our remuneration objectives state what we aim to achieve through our approach to remuneration, which is to:

- ensure remuneration is aligned with the Fund's purpose, values, and the reasonable expectations of members and colleagues
- enable the attraction and retention of the best talent to support members' best financial interests
- drive the trustworthiness of the Fund through outstanding performance balanced with sound and effective risk management
- reflect the Fund's significance, complexity, and position in domestic and international markets, including complying with all the Fund's obligations in all relevant jurisdictions
- ensure that remuneration outcomes are sensitive to community expectations as conditions and sentiment move through time
- deliver remuneration programs and practices that are simple, distinctive, and consistent with the Fund's ambitions for leading practice.

Remuneration principles

The remuneration objectives are reinforced by remuneration principles which guide our actions in applying the Fund's remuneration framework. The remuneration framework and remuneration outcomes must:

- be aligned to and promote the Fund's values and culture as a profit-for-member Fund
- allow us to attract and retain the best talent
- drive performance and trustworthiness
- generate long-term sustainable outperformance in keeping with the Fund's ambitions for members
- comply with our obligations and community expectations
- be simple and easy to understand.

In setting remuneration:

- we are committed to equal pay for work of equal work value
- we prefer collective based over individual recognition
- we recognise the workforce is well paid and with greater reward comes greater responsibility and expectation
- we do not support carried interest or other remuneration arrangements that could distort our obligation to members
- we are prepared to be different if difference delivers greater value for members
- where we tailor our practices for different markets, we will retain alignment to our culture and values.

In setting and managing remuneration, we consider the link between remuneration and the Fund's strategy, risk management framework and the best financial interests of members. The Fund's remuneration principles have been reviewed and updated to ensure continued alignment to our purpose, vision and strategy.

Remuneration governance

The Board and the People and Culture Committee (PCC) have ultimate responsibility for the effective application of the Fund's Remuneration Policy. The Fund has put in place extensive governance and oversight mechanisms that ensure that the Board and the PCC have appropriate visibility, information and powers to carry out this responsibility and ensure that there is sufficient alignment between the Fund's remuneration design, arrangements and outcomes and the expectations and best financial interests of members.

The PCC is responsible for making recommendations to the Board on remuneration matters such as:

- fees to be paid to Board Directors (including the Chair, Board Committee Chairs and Board Committee members)
- the Fund's Remuneration Policy and framework, including the Fund's variable remuneration plan for eligible investment colleagues (Investment Performance Payment Plan or IPPP)
- determining the remuneration for the Chief Executive, Key Management Personnel, Material Risk Takers and other roles specified by regulation
- major changes to conditions of employment for colleagues.

Performance, conduct, risk and remuneration

As an entity regulated by several different bodies in Australia and internationally, the Fund adheres to all relevant regulatory and legislative requirements for all forms of remuneration. These requirements include establishing a strong link between remuneration outcomes and performance, conduct and risk management, with an appropriate balance between cash and deferred variable remuneration for specified roles. Assessment of each colleague's remuneration is based on expected standards of performance as well as conduct and risk management being met.

The Fund has a Consequence Management Framework that addresses incidents that contravene expectations of performance, conduct and risk. These mechanisms ensure that any consequences applied in response to such contraventions are fair, consistent and proportionate. The range of consequences available to the Fund include but are not limited to downward adjustments to in-year awards of variable remuneration, reduction of proposed fixed remuneration increases, impacts to development opportunities and in serious or severe cases impacts to employment and application of malus and/or clawback.

Remuneration report (cont.)

Fixed remuneration

Fixed annual remuneration is set in line with industry standards while ensuring it is consistent with the Fund's core tenet of being a members first fund.

Fixed annual remuneration for colleagues is determined with reference to levels necessary to recruit and retain colleagues with the relevant skills and experience, and to remuneration levels across the Fund. The Fund targets a Total Remuneration position that is competitive within the relevant market for all roles globally, while ensuring that remuneration levels are not excessive. Fixed annual remuneration is comprised of base salary and superannuation guarantee contributions or other pension contributions as stipulated by relevant jurisdictional requirements.

All AustralianSuper colleagues are employed under the AustralianSuper Enterprise Agreement. Colleagues whose salaries are set under the Agreement received annual increases to their remuneration in accordance with the Agreement.

Investment Performance Payment Plan

AustralianSuper operates a collective Investment Performance Payment Plan (IPPP) which applies to frontline investment colleagues. The level of IPPP opportunity is set with reference to levels necessary to recruit and retain colleagues with relevant skills and experience, and to remuneration levels in the Fund and the relevant market.

The IPPP is designed to drive strong alignment with member outcomes and is intended to reflect:

- the investment performance of the Balanced investment option (accumulation) and, where relevant, the internally managed sector or asset class over a rolling three-year period
- the management of costs of the Balanced option (accumulation) over a rolling three-year period
- the improvement of female gender representation in the Fund's investment management team
- an individual's performance with respect to personal objectives in their role in the Fund.

Payments under the plan only occur when all of the following targets are met in a financial year:

- investment performance of AustralianSuper's Balanced option is positive over a rolling three-year period
- investment performance of the Balanced option is above the median performance of the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index over a rolling three-year period
- the participant achieves individual performance, risk and behaviours assessment ratings of at least 'meets expectations' in their annual performance assessment.

A holistic review of the IPPP is being undertaken to ensure that the plan maintains strong alignment with our ambition, purpose, vision and strategy with changes planned to be implemented in FY25.

Performance of the Investment Performance Payment Plan threshold measures in the FY24 financial year

Measure	Benchmark	Performance	Result
Investment performance of the Balanced option is positive over a three-year rolling period	Positive	Positive	Achieved
Investment performance of the Balanced option is above that of the median Balanced fund in the relevant SuperRatings SR50 survey over a three-year rolling period	4.72%	4.51%	Not achieved

Performance measures and weighting

The table below provides an overview of the applicable measures and their weighting used to calculate and determine the IPPP payment for the Chief Investment Officer:

Measure	Measure description	Threshold to achieve minimum	Outperformance to achieve maximum	% achieved	Weighting
Fund performance (Balanced option) measure weighting	The investment performance of the Fund's Balanced option to meet or to exceed the median ranked balanced option fund in the survey over a three-year rolling period	Median	Top decile	0%	80%
Cost management performance measure weighting	Management Expense Ratio + Controllable Transaction Costs, which are measures of investment costs under the control of the CIO	n/a	<58.7 bps p.a.	100%	10%

Measure	Measure description	Target	% achieved	Weighting
Diversity performance measure weighting	Representation of females at CIO-3 in investments	40%	100%	10%

Remuneration report (cont.)

Investment Performance Payment Plan (cont.)

The Investment Performance Payment Plan is based on:

Measure	Fund performance (Balanced option) measure weighting	Portfolio performance measure weighting	Diversity measure weighting	Cost management measure weighting
CIO and non-asset portfolio roles	80%	0%	10%	10%
All other people leaders	65%	15%	10%	10%
All other team members	70%	15%	0%	15%

Participants may be awarded a payment of between 10–125% of their fixed annual remuneration, dependent on their role. Payments under the IPPP are made in cash. The Chief Executive and the People and Culture Committee review the performance conditions and weightings of the Plan at least annually, in order to ensure that the Plan is in line with the objectives set out in the Remuneration Policy.

Deferral

Certain roles that participate in the IPPP are subject to payment deferral as shown in the table below:

Measure	Deferral percentage	Deferral length	Vesting periods	Vesting split
Responsible Persons/ Senior Managers	40%	5 years from the start of the current performance year	Years 4 and 5	Equal
Material Risk Takers	40%	4 years from the start of the current performance year	Years 2, 3 and 4	Equal

Malus and payment variation

The Board maintains the right to reduce, potentially to zero, any IPPP payment amount including any amount of unvested deferral for any reason, including but not limited to:

- (i) adverse risk and conduct outcomes such as;
 - (a) misconduct leading to significant adverse outcomes;
 - (b) a significant failure of financial or non-financial risk management;
 - (c) a significant failure or breach of accountability, fitness and propriety, or compliance obligations;
 - (d) a significant error or a significant misstatement of criteria on which the variable remuneration determination was based;
 - (e) significant adverse outcomes for members, beneficiaries or counterparties
- (ii) other serious misconduct or fraud by the colleague
- (iii) other unsatisfactory performance by the colleague
- (iv) protection of the financial position of the Trustee, and any of its connected entities, or for the purposes of any other relevant prudential matter; and
- (v) ability to respond to significant unexpected or unforeseen circumstances.

The Board may also vary or reduce any payment to recover an amount paid as the result of an error in performance or payment calculations from the current or prior performance years. In circumstances involving a person under investigation for criteria specified above, any amount under the IPPP will not be paid or vest until the investigation is closed.

Clawback and/or recovery of payments

The Board acting in good faith may approve the recovery (clawback) of any performance-based awards (including amounts deferred from a prior year) in relation to the IPPP for any reason including those reasons outlined above. Payment recovery can apply:

- (i) to any prior payment or vesting of deferred payment under the IPPP
- (ii) whether or not the employment or engagement of the person has ceased.

Remuneration report (cont.)

Key Management Personnel remuneration

The following section includes remuneration disclosures for the Fund's Key Management Personnel which include the Chief Executive and Chiefs of Domain reporting to the Chief Executive.

FY24 Remuneration for Key Management Personnel

Executive	Position title (as at 30 June 2024)	Date commenced in role	Date ceased in role	Salary¹ \$	
Paul Schroder	Chief Executive	1 Oct 2021		1,579,231	
Mark Delaney	Chief Investment Officer & Deputy Chief Executive	14 Sep 2013		1,040,943	
Paula Benson ⁷	Chief Officer Strategy & Corporate Affairs	18 Sep 2023		542,923	
Shawn Blackmore	Chief Officer Retirement	1 Dec 2022		747,842	
Peter Curtis	Chief Operating Officer	5 Aug 2019		1,049,555	
Michele Glover	Chief Colleague Officer	1 Dec 2022		720,984	
Rose Kerlin	Chief Member Officer	1 Dec 2022		874,448	
Andrew Mantello	Chief Risk Officer	1 Oct 2021		776,182	
Total				7,332,108	

¹ Represents cash remuneration paid during the financial year before superannuation and investment performance payments. This amount does not include any accrual for annual leave or long service leave.

² Represents the cash component of the performance entitlement awarded in respect of the relevant financial year. There was no short-term incentive entitlement awarded in respect of FY24.

³ Andrew Mantello's non-monetary benefit represents relocation costs associated with a secondment in FY24 to the Fund's UK office.

⁴ Paula Benson's other short-term benefit reflects an entitlement of \$64,000 for agreeing to accept her role, in lieu of foregone entitlements from a previous employer. The entitlement has not been paid, but the service condition was met on 31 August 2024. The amount included in the remuneration table reflects the FY24 accounting expense.

⁵ Represents the FY24 accounting expense associated with the deferred component of the performance entitlement awarded in previous financial years and paid in the current financial year. The Chief Investment Officer has 40% of performance entitlements awarded in FY21, FY22 and FY23 deferred over 5 years, with equal portions vesting in years 2, 3, 4, and 5.

⁶ Represents the movement in annual leave and long service leave entitlements accrued but not taken during the relevant financial year.

⁷ Appointed as Chief Officer Strategy & Corporate Affairs effective 18 September 2023. Remuneration for the role was determined in accordance with the Fund's remuneration objectives and principles and is reviewed annually.

Total remuneration \$	Movement in leave entitlements ⁶ \$	Deferred incentive⁵ \$	Superannuation \$	Other short-term benefits⁴ \$	Other non-monetary benefits ³ \$	Short-term incentive² \$
1,674,542	67,811	-	27,500	-	-	-
1,281,740	(3,408)	216,705	27,500	_	-	-
639,535	23,389	-	20,625	52,598	_	_
753,607	(21,735)	-	27,500	-	_	_
1,086,210	9,155	-	27,500	_	_	_
771,932	23,448	-	27,500	-	-	_
951,910	49,962	-	27,500	-	-	_
1,134,429	37,999	-	27,500	-	292,748	_
8,293,905	186,621	216,705	213,125	52,598	292,748	-

Remuneration report (cont.)

Key Management Personnel remuneration (cont.)

FY24 variable remuneration - Chief Investment Officer

The following section summarises the terms and conditions of a performance-related cash bonus made to Key Management Personnel during the FY24 financial year. The only KMP that is eligible to receive a performancerelated cash bonus is the Chief Investment Officer and Deputy Chief Executive (CIO). The performance-related cash bonus for the CIO has been calculated in accordance with the principles outlined under the "Investment Performance Payment Plan" section of this report.

The table below outlines the following information:

- (a) grant date;
- (b) the percentage of incentive for FY24 that was forfeited by the CIO because of service/performance criteria for incentive not being met in the financial year;

- (c) the financial years, after FY24, for which the incentive would have been payable if the CIO had met the service and performance criteria for the deferred incentive, noting that no payments were made for FY24 as the relevant criteria were not met.
- (d) The total target incentive which is the maximum possible value of incentive that could have been be earned in the FY24 financial year and paid according to the schedule outlined below. The minimum possible value was nil, which would occur as a result of the relevant thresholds not being met as outlined previously.

Where applicable, all incentive amounts are paid in cash. The service and performance criteria that are used to determine the value of the actual incentive earned is as outlined under the "Performance of the Investment Performance Payment Plan threshold measures in the FY24 financial year" section.

Chief Investment Officer - FY24 variable remuneration	

Incentive type	Proportion of incentive	Total target incentive \$	Actual incentive earned \$
Upfront	60%	728,333	-
Deferred (Year 4)	20%	242,778	-
Deferred (Year 5)	20%	242,778	-
Total	100%	1,213,889	-

Grant date: N/A. Percentage of target incentive earned: 0%. Percentage of target incentive forfeited: 100%.

Board Director remuneration

Board Directors are remunerated for their work, having regard to their specific responsibilities and the nature and objectives of the Fund. The fees are reviewed with effect from 1 July each year. The tables below outline the relevant fees for the Board as well as Board committees, with individual fees earned during FY24.

Fees as at 30 June 2024

Committee	Member \$	Chair \$	Deputy \$
Board	45,200	180,200	69,400
Finance and Audit Committee	28,000	69,400	-
Risk and Compliance Committee	28,000	69,400	-
Investment Committee	67,500	168,800	-
Member and Employer Services Committee	28,000	69,400	-
People and Culture Committee	28,000	69,400	-

Independent Investment Committee member fee is \$88,400 per annum.

Remuneration report (cont.)

Key Management Personnel remuneration (cont.)

Board Director remuneration (cont.)

Director fees for FY24

Director	Ref	Cash fees \$	Superannuation \$	Total \$
Julia Angrisano	1	101,200	11,259	112,459
Gabrielle Coyne	2	135,536	14,968	150,504
John Dixon		142,600	15,745	158,345
Claire Keating		142,600	15,745	158,345
Philippa Kelly		214,000	23,629	237,629
Michele O'Neil	3	152,800	16,984	169,784
Dr Don Russell		309,733	27,500	337,233
Jo-anne Schofield	4	101,200	11,259	112,459
Glenn Thompson	5	168,700	18,768	187,468
Janice van Reyk	6	125,975	13,941	139,916
Daniel Walton	7	35,850	3,944	39,794
Innes Willox	8	194,200	21,448	215,648
Misha Zelinsky	9	121,413	13,566	134,979
Total		1,945,807	208,756	2,154,563

¹ These fees are paid to the Finance Sector Union.

² Appointed as Acting MESC chair effective 2 September 2023.

³ These fees are paid to the Australian Council of Trade Unions. Ceased as the Board Deputy Chair effective 31 December 2023.

⁴ These fees are paid to the United Workers Union.

⁵ These fees are paid to the Australian Manufacturing Workers' Union.

⁶ These fees include \$27,500 paid for representing the Fund as a director on the Board of an investment of the Fund.

⁷ These fees were paid to the Australian Workers' Union. Ceased as a Director and MESC chair effective 1 September 2023.

⁸ These fees were paid to the Australian Industry Group until 30 November 2023. Appointed as the Board Deputy Chair effective 1 January 2024.

⁹ These fees are paid to the Australian Workers' Union. Appointed as a Member Director effective 12 October 2023.

Commitee member fees for FY24

Committee member	Cash fees \$	Superannuation \$	Total \$
Pippa Downes	88,400	9,761	98,161
Russell Maddox	88,400	9,761	98,161
Richard Price	88,400	9,761	98,161
Total	265,200	29,283	294,483

This report is made in accordance with a resolution of the Directors of AustralianSuper Pty Ltd.

Dansell

Dr Don Russell Director

ent

Claire Keating Director

Melbourne 3 September 2024

Auditor's independence declaration



Auditor's independence declaration

As lead auditor for the audit of AustralianSuper for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AustralianSuper.

CJ Cummins Partner PricewaterhouseCoopers

Melbourne 3 September 2024

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Financial statements

Statement of financial position

	Notes	2024 \$m	2023 \$m
Assets			
Cash and cash equivalents	2	18,626	17,517
Listed equity securities	3	189,322	149,526
Fixed income securities	3	76,510	72,141
Derivatives	3, 4	2,927	1,555
Unlisted securities	3	70,478	67,223
Receivables	5(a)	674	702
Receivable for securities sold	5(c)	1,317	2,613
Other - Fund administration assets	15	138	158
Total assets		359,992	311,435
Liabilities			
Derivatives	3, 4	1,025	2,627
Payables	5(b)	1,026	67
Payable for securities purchased	5(c)	6,454	2,419
Income tax payable		1,649	751
Deferred tax liabilities	6(d)	6,353	4,885
Other - Fund administration liabilities	15	278	289
Total liabilities excluding members' benefits		16,785	11,038
Net assets available for members' benefits		343,207	300,397
Members' benefits	11	341,545	299,124
Net assets		1,662	1,273
Equity – reserves	14		
Operational risk financial reserve		847	772
Other reserves		815	501
Total reserves		1,662	1,273

The statement of financial position should be read in conjunction with the accompanying notes.

Financial report (continued)

Financial statements (cont.)

Income statement

	Notes	2024 \$m	2023 \$m
Income			
Interest	7(a) <i>(i)</i>	2,900	1,387
Dividends and distributions	7(a) <i>(ii)</i>	6,432	6,641
Other investment income	7(a) <i>(iv)</i>	96	87
Net changes in fair value of financial instruments	7(a) <i>(iii)</i>	20,098	16,177
Sundry income	7(a) <i>(iv)</i>	212	211
Total income		29,738	24,503
Expenses			
Investment expenses	7(c)	(887)	(700)
Administration expenses	7(e)	(564)	(472)
Trustee services fees		(7)	(6)
Trustee risk reserve fee		(6)	(22)
Total expenses		(1,464)	(1,200)
Operating result before income tax		28,274	23,303
Income tax expense/(benefit)	6(a)	1,632	1,144
Operating result after income tax		26,642	22,159
Net investment loss/(income) to members		(26,651)	(22,237)
Administration fees charged to members		398	367
Net operating result		389	289

The income statement should be read in conjunction with the accompanying notes.

Statement of changes in members' benefits

No	otes	2024 \$m	2023 \$m
Opening balance of members' benefits		299,124	258,000
Employer contributions		19,820	16,904
Member contributions		5,900	4,872
Transfers from other superannuation plans		11,132	13,325
Income tax on contributions 6	6(c)	(3,145)	(2,658)
After tax contributions		33,707	32,443
Benefit payments to members or beneficiaries		(17,265)	(12,693)
Insurance premiums charged to members		(806)	(848)
Death and disability benefits credited to members		532	352
Net investment income/(loss) to members		26,651	22,237
Administration fees charged to members		(398)	(367)
Closing balance of members' benefits	11	341,545	299,124

The statement of changes in members' benefits should be read in conjunction with the accompanying notes.

Financial report (continued)

Financial statements (cont.)

Statement of changes in reserves

	Operational risk financial reserve \$m	Investment reserve \$m	Administration reserve \$m	Insurance reserve \$m	Insurance administration reserve \$m	Total reserves \$m
Balance at 1 July 2023	772	(29)	142	388	-	1,273
Net transfers between reserves	87	(87)	(37)	-	37	-
Operating result	(12)	248	40	121	(8)	389
Balance at 30 June 2024	847	132	145	509	29	1,662

	Operational risk financial reserve \$m	Investment reserve \$m	Administration reserve \$m	Insurance reserve \$m	Insurance administration reserve \$m	Total reserves \$m
Balance at 1 July 2022	670	(70)	139	245	-	984
Net transfers between reserves	157	(164)	7	-	-	-
Operating result	(55)	205	(4)	143	-	289
Balance at 30 June 2023	772	(29)	142	388	-	1,273

Further information about the Fund's reserves can be found at note 14.

The statement of changes in reserves should be read in conjunction with the accompanying notes.

Statement of cash flows

Notes	2024 \$m	2023 \$m
Cash flows from operating activities		
Interest income received	2,900	1,387
Dividend and distribution income received	6,540	6,602
Death and disability claims received	532	352
Other income received	249	211
Insurance premiums paid	(772)	(818)
Trustee services fee paid	(7)	(6)
Investment expenses paid	(884)	(710)
Administration expenses paid	(526)	(472)
Trustee risk reserve fee paid	(6)	(22)
Income tax received/(paid)	825	1,596
Net each inflow/(autiliau) from an excitation activities		
Net cash inflow/(outflow) from operating activities 8(a)	8,851	8,120
Net cash inflow/(outflow) from operating activities 8(a) Cash flows from investment activities 8(b)	8,851	8,120
	8,851 368,347	8,120 362,615
Cash flows from investment activities		
Cash flows from investment activities Sales of financial instruments	368,347	362,615
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments	368,347 (392,374)	362,615 (393,091)
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities	368,347 (392,374)	362,615 (393,091)
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities Cash flows from financing activities	368,347 (392,374) (24,027)	362,615 (393,091) (30,476)
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities Cash flows from financing activities Contributions received and transfers from other superannuation plans	368,347 (392,374) (24,027) 36,852	362,615 (393,091) (30,476) 35,101
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities Cash flows from financing activities Contributions received and transfers from other superannuation plans Benefits paid to members or beneficiaries	368,347 (392,374) (24,027) 36,852 (17,208)	362,615 (393,091) (30,476) 35,101 (12,735)
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities Cash flows from financing activities Contributions received and transfers from other superannuation plans Benefits paid to members or beneficiaries Tax paid on contributions	368,347 (392,374) (24,027) 36,852 (17,208) (3,359)	362,615 (393,091) (30,476) 35,101 (12,735) (2,823)
Cash flows from investment activities Sales of financial instruments Purchases of financial instruments Net cash inflow/(outflow) from investing activities Cash flows from financing activities Contributions received and transfers from other superannuation plans Benefits paid to members or beneficiaries Tax paid on contributions Net cash inflow/(outflow) from financing activities	368,347 (392,374) (24,027) 36,852 (17,208) (3,359) 16,285	362,615 (393,091) (30,476) 35,101 (12,735) (2,823) 19,543

The statement of cash flows should be read in conjunction with the accompanying notes.

Financial report (continued)

Notes to the financial statements

1 Fund structure and operation

AustralianSuper (the "Fund") is a defined contribution superannuation fund domiciled in Australia. The Fund is constituted by a Trust Deed dated 13 December 1985, as amended, that established the Fund with effect from 1 August 1985 and provides retirement and insurance benefits to its members and beneficiaries. The Fund has both accumulation members and retirement members. While the Fund exists for the benefit of members, for the purposes of the financial statements, the Fund is a for-profit entity under accounting standards.

The Trustee of the Fund is AustralianSuper Pty Ltd (the "Trustee"). The registered office and principal place of business of the Trustee is Level 30, 130 Lonsdale Street, Melbourne, Victoria.

This financial report covers the Fund as an individual entity and was authorised for issue by the Directors of the Trustee on 3 September 2024. The Directors of the Trustee have the power to amend and reissue this financial report.

How the numbers are calculated Statement of financial position

2 Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2024 \$m	2023 \$m
Cash and cash equivalents	18,626	17,517

3 Investments

The investments, including derivatives, of the Fund are recorded at fair value and changes in the fair value are recognised in the income statement in the year they occur.

Financial assets and liabilities are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the financial assets and liabilities are recognised from that date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

Transaction costs, including brokerage and stamp duty, that are incurred to acquire investment securities are recognised in the income statement as an expense as incurred. Transaction costs associated with direct investments in property and infrastructure, including legal and due diligence fees, are capitalised and recognised as part of the cost of the investment.

Fair value measurement of financial assets and liabilities

(a) Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities and includes market quoted investments. The main investments in this category are listed equity securities whose fair value is determined using the last quoted sale price.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes fixed income securities and derivative contracts not traded on public exchanges and unlisted unit trusts that hold listed securities. Fixed income securities for which no active market is observable are valued at current market rates using broker quotations and/or independent pricing services.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) which includes non-market quoted investments. Unlisted investments in infrastructure, private credit, property and private equity are included in this category. Further information regarding unobservable inputs and the measurement of fair value for level 3 investments is included below.

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

(b) Fair value in an active market

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. These include investments in equities, fixed income and bonds. For all other financial instruments, the Fund determines fair value using other valuation techniques.

(c) Fair value in an inactive or unquoted market

The Fund's financial assets and liabilities are a combination of directly held investments and indirectly held investments made via unlisted trusts which in turn invest in a variety of underlying investments. These include investments in infrastructure, private credit, private equity and property that are domiciled in Australia and overseas. The Fund has a valuation policy, the purpose of which is to ensure that the Fund has an appropriate framework to value investment assets in a manner that ensures they are valued on an equitable and consistent basis. The Fund ensures that valuation techniques are consistent and may utilise independent parties to undertake reviews of the investment valuation framework controls and procedures on a periodical and as needs basis.

The Trustee's evaluation of level 3 investment valuations in the current financial year considered, among other matters:

- the economic implications of inflation and uncertain movements in future interest rates which impact valuation metrics including discount rates;
- the lack of transactional activity which typically informs capitalisation rates for property investments; and
- the outlook for certain investments particularly in disrupted sectors.

Financial report (continued)

How the numbers are calculated (cont.) Statement of financial position (cont.)

3 Investments (cont.)

(c) Fair value in an inactive or unquoted market (cont.)

Fair value of directly held assets

In the case of directly held assets, independent external valuation experts are appointed to provide regular investment valuations with most material investments being valued on a quarterly basis. These independent valuers are selected from the Fund's approved list of valuers. The Fund has policies and procedures governing the appointment and rotation of independent valuers. The expertise, knowledge and familiarity with local market conditions, market transactions and industry trends of the independent valuation experts and property appraisers are important inputs to the valuation process.

Valuations performed by independent valuers are reviewed by the Fund Services Valuation Team within the Fund to confirm that an appropriate valuation methodology has been used and that key inputs, assumptions and judgements made by the valuer are appropriate.

Valuers generally provide a valuation range and it is the Trustee's policy to adopt the mid-point valuation unless there are reasons which indicate it is more appropriate to adopt a different valuation within the range provided by the valuer.

The valuations are reviewed by the Valuation Committee to consider, and if required, endorse the adoption of the appropriate point of the valuation range.

The Finance and Audit Committee is provided with regular updates concerning the valuation of the Fund's investment assets as well as information concerning any material disagreements involving members of the Valuation Committee, Valuation Team or Investment Assets Team. Valuation issues not resolved at the Valuation Committee will be referred to the Finance and Audit Committee.

During the year, the Fund may review valuations of the level 3 investments more frequently to ensure that the most current valuations are reflected in member balances. This is to improve the responsiveness and accuracy of the current valuation process in both normal and stressed market circumstances.

Where valuations are performed at a date other than balance sheet date, the Fund considers whether the valuation continues to remain appropriate as at the balance sheet date.

Fair value of indirectly held assets

The Fund generally values interests in level 3 investments managed by external investment managers using the valuation provided by the relevant external investment manager. As the underlying Fund's interest in these investments is not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a level 3 investment.

For material externally managed investments, the Fund reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

Valuation techniques

The carrying value of the Fund's directly held investments that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar investment, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. The valuation of unquoted investments is subjective by nature. However, the relevant methodologies are commonly applied by other market participants and have been consistently applied over time.

For indirect investments, the Fund ensures that the valuation techniques used by fund managers are consistent with the Fund's valuation policy and accepts the value provided by the fund managers unless there is a specific and objectively verifiable reason to vary from the value provided. Fund managers of indirect investments provide valuations on a monthly or quarterly basis.

Valuation models are each sensitive to a number of key assumptions, such as projected future earnings and cash flows, comparator multiples, marketability discounts and discount rates. For most investments, the most significant assumptions are the discount rate and the projected future cash flows of the investment. Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

The discount rate is composed of two key elements: a risk-free rate, which is the return that would be expected from a secure, liquid, virtually risk-free investment such as a high-quality government bond; plus a risk premium. The risk premium is estimated from, where observable, implied values of similar publicly traded investments or sales of similar investments. If such information is not available, the risk premium is estimated at a level that compensates for the incremental amount of risk associated with a

particular investment. The selected discount rates are chosen to be consistent with the risk inherent in the stream of cash flows to which they are applied.

As level 3 investments are valued using financial models, the resulting valuations are significantly affected by non-observable inputs. The most significant inputs to these financial models are the discount rate and estimated future net cash flows of the investment which in the case of property investments may be estimated using a capitalisation rate.

The following tables summarise the key unobservable inputs used in fair value measurement of the Fund's material asset classes of directly held investments.

2024	Fair value \$m	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
International private credit	3,883	Discount rate	Base rate ¹ + 5.45%-13.70%	The higher the discount rate, the lower the fair value
Australian infrastructure	15,235	Discount rate	8.20%-10.35%	The higher the discount rate, the lower the fair value
International infrastructure	9,284	Discount rate	10.19%-17.40%	The higher the discount rate, the lower the fair value
International property	4,828	Capitalisation rate	3.75%-8.10%	The higher the capitalisation rate, the lower the fair value
		Discount rate	6.50%-11.00%	The higher the discount rate, the lower the fair value

2023	Fair value \$m	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
International private credit	5,590	Discount rate	Base rate ¹ + 5.20%-12.25%	The higher the discount rate, the lower the fair value
Australian infrastructure	13,115	Discount rate	8.00%-10.50%	The higher the discount rate, the lower the fair value
International infrastructure	7,509	Discount rate	9.50%-17.60%	The higher the discount rate, the lower the fair value
International property	4,824	Capitalisation rate	4.00%-8.10%	The higher the capitalisation rate, the lower the fair value
		Discount rate	5.80%-8.80%	The higher the discount rate, the lower the fair value

¹ The lower end of the range of discount rates used for the valuation of international credit represents a floating base rate + margin. This is distinct from the top end of the range, which represents an absolute (total) rate of 13.00% in 2024 and 12.25% in 2023. These differences correspond to the differing nature of the credit investments (floating or fixed) and the valuer's approach to their respective valuation.

Financial report (continued)

How the numbers are calculated (cont.) Statement of financial position (cont.)

3 Investments (cont.)

(c) Fair value in an inactive or unquoted market (cont.)

The fair value of total direct and indirect investments held by the Fund are shown in the tables below.

2024	Directly held \$m	Indirectly held \$m	Total investments \$m
Australian infrastructure	14,988	6,643	21,631
International infrastructure	12,285	8,957	21,242
Australian private credit	257	762	1,019
International private credit	4,945	242	5,187
Australian private equity	1,701	1,196	2,897
International private equity	54	13,083	13,137
Australian property	1,708	5,722	7,430
International property	4,853	2	4,855
Other	280	-	280
	41,071	36,607	77,678

2023	Directly held \$m	Indirectly held \$m	Total investments \$m
Australian infrastructure	15,127	6,257	21,384
International infrastructure	10,263	8,367	18,630
Australian private credit	462	376	838
International private credit	6,064	84	6,148
Australian private equity	1,699	1,214	2,913
International private equity	13	12,461	12,474
Australian property	1,396	6,639	8,035
International property	4,864	3	4,867
Other	101	-	101
	39,989	35,401	75,390

(d) Recognised fair value measurements

The tables below set out the level of the fair value hierarchy within which the fair value measurements of the Fund are categorised.

2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Listed equity securities	189,303	_	19	189,322
Fixed income securities	3,043	65,572	7,895	76,510
Unlisted securities	-	714	69,764	70,478
Derivative assets	184	2,743	-	2,927
Derivative liabilities	(119)	(906)	-	(1,025)
	192,411	68,123	77,678	338,212

2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Listed equity securities	149,508	4	14	149,526
Fixed income securities	9,236	54,108	8,797	72,141
Unlisted securities	_	644	66,579	67,223
Derivative assets	194	1,361	-	1,555
Derivative liabilities	(368)	(2,259)	-	(2,627)
	158,570	53,858	75,390	287,818

Financial report (continued)

How the numbers are calculated (cont.) Statement of financial position (cont.)

3 Investments (cont.)

(d) Recognised fair value measurements (cont.)

The following tables show a reconciliation of the movement in the fair value of financial assets and liabilities categorised within level 3 between the beginning and the end of the reporting period.

2024	Listed equity securities \$m	Fixed income securities \$m	Unlisted securities \$m	Total \$m
Opening balance	14	8,797	66,579	75,390
Change in fair value*	-	(445)	57	(388)
Purchases	-	2,583	3,583	6,166
Sales	-	(3,134)	(455)	(3,589)
Transfers into level 3	5	94	-	99
Transfers out of level 3	-	-	-	-
	19	7,895	69,764	77,678
* Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.	20	(369)	(2,131)	(2,480)

2023	Listed equity securities \$m	Fixed income securities \$m	Unlisted securities \$m	Total \$m
Opening balance	20	7,961	61,138	69,119
Change in fair value*	(5)	199	2,183	2,377
Purchases	-	1,547	4,354	5,901
Sales	-	(910)	(1,461)	(2,371)
Transfers into level 3	50	-	365	415
Transfers out of level 3	(51)	-	-	(51)
	14	8,797	66,579	75,390
* Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.	(20)	212	2,199	2,391

4 Derivatives

Derivative financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle transactions on a net basis, or realise the asset and settle the liability simultaneously.

The Fund enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting arrangements. Under such arrangements, derivative financial assets and liabilities could potentially be offset at the counterparty level under certain circumstances such as default. The amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency would be aggregated into a single net amount payable by one party to the other and the relevant arrangements terminated. The ISDA agreements do not meet the criteria for offsetting in the statement of financial position as the Fund does not have a legally enforceable right of set-off at balance sheet date.

The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position at a transactional level are disclosed in the tables below. Also shown in the tables are the amount that could, under netting arrangements, be offset at the counterparty level should circumstances allow the Fund a legally enforceable right of set-off.

2024	Derivative fair value \$m	Derivative amounts set off \$m	Net amounts presented in statement of financial position \$m	Amounts subject to master netting arrangements \$m	Cash collateral \$m	Net amount \$m
Derivative financial assets	2,927	-	2,927	(835)	(803)	1,289
Derivative financial liabilities	(1,025)	-	(1,025)	835	14	(176)
Net financial asset/(liability)	1,902	-	1,902	-	(789)	1,113

2023	Derivative fair value \$m	Derivative amounts set off \$m	Net amounts presented in statement of financial position \$m	Amounts subject to master netting arrangements \$m	Cash collateral \$m	Net amount \$m
Derivative financial assets	1,555	-	1,555	(987)	(155)	413
Derivative financial liabilities	(2,627)	-	(2,627)	987	442	(1,198)
Net financial asset/(liability)	(1,072)	-	(1,072)	-	287	(785)

How the numbers are calculated (cont.) Statement of financial position (cont.)

5 Other receivables and payables

(a) Receivables

Receivables include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment.

(b) Payables

Payables include investment management fees and trustee services fees accrued and members' benefits payable at the end of the reporting period.

(c) Receivables/payables for securities sold/purchased

Receivables for securities sold and payables for securities purchased represent trades that have been contracted for but not yet delivered at the end of the year. Trades are recorded on trade date and normally settled within three business days.

6 Income tax

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Acts and the Fund's income tax disclosures are prepared in accordance with AASB 1056 *Superannuation Entities* and AASB 112 *Income Taxes*.

Accordingly, the income tax rate for Australian superannuation funds of 15% has been applied to net investment earnings less deductions allowable for expenses relevant to accumulation fund members and transition to retirement members. In the case of retirement income members, investment earnings are tax exempt.

Gains arising from the disposal of investment assets held for less than 12 months are taxed at 15%. For investment assets that are held on capital account for tax purposes for a period of more than 12 months, the Fund is entitled to a one-third capital gains tax discount leading to an effective tax rate of 10% on gains arising from the disposal of such investment assets.

The deferred tax balances are measured at the tax rates enacted at reporting date.

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

Current tax is the expected tax payable or receivable on the taxable income for the current year and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the cost base amount of the assets or liabilities used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation of assets or settlement of liabilities.

The tax provision is reduced to reflect the benefit of imputation credits and credits for foreign tax paid, where applicable.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

(a) Income tax expense reported in income statement

	2024 \$m	2023 \$m
Current income tax		
Current tax expense/(benefit) on operating result for the year	286	(529)
Adjustment for current tax of prior periods	(122)	(142)
Total current tax expense/(benefit)	164	(671)
Deferred income tax		
Increase/(decrease) in deferred tax liabilities	1,468	1,815
Total deferred tax expense/(benefit)	1,468	1,815
Income tax expense/(benefit)	1,632	1,144

(b) Reconciliation of income tax expense to prima facie tax payable

	2024 \$m	2023 \$m
Operating result before income tax	28,274	23,303
Tax at the Australian rate of 15% (2023: 15%)	4,241	3,495
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Impact of movement of tax discount on capital gains	(994)	(993)
Exempt pension income	(513)	(370)
Imputation credits and foreign tax offsets	(998)	(848)
Other	18	2
Adjustments for current tax of prior periods	(122)	(142)
Income tax expense/(benefit)	1,632	1,144

How the numbers are calculated (cont.) Statement of financial position (cont.)

6 Income tax (cont.)

(c) Income tax expense recognised in the statement of changes in members' benefits

	2024 \$m	2023 \$m
Contributions and transfers in recognised in the statement of changes in members' benefits	36,852	35,101
Tax at the Australian rate of 15% (2023: 15%)	5,528	5,265
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income:		
Non-assessable contributions and transfers in	(2,265)	(2,483)
Other	(118)	(124)
Total	3,145	2,658

(d) Deferred tax balances

The movements in temporary differences during the year were:

At 30 June 2024	Beginning of year \$m	Recognised in income statement \$m	End of year \$m
Deferred tax asset			
Payables	63	(6)	57
Deferred tax liability			
Unrealised gains on financial instruments	(4,948)	(1,462)	(6,410)
Net deferred tax assets/(liabilities)	(4,885)	(1,468)	(6,353)

At 30 June 2023	Beginning of year \$m	Recognised in income statement \$m	End of year \$m
Deferred tax asset			
Payables	65	(2)	63
Deferred tax liability			
Unrealised gains on financial instruments	(3,135)	(1,813)	(4,948)
Net deferred tax assets/(liabilities)	(3,070)	(1,815)	(4,885)

7 Income statement

(a) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

(i) Interest

Interest income is recognised in the income statement for all financial instruments that are held at fair value through the effective interest method. Income from cash and cash equivalents is presented as interest income. Interest income on assets held at fair value in the income statement is included in net changes in fair value of financial instruments.

(ii) Dividends and distributions

Dividend and distribution income is recognised on the date the investments are quoted ex-dividend/ distribution and if not received at reporting date, is reflected in the statement of financial position as a receivable.

(iii) Net changes in fair value of financial instruments Net changes in financial assets measured at fair value:

	2024 \$m	2023 \$m
Cash and cash equivalents	(67)	41
Listed equity securities	21,774	19,131
Fixed interest securities	(377)	(383)
Derivatives	(814)	(5,749)
Unlisted unit trusts	(418)	3,137
	20,098	16,177

Changes in the fair value of investments are recognised in the income statement 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).

(iv) Other investment income and sundry income

Other investment income is primarily securities lending income. Sundry income relates to the insurance premiums retained by the Fund to cover the cost of the insurance product and the Premium Adjustment Model as described in note 14(d).

(b) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in net changes in fair value of financial instruments.

(c) Investment expenses

Master custodian and investment management fees and other investment expenses are recognised on an accruals basis and represent costs incurred directly by the Fund in managing the investment portfolio. They do not include fees incurred within underlying investment vehicles. Total investment expenses including direct and indirect expenses are recovered from members by deducting an investment fee from investment returns before they are credited to members' accounts.

(d) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% or 75%; hence expenses have been recognised in the income statement net of GST recoverable from the Australian Taxation Office (ATO). Payables are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(e) Administration expenses

Administration expenses incurred by the Fund include promotion, marketing and sponsorship expenditure of \$35m (2023: \$40m).

How the numbers are calculated (cont.) Statement of financial position (cont.)

8 Statement of cash flows

(a) Reconciliation of operating result after income tax to net cash inflow/(outflow) from operating activities

	2024 \$m	2023 \$m
Operating result for the period after income tax	389	289
Movements in fair value of financial instruments	(20,098)	(16,177)
Death and disability benefits received	532	352
Insurance premiums paid	(772)	(818)
Net benefits allocated to members	26,253	21,870
Change in operating assets and liabilities		
(Increase)/decrease in receivables	50	(171)
Increase/(decrease) in payables	132	57
Increase/(decrease) in current tax payable	897	903
Increase/(decrease) in deferred tax payable	1,468	1,815
Net cash inflow/(outflow) from operating activities	8,851	8,120

(b) Non-cash financing activities

There were no non-cash financing activities during the year, or in 2023.

9 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires the making of some estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

Estimates are continually evaluated, and any revisions are recognised in the period in which they occur. Estimates are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are described in note 3 Fair value measurement of financial assets and liabilities.

10 Insurance arrangements

The Fund provides income protection, death and disability benefits to its members. The Trustee has group policies in place with its insurer to insure these income protection, death and disability benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the insurer. Insurance premiums are not expenses of the Fund and do not give rise to insurance liabilities. Similarly, insurance claim recoveries are not income of the Fund. Insurance premiums charged to members and insurance claims paid by the insurer through the Fund are recognised in the statement of changes in members' benefits.

11 Members' benefits

Obligations relating to members' benefits are recognised as liabilities. They are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their membership at reporting date, subject to preservation requirements.

	2024 \$m	2023 \$m
Members' account balances		
Accumulation	291,508	256,887
Retirement	50,037	42,237
	341,545	299,124

Risk management

12 Financial risk management

(a) Overview

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Trustee has overall responsibility for the establishment and oversight of the Fund's Risk Management Framework (including the Risk Appetite Statement), which includes the financial risks of the Fund. The financial risks, and in particular the risks associated with investments, are managed by the Trustee through approving the investment objectives and strategic asset allocation investment ranges for each investment plan. The Trustee ensures effective structures, policies, processes and systems are in place to facilitate the monitoring and management of risks to which the Fund is exposed.

The Board has delegated certain powers to the Investment Committee. The Investment Committee oversees the Fund's investment program including setting ranges for the management of the portfolio mix for each investment option, approving asset class strategies, monitoring the key risk exposures within the portfolio and reviewing the performance of each investment option.

The Investment Committee is responsible for overseeing the investment governance framework, including policies, procedures, systems and methodologies. In carrying out these responsibilities the Investment Committee receives reporting from management and external advisers.

(b) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Changes in market prices are reflected in earnings credited to members. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

(i) Currency risk

The Fund is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the Fund's functional currency (Australian dollars).

Derivatives and currency overlays are utilised to actively manage the level of currency exposure in line with the Fund's strategic asset allocation for each investment option which specifies the range for currency exposure. This is reviewed on a regular basis and reported to the Investment Committee.

The Fund monitors the exposure of all foreign currency denominated assets and liabilities and hedges according to the currency exposure range specified for each investment option.

The Fund's exposure to foreign currencies after derivative impact at the reporting date is summarised in the tables below.

2024	USD A\$m	Euro A\$m	JPY A\$m	GBP A\$m	Other currencies A\$m	Total A\$m
Cash and cash equivalents	4,711	453	165	213	(844)	4,698
Listed equity securities	73,762	11,677	2,295	5,126	16,409	109,269
Fixed income securities	19,486	5,600	1,291	2,158	1,149	29,684
Unlisted securities	1,834	0	0	7,031	526	9,391
Receivables for securities sold	599	1,346	52	6	8	2,011
Payables for securities purchased	(2,624)	(1,829)	(79)	(80)	(152)	(4,764)
Increase/(decrease) from derivative contracts	(68,585)	(15,002)	(688)	(8,925)	(9,454)	(102,654)
Net exposure to foreign exchange risk	29,183	2,245	3,036	5,529	7,642	47,635

2023	USD A\$m	Euro A\$m	JPY A\$m	GBP A\$m	Other currencies A\$m	Total A\$m
Cash and cash equivalents	3,237	1,073	184	158	230	4,882
Listed equity securities	54,040	11,468	1,879	3,451	11,699	82,537
Fixed income securities	17,065	7,105	3,138	1,089	1,025	29,422
Unlisted securities	3,065	-	_	7,504	538	11,107
Receivables for securities	1,027	257	22	344	123	1,773
Payables for securities purchased	(1,358)	(46)	-	(9)	(17)	(1,430)
Increase/(decrease) from derivative contracts	(52,460)	(16,721)	(2,532)	(10,003)	(4,685)	(86,401)
Net exposure to foreign exchange risk	24,616	3,136	2,691	2,534	8,913	41,890

The table on page 48 summarises the sensitivity of the Fund's financial assets and liabilities to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or 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 are subject to interest rate risk. Interest rate risk is managed by holding a diversified portfolio of instruments, including holding a mixture of fixed and floating rate securities. Where appropriate the Fund uses interest rate derivatives to change the exposure to fixed or floating interest rates.

The Fund's interest rate risk is monitored and managed on a regular basis by the Income Assets team and the investment managers awarded mandates in these asset classes in accordance with the investment guidelines set for them.

Risk management (cont.)

12 Financial risk management (cont.)

(b) Market risk (cont.)

(ii) Interest rate risk (cont.)

The Fund's exposure to interest rate risk at the reporting date is summarised in the tables below.

2024	Fixed interest rate \$m	Floating interest rate \$m	Total \$m
Cash and cash equivalents	-	18,626	18,626
Fixed income securities	63,990	12,520	76,510
Increase/(decrease) from derivative contracts	(13)	514	501
Net exposure to interest rate risk	63,977	31,660	95,637

2023	Fixed interest rate \$m	Floating interest rate \$m	Total \$m
Cash and cash equivalents	_	17,517	17,517
Fixed income securities	53,757	18,384	72,141
Increase/(decrease) from derivative contracts	(281)	155	(126)
Net exposure to interest rate risk	53,476	36,056	89,532

The table on page 48 summarises the sensitivity of the Fund's assets to interest rate risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. The Fund manages price risk through diversification and careful selection of securities within the strategic asset allocation for each investment option.

Price risk is further managed by undertaking a thorough due diligence process and careful selection of investments and investment managers that receive a mandate to manage a portfolio of the Fund's assets. On an ongoing basis, investments and the investment managers are monitored by the different asset class teams. The results of the monitoring are reported to the Investment Committee. As at 30 June the fair value of financial assets exposed to price risk were as follows:

	2024 \$m	2023 \$m
Listed equity securities	189,322	149,526
Unlisted securities	70,478	67,223
Net exposure to price risk	259,800	216,749

The Fund seeks to allocate members' funds in the investment portfolio to sectors where the Trustee believes the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The table below is a summary of the sector concentrations within the listed equities portfolio.

	2024 Fund's equity portfolio (%)	2023 Fund's equity portfolio (%)
Communication services	5.7	4.7
Consumer discretionary	11.4	12.7
Consumer staples	5.0	7.8
Energy	4.4	4.4
Financials	22.7	21.6
Health care	11.3	11.2
Industrials	9.0	9.9
Information technology	15.4	11.5
Materials	11.9	12.1
Real estate	0.8	1.8
Utilities	2.4	2.4
	100	100

Risk management (cont.)

12 Financial risk management (cont.)

(b) Market risk (cont.)

Summarised sensitivity analysis

The following tables summarise the sensitivity of the Fund's operating result and net assets available for members' benefits to currency risk, interest rate risk and price risk. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historical variations in risk variables should not be used to predict future variations in the risk variables.

Currency risk	2024 \$m -10%	2024 \$m +10%	2023 \$m -10%	2023 \$m +10%
USD	(2,918)	2,918	(2,462)	2,462
EUR	(225)	225	(314)	314
JPY	(304)	304	(269)	269
GBP	(553)	553	(253)	253
Other currencies	(764)	764	(891)	891
	(4,764)	4,764	(4,189)	4,189

Interest rate risk	2024	2024	2023	2023
	\$m	\$m	\$m	\$m
	-100 bps	+100 bps	-100 bps	+300 bps
	(956)	956	(895)	895

Price risk	2024	2024	2023	2023
	\$m	\$m	\$m	\$m
	-10%	+10%	-10%	+10%
	(25,980)	25,980	(21,675)	21,675

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due causing a financial loss to the Fund. The Fund is exposed to counterparty credit risk on certain investments including debt securities, derivative financial instruments, cash and other receivables.

Credit risk arising from investments is managed by extensive due diligence undertaken by the Fund prior to the appointment of investment managers or the selection of investments via internal management, as well as ongoing monitoring of the investment portfolio by the investment team.

In addition, for cash and derivative investments, the Fund manages credit risk by dealing with highly rated counterparties and where appropriate, ensuring collateral is maintained. The Fund's maximum credit risk exposure to derivative instruments as at the reporting date is as shown in note 4 under the heading Net amount.

Credit risk associated with receivables is considered low as this is mainly comprised of dividends, distributions and interest receivable on investments.

Debt securities

The Fund invests in fixed income securities, some of which are rated by external ratings agencies. For unrated assets, the Trustee assesses credit risk using |an approach similar to that used by external ratings agencies. An analysis of debt securities by rating is set out in the following table:

	2024 \$m	2023 \$m
Rating		
Long-term A and above or short-term equivalent	61,486	49,200
Long-term B and above to below A or short-term equivalent	10,173	9,422
Long-term below B or short-term equivalent	398	563
Not rated	4,453	12,956
	76,510	72,141

Debt securities included in the "not rated" category are securities that do not have a third-party credit rating at the security level and primarily relate to debt securities with various corporations. In recent years the Fund has increased its internal capabilities to lend money directly to corporates of appropriate credit quality. Not rated loans are valued on a regular basis by independent valuers.

Derivatives

The Fund permits (within the limitations prescribed in the respective investment mandates) that internal and external investment managers may utilise derivatives such as futures contracts, interest rate and currency swaps and forward foreign exchange contracts to gain access to, and allow flexibility in, the financial markets in order to manage and structure the Fund's investment portfolio in line with the Fund's investment strategy.

The Fund restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements as set out in note 4.

Risk management (cont.)

12 Financial risk management (cont.)

(c) Credit risk (cont.)

Securities lending

Under securities lending arrangements, the legal title to certain assets of the Fund have been transferred to other entities notwithstanding the fact that the risks and benefits of ownership of the assets remain with the Fund. The risks and rewards of ownership to which the Fund remains exposed are currency risk, interest rate risk, credit risk and price risk. As the Fund retains the risks and benefits of ownership, assets that have been loaned have not been derecognised.

The Fund participates in securities lending programs through agency arrangements with JP Morgan Chase Bank NA and directly with approved third-party borrowers.

The financial assets transferred to other entities under securities lending arrangements include Australian and International equities and fixed interest securities.

The terms and conditions associated with the use of collateral held as security in relation to the assets on loan are governed by Securities Lending Agreements that require the borrower to provide the lender with collateral to the value equal to or greater than the loaned securities. In certain circumstances, collateral held can be sold or repledged.

No collateral held has been sold or repledged during the year or recognised by the Fund in its statement of financial position. Cash collateral must be held in restricted investments including Treasury Bills, Government Bills and highly rated commercial paper. Collateral is legally isolated from the assets of the Fund. In the event of a loss on cash collateral invested, JP Morgan Chase Bank NA may require the Fund to transfer to it cash in an amount of the difference between the amortised cost and fair market value. There were no amounts due to JP Morgan Chase Bank NA for losses on cash collateral invested at balance sheet date. The Fund is not exposed to losses on equities and fixed interest securities collateral.

In some transactions, JP Morgan Chase Bank NA, as lending agent, indemnifies the Fund for replacement of loaned securities due to a borrower default on a security loan.

The fair values of financial assets on loan and collateral held at reporting date are:

	2024 \$m	2023 \$m
Assets on loan	30,278	27,844
Collateral held as security: Cash	6,496	5,884
Equities and fixed interest securities	25,883	23,811
Total collateral held	32,379	29,695

(d) Liquidity risk

Liquidity risk is the risk 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 Trust Deed and Product Disclosure Statement provide for the daily withdrawal of benefits and switching of members' funds. The Fund is therefore exposed to the liquidity risk of meeting members' withdrawals at any time and switching of members' balances to a different investment choice option.

The Fund's financial instruments include unlisted investments that are not traded in organised public markets and may be illiquid. If required, the Fund may not be able to quickly liquidate some of these investments at an amount close to fair value (defined as the exit price agreed by a willing buyer and seller in an orderly market).

The Fund's listed securities are considered to be readily realisable as they are all listed on recognised stock exchanges in various jurisdictions globally.

The Fund's liquidity risk is managed on a daily basis in accordance with the Fund's Liquidity Management Plan and Investment Strategy. Stress testing and scenario analysis are completed on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's overall liquidity risks are monitored by the Fund's Investment Committee.

The Liquidity Steering Committee regularly monitors the Fund's liquidity position and reviews liquidity forecasts across a number of different scenarios. These scenarios model the impact on the liquidity of the investment portfolio, and any consequential impact on asset allocations, for a range of stressed market events taking into account potential adverse impacts on cash flows resulting from factors such as investment switching by members and applications for early access to superannuation.

The contractual maturity of financial liabilities is set out below.

Members' benefits have been classified as having a maturity of "Less than 1 month" as this is the amount that members could call upon as at year end.

2024	Carrying amount \$m	Contractual cash flows \$m	Less than 1 month \$m	1 to 3 months \$m	3 months to 1 year \$m	Greater than 1 year \$m
Members' benefits	341,545	341,545	341,545	-	-	-
Payables	1,026	1,026	1,026	-	-	-
Payable for securities purchased	6,454	6,454	6,454	-	-	-
Derivative liabilities	1,025	1,025	343	245	62	375
	350,050	350,050	349,368	245	62	375

2023	Carrying amount \$m	Contractual cash flows \$m	Less than 1 month \$m	1 to 3 months \$m	3 months to 1 year \$m	Greater than 1 year \$m
Members' benefits	299,124	299,124	299,124	-	-	-
Payables	67	67	67	-	-	-
Payable for securities purchased	2,419	2,419	2,419	-	-	-
Derivative liabilities	2,627	2,627	805	1,033	378	411
	304,237	304,237	302,415	1,033	378	411

Risk management (cont.)

13 Environmental, social and governance (ESG) management

AustralianSuper is a service-based organisation, which is mainly focused on the day-to-day running of the investment portfolio and member-related functions.

ESG in our investment portfolio

AustralianSuper has a Board approved ESG and Stewardship Policy, which is reviewed and incorporated into the Investment Governance Framework. Oversight of the Fund's ESG and Stewardship policy is the responsibility of the Investment Committee, and implementation is the responsibility of the Investment Department.

The policy states the Fund's belief that ESG factors and the Fund's stewardship actions can affect the value of investments, particularly over the long-term investment horizon which applies to the Fund's objectives.

The Fund's ESG and Stewardship program has three core pillars:

- 1. **Integration**: Integrating ESG considerations when deciding which assets and companies to invest in and assessing their investment value;
- 2. **Stewardship**: Exercising rights and responsibilities as an asset owner to seek positive management of ESG issues that can impact members' investment returns; and
- 3. **Choice**: Considering members' values in the investment choices the Fund offers.

The Fund's ESG and Stewardship program varies by asset class and doesn't apply to all asset classes and investment strategies, given the different nature of investments made across the Fund. The extent to which integration and stewardship activities are undertaken is affected by a number of practical considerations including the financial materiality of the asset class or investment, the assessment of ESG issues to asset valuation, the characteristics of the Fund's ownership stake, whether the investment is traded on public or private markets, whether it is managed internally or through external managers and whether it is actively or passively held.

AustralianSuper considers a range of ESG issues but prioritises those which are considered likely to have the greatest financial impact on members' investment returns. This can include risks, which can have a negative impact, and opportunities, which can have a positive impact.

ESG in our financial disclosures

In line with our obligations under the forthcoming Australian Sustainability Reporting Standards, the Fund will issue a Sustainability Report alongside its 2027 Financial Report. The report will detail the governance structure, strategy, processes and metrics established to manage material climate-related financial risks and opportunities.

Additional information

14 Reserves

The level of reserves is determined by the Board annually based on an assessment of the risks faced by AustralianSuper and with regard to industry best practice. The Fund's reserve policies set out how the reserve levels are maintained and replenished through investment earnings and operational surplus. They also outline under what circumstances payments are made from the reserves.

(a) Operational Risk Financial Reserve

The purpose of the reserve is to provide funding for incidents where losses may arise from operational risks (as opposed to investment risks).

The level of the reserve is determined annually by the Board based on assessment of the risks faced by the Fund and the requirements of the APRA Superannuation Prudential Standard SPS 114, which requires a minimum target level of 0.25%. The Board has assessed an Operational Risk Financial Reserve of greater than 0.25% is not required, and the target level is therefore 0.25% (2023: 0.25%). The reserve is funded from the Investment reserve.

The movement in the reserve in 2023 included remediation payments to members in relation to errors made in the administration of multiple accounts held by members since 2013. The rectification of the errors resulted in \$69m credited to members accounts/paid to exited members.

(b) Investment reserve

The reserve is used to accumulate investment income prior to it being allocated to members' accounts. The investment reserve comprises the difference between the cumulative amount of investment income earned (net of expenses and tax) and the cumulative amount of investment income allocated to members' accounts. During the financial year, the reserve funded increases in the Operational Risk Financial Reserve.

(c) Administration reserve

The purpose of the reserve is to fund the operations of AustralianSuper which seek to enhance the delivery of member services, extend the Fund's product range and achieve operational efficiencies in the administration of members' accounts. The reserve is funded by administration fees charged to members.

(d) Insurance reserve

Premiums due to the insurer may be adjusted upwards or downwards under the Fund's Premium Adjustment Model (PAM) (incorporated in the Fund's insurance contract) depending upon claims experience. The purpose of the Insurance reserve is to hold funds required to make annual premium adjustments due to the insurer and receive funds due to the Fund from the insurer under the PAM. In addition to PAM adjustments, the reserve may be used to pay part or all of the insurance base premium payable to the insurer.

(e) Insurance Administration reserve

During the year, an Insurance Administration reserve was established. The purpose of the reserve is to receive and hold the necessary funding to meet operating expenses of administering and managing the insurance products of the Fund. The reserve is funded by a margin on insurance premiums.

Additional information (cont.)

15 Fund administration assets and liabilities

The following assets and liabilities relate to the administration of the Fund.

	2024 \$m	2023 \$m
Assets		
Cash and receivables	10	7
Property, plant and equipment	7	5
Intangible assets	32	41
Right of use assets	89	105
Total administration assets	138	158
Liabilities		
Trade and other payables	107	114
Provisions	53	42
Lease liabilities	118	133
Total administration liabilities	278	289

16 Key management personnel

Key management personnel include persons who were Directors of the Trustee at any time during the financial year, and up to the date of this report, as follows:

Member nominated	Employer nominated
Julia Angrisano	Gabrielle Coyne
Michele O'Neil	John Dixon
Jo-anne Schofield	Claire Keating
Glenn Thompson	Janice van Reyk
Daniel Walton (ceased 1 September 2023)	Innes Willox
Misha Zelinsky (appointed 12 October 2023)	

Independent

Philippa Kelly Dr Don Russell

Members of the Committees of the Board who are not Directors of the Trustee are also considered key management personnel.

Committee members

Pippa Downes

Russell Maddox

Richard Price

Other key management personnel during the financial year were:

Name	Role
Paul Schroder	Chief Executive
Mark Delaney	Deputy Chief Executive and Chief Investment Officer
Paula Benson	Chief Officer Strategy & Corporate Affairs (appointed 18 September 2023)
Shawn Blackmore	Chief Officer Retirement
Peter Curtis	Chief Operating Officer
Michele Glover	Chief Colleague Officer
Rose Kerlin	Chief Member Officer
Andrew Mantello	Chief Risk Officer

Additional information (cont.)

16 Key management personnel (cont.)

Remuneration of key management personnel

Executives are paid by the Fund while Directors and other Board Committee members are paid by the Trustee.

	2024 \$'000	2023 \$'000
Short-term benefits	9,888	9,569
Post-employment benefits (superannuation)	451	430
Long-term benefits	403	588
	10,742	10,587

Short-term benefits include cash salary, lump sum payments, relocation payments and other non-monetary benefits. Post-employment benefits relate to superannuation benefits. Other long-term benefits relate to leave entitlements and deferred Investment Performance Payment Plan payments.

Transactions with key management personnel

The following key management personnel were members of the Fund during the reporting period and up to the date of the financial report:

Julia Angrisano	John Dixon	Jo-anne Schofield
Paula Benson	Pippa Downes	Paul Schroder
Shawn Blackmore	Michele Glover	Glenn Thompson
Gabrielle Coyne	Rose Kerlin	Janice van Reyk
Peter Curtis	Andrew Mantello	Daniel Walton
Mark Delaney	Michele O'Neil	Innes Willox

The membership terms and conditions of all key management personnel were the same as those applied to other members of the Fund.

During the year ended 30 June 2021, the Trustee changed from paying its employees fortnightly in advance to fortnightly in arrears. As part of this change the Trustee offered all eligible employees, including key management personnel, a once-off taxable 'bridging payment' that will be recovered upon termination of the employees' employment. Following a change in administration arrangements in the year ended 30 June 2022, the amount outstanding is due to the Fund.

The 2024 key management personnel who received the bridging payment were:

Shawn Blackmore	Michele Glover	Andrew Mantello
Mark Delaney	Rose Kerlin	Paul Schroder

The aggregate bridging payment outstanding from key management personnel to the Fund at 30 June 2024 was \$83,000 (2023: \$83,000).

17 Related parties

(a) Transactions with Trustee

The Trustee's shareholders are the Australian Industry Group ("Ai Group") and ACTU Super Shareholding Pty Ltd. ACTU Super Shareholding Pty Ltd holds the shares on behalf of the Australian Council of Trade Unions ("ACTU") and participating unions. Under the terms of the Trustee's constitution, the owners of the Trustee are not entitled to receive dividends from the Trustee.

The Fund paid the Ai Group \$286,000¹ (2023: \$226,000) for advertising related opportunities, general marketing and professional development. The Fund paid the ACTU \$291,000 (2023: \$286,000) for advertising related opportunities, general marketing and investment research activities.

The Trustee paid the Ai Group \$96,000 (2023: \$210,000) for AustralianSuper Directors and Committee members and the ACTU \$170,000 (2023: \$162,000) for AustralianSuper Directors who were employed by the Ai Group and the ACTU.

Under the terms of the Trust Deed, the Trustee is entitled to receive trustee services fees, calculated by reference to the costs incurred by the Trustee in running the Fund. These costs are limited to directors' fees and related costs.

The Trustee is also entitled to receive a trustee risk reserve fee, to be calculated in accordance with the Trust Deed.

Fees paid and payable	2024 \$'000	2023 \$'000
Trustee risk reserve fee paid and payable to the Trustee	6,256	22,149
Trustee services fee paid and payable to the Trustee*	6,974	5,762
Amount payable to the Trustee at the end of the reporting period	336	861
Expenses prepaid by the Fund	-	1,468

* The portion of the Trustee services fee that relates to investment activities is recognised in investment expenses on the income statement.

Additional information (cont.)

17 Related parties (cont.)

(b) Transactions with other entities

The Trustee and the Fund paid the following amounts to the organisations that employ either a Director or a Committee member of the Trustee. Directors' and Committee members' remuneration is set with reference to rates paid by comparable businesses in the financial services industry. The amounts disclosed include superannuation contributions paid directly to the Director or Committee member. Other payments include advertising, marketing, and education services for AustralianSuper and are made on normal commercial terms.

	Directors' and Committee members' payments \$'000	Other payments \$'000	Total payments \$'000
2024			
Australian Manufacturing Workers' Union	201	195	396
Australian Workers' Union	188	209	397
Finance Sector Union	112	-	112
United Workers Union	112	190	302
Total	613	594	1,207
2023			
Australian Manufacturing Workers' Union	205	174	379
Australian Workers' Union	225	199	424
Finance Sector Union	108	30	138
United Workers Union	102	223	325
Total	640	626	1,266

(c) Related party investments and transactions

Details of the Fund's related party investments and transactions are listed below.

(i) Industry Super Holdings Pty Ltd ("ISH")

The Fund held a 19.95% (2023: 19.95%) shareholding in ISH valued at \$414,643,000 (2023: \$324,399,000). ISH has a number of subsidiary companies, one of which is IFM Investors Pty Ltd ("IFM"). IFM manages a selection of infrastructure, Australian listed equities, private equity, fixed interest, and cash portfolios on behalf of the Fund.

IFM managed portfolios totalling \$34,130,968,000 (2023: \$46,953,662,000) on behalf of the Fund and received \$68,280,000 (2023: \$67,028,000) in fees for the management of these portfolios. These included fees paid to underlying investment managers for various portfolios and management fees paid directly to IFM of \$55,804,000 (2023: \$53,072,000). The income earned on the portfolios managed by IFM, inclusive of fair value movements, was \$25,455,366,000 (2023: \$3,047,576,000). The Fund also paid IFM \$40,000 for investment consulting services (2023: \$nil). ISH has various other subsidiaries with which the Fund transacts. These non-investment transactions are summarised in the following table.

Company	Nature of transaction	2024 \$	2023 \$
Industry Fund Services Limited	Financial planning, arrears collection and other member services	2,633,000	1,720,000
Industry Super Australia Pty Ltd	Marketing services	5,256,000	6,100,000

In addition, the Fund paid IFS Insurance solutions Pty Ltd, a subsidiary of ISH up to 4 July 2023, \$634,000 in 2023 for insurance services.

(ii) ISPT Pty Ltd ("ISPT")

The Fund held a 20.0% (2023: 20.0%) shareholding in ISPT valued at \$nil (2023: \$nil). ISPT manages a range of unlisted property funds on behalf of the Fund and other institutional clients. ISPT in its capacity as trustee managed portfolios totalling \$4,709,155,000 (2023: \$5,160,979,000) on behalf of the Fund and received \$31,856,000 (2023: \$27,943,000) in fees for the management of these portfolios. These included fees paid to underlying investment managers for various portfolios and management fees paid directly to ISPT of \$16,859,000 (2023: \$19,351,000). The portfolio recorded negative earnings in 2024 of \$658,866,000 (2023: \$248,905,000).

The Fund also paid ISPT \$13,281,000 (2023 \$9,707,000) in rent and outgoings in relation to ISPT office space leased by AustralianSuper.

The Fund held a 29.0% (2023: 29.3%) interest in ISPT Operations Trust valued at \$1,823,000 (2023: \$3,178,000). ISPT Operations Pty Ltd, which is wholly owned by ISPT Operations Trust, provides management services to ISPT.

(iii) Frontier Advisors Pty Ltd ("Frontier")

The Fund held a 31.0% (2023: 31.0%) shareholding of ordinary shares valued at \$1,869,000 (2023: \$2,093,000) in Frontier. Frontier provides investment consulting services to the Fund and other institutional clients. Frontier received fees from AustralianSuper for investment consulting services. These fees were \$1,653,000 (2023: \$1,658,000).

J Dixon was a director of Frontier Advisors Pty Ltd during the year ended 30 June 2024.

(iv) AustralianSuper (UK) Limited

AustralianSuper (UK) Limited, a wholly owned subsidiary of the Fund domiciled in the UK, provides investment management services to the Fund. AustralianSuper (UK) Limited is entitled to receive service fees, calculated by reference to the costs it incurs. Fees paid and payable by the Fund to AustralianSuper (UK) Limited during the year totalled \$67,522,000 (2023: \$41,547,000). The Fund has a net amount receivable from AustralianSuper (UK) Limited of \$1,068,000 at year end (2023 payable: \$2,984,000).

(v) AustralianSuper (US) LLC

AustralianSuper (US) LLC, a wholly owned subsidiary of the Fund domiciled in the USA, provides investment management services to the Fund. AustralianSuper (US) LLC is entitled to receive service fees, calculated by reference to the costs it incurs. Fees paid and payable by the Fund to or on behalf of AustralianSuper (US) LLC during the year totalled \$35,044,000 (2023: \$28,802,000). The Fund has a net amount payable of \$995,000 to AustralianSuper (US) LLC at year end (2023: \$4,728,000).

(vi) AustralianSuper Research Pty Ltd

AustralianSuper Research Pty Ltd, a wholly owned subsidiary of the Fund domiciled in Australia, provides investment management services to the Fund, specifically to support the Fund's investment operations in China. During the reporting period AustralianSuper Research Pty Ltd incurred expenses of \$1,255,000 which were paid for by the Fund (2023: \$1,055,000). The Fund has a net amount payable of \$28,000 to AustralianSuper Research Pty Ltd at year end (2023 receivable: \$97,000).

Additional information (cont.)

17 Related parties (cont.)

(vii) Other significant investments

The Fund has the following significant investments:

	Equity holding		
Investment	2024 %	2023 %	
Canada Water	50	50	
Cirion	30	30	
Generate Capital	23.2	24.9	
Greencross	24.8	24.9	
Hermes CMK	50	50	
Moorebank Logistics Park	40	40	
NSW Ports	20	20	
Peel Ports	32.4	32.4	
PerkinElmer TopCo	17.4	20.6	
Transurban Chesapeake	25	25	
Transurban Queensland	25	25	
Vantage EMEA	14.1	-	
WestConnex	20.5	20.5	

These investments are included in the relevant investment categories in the statement of financial position. There have been no transactions with these entities other than normal investment activities and distributions.

All transactions with the related parties listed above were made on normal commercial terms, under normal conditions and at market rates.

(viii) Employer sponsors

The Fund has many employer sponsors, a number of which it has investments in as part of the normal investing activities of the Fund. Employer contributions received by the Fund from its employer sponsors are disclosed in the Statement of Changes in Members' Benefits.

(d) Controlled entities

The Fund invests in controlled entities that make up part of the total of the level 3 securities disclosed at fair value in note 3.

In accordance with AASB 10 *Consolidated Financial Statements*, the Trustee has determined that the Fund is an investment entity and consequently, the Fund is only required to consolidate controlled entities which provide services to the Fund, being:

- AustralianSuper (UK) Limited
- AustralianSuper (US) LLC
- AustralianSuper Research Pty Ltd

The impact of consolidating the above entities has been deemed immaterial for the year ended 30 June 2024 and therefore the Fund has not prepared consolidated financial statements.

All controlled entities are measured at fair value through the income statement.

Other than the entities above that provide services to the Fund, the entities controlled by the Fund have been set up for the purpose of holding investments that generate capital appreciation and investment income. The investment strategies of the underlying entities may include the use of leverage. The Fund purchases shares, units or bonds from the controlled entity which enables the controlled entities to invest in the underlying entities. These underlying entities hold investments in infrastructure, private equity and property both internationally and within Australia.

The Fund's maximum exposure to loss from its interests in controlled entities is equal to the fair value of its investments in these entities plus any capital commitment made by a controlled entity to an underlying entity. Once the Fund has disposed of its interest in the controlled entity it ceases to be exposed to any risk from the controlled entity. The Fund's exposure to the current fair value of investments held in the controlled entities and commitments to these entities are shown below:

2024 Asset class	Number of controlled entities	Fair value of controlled entities \$'000	Commitments to controlled entities \$'000
International fixed income	1	529,014	-
Australian infrastructure	10	13,206,661	-
International infrastructure	5	12,326,793	744,574
International private credit	6	4,017,732	489,550
Australian private equity	3	769,130	15,231
International private equity	4	11,963,754	5,960,837
Australian property	3	1,706,645	525,894
International property	10	4,407,992	345,688
Total	42	48,927,721	8,081,774

2023 Asset class	Number of controlled entities	Fair value of controlled entities \$'000	Commitments to controlled entities \$'000
International fixed income	1	644,422	-
Australian infrastructure	11	12,886,579	_
International infrastructure	4	10,300,638	847,891
International private credit	6	4,167,388	675,309
Australian private equity	3	908,933	16,954
International private equity	4	10,288,507	5,428,169
Australian property	3	1,392,357	1,131,869
International property	11	4,385,823	554,655
Total	43	44,974,647	8,654,847

The fair values of these investments are included in the statement of financial position in the unlisted securities category.

Additional information (cont.)

17 Related parties (cont.)

(d) Controlled entities (cont.)

Further details of the Fund's directly held controlled entities are shown in the table below.

Name of entity Domici		Equity holding	
	Domicile	2024 %	2023 %
AS Airports Trust	Australia	100	100
AS Co-Underwrite (NM) Trust	Australia	100	100
AS Direct Australian Equities Trust	Australia	100	100
AS Direct Investments UK Ltd	United Kingdom	100	100
AS Finance Company Pty Ltd	Australia	100	100
AS FX Funding Company Pty Ltd	Australia	100	100
AS Industrial Property (LS) Trust	Australia	100	100
AS Infra Europe Trust	Australia	100	100
AS Infra Hyper UK Ltd	United Kingdom	100	100
AS Infra Luz HoldCo UK Ltd	United Kingdom	100	100
AS Infra Luz Trust	Australia	100	100
AS Infra PP Trust	Australia	100	100
AS Infra Shelf 1 Trust	Australia	100	100
AS Infra Shelf 2 Trust	Australia	100	100
AS Infra Tower Trust	Australia	100	100
AS Infrastructure No 1 (Holding) Trust	Australia	100	100
AS Infrastructure No 1 (Operating) Pty Ltd	Australia	100	100
AS Infrastructure No 2 (Holding) Trust	Australia	100	100
AS Infrastructure No 2 (Operating) Trust	Australia	100	100
AS Infrastructure No 3 (Holding) Trust	Australia	100	100
AS Infrastructure No 3 (Operating) Trust	Australia	100	100
AS Infrastructure WestConnex (Holding) Trust	Australia	100	100
AS Infrastructure WestConnex (Operating) Trust	Australia	100	100
AS International Fixed Income Trust	Australia	100	100
AS International PE Trust	Australia	100	100
AS NZ Property (Wiri) Trust	Australia	100	100
AS PE Shelf 1 Trust	Australia	100	100
AS PE Shelf 2 Trust	Australia	100	100
AS Private Credit Direct Lending Trust	Australia	100	100
AS Private Credit Investment Trust	Australia	100	100
AS Private Credit Shelf 1 Trust	Australia	100	100

Name of entity		Equity holdir	ng
	Domicile —	2024 %	2023 %
AS Private Credit Shelf 2 Trust	Australia	100	100
AS Private Credit Trust	Australia	100	100
AS Private Equity Co-Invest LLC	USA	100	
AS Property CW 2 Trust	Australia	100	100
AS Property CW LLC	USA	100	100
AS Property MLP Trust	Australia	100	100
AS Property No 2 LLC	USA	100	100
AS Property No 2 LP Trust	Australia	100	100
AS Property No 2 Trust	Australia	100	100
AS Property Shelf 1 Trust	Australia	100	100
AS Property Shelf 2 Trust	Australia	100	100
AS RAAD Hybrid Debt Trust	Australia	100	100
AS Residential Property Trust	Australia	100	100
AustralianSuper (UK) Limited	United Kingdom	100	100
AustralianSuper (US) LLC	USA	100	100
AustralianSuper International Credit Trust	Australia	100	100
AustralianSuper Investments Fund	Australia	100	100
AustralianSuper Investments Fund No 2	Australia	100	100
AustralianSuper Investments Fund No 3	Australia	100	100
AustralianSuper Investments Fund No 4	Australia	100	100
AustralianSuper Investments Fund No 5	Australia	100	100
AustralianSuper Private Equity Trust	Australia	100	100
AustralianSuper Property No 1 LLC	USA	100	100
AustralianSuper Property No 3 LLC	USA	100	100
AustralianSuper RAAD Trust	Australia	100	100
AustralianSuper Research Pty Ltd	Australia	100	100
Kings Cross Central General Partner	United Kingdom	70	70
Mindarie Investment Trust	Australia	100	100

In addition to the above, the Fund also controlled 42 (2023: 42) entities as at the reporting date which acted as the trustee for the above entities. Each entity had a carrying value of \$2 (2023: \$2). There were no transactions during the financial year between the trustees for the controlled entities and the Fund or AustralianSuper Pty Ltd.

Additional information (cont.)

18 Auditor's remuneration

Auditors' remuneration includes fees in relation to all entities in the AustralianSuper group.

	2024 \$'000	2023 \$'000
Amounts paid and payable to PwC and related network firms:		
Audit-related services	1,637	1,480
Audit of compliance and other regulatory returns	298	316
Other non-audit services	349	818
Total	2,284	2,614

19 Commitments

The commitments of the Fund at the reporting date that have not been recognised as liabilities are detailed below.

	2024 \$m	2023 \$m
Committed to Unlisted unit trusts	12,134	12,408
Total	12,134	12,408

The above commitments are at call with 3 months' notice normally required.

The Fund's commitments to controlled entities shown at note 17(d) are included above.

20 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period that would impact upon the financial position of the Fund disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

21 Other accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act* 2001 and *Regulations* and the provisions of the Fund's Trust Deed. The financial statements are presented in the Australian currency.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments, derivative liabilities, deferred tax balances and net assets available for member benefits.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

(b) New and amended accounting standards

There are no new accounting standards and interpretations that are mandatory for the 30 June 2024 financial year that had a material impact on the Fund.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 financial year and have not been early adopted by the Fund. These standards and interpretations are not expected to have a material impact on the Fund.

(c) Rounding

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest million dollars, or in certain cases, the nearest thousand dollars.

(d) Comparatives

Where applicable, prior year comparatives have been restated to reflect current year classifications.

Trustee's declaration

In the opinion of the Directors of the Trustee of AustralianSuper:

- (a) the accompanying financial statements and notes set out on pages 25 to 65 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of AustralianSuper Pty Ltd as Trustee for AustralianSuper.

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Dr Don Russell Director

Melbourne 3 September 2024



Claire Keating Director

Independent auditor's report



Independent auditor's report

To AustralianSuper Pty Ltd, the Trustee of AustralianSuper (ABN 65 714 394 898)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of AustralianSuper (the RSE) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in members' benefits for the year then ended
- the statement of changes in reserves for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustee's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Independent auditor's report (continued)



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the RSE, its accounting processes and controls and the industry in which it operates.

Our audit of the financial report focused on where the Trustee made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Our audit approach reflects the nature of AustralianSuper's investment operations and administration of member balances, with consideration to the work undertaken by AustralianSuper's third-party service organisations, external investment managers and external valuation experts.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter

Valuation of level 3 directly held assets Refer to note 3 Investments

At 30 June 2024, AustralianSuper's directly held assets included investments in Australian and international infrastructure and property, amongst others.

Note 3 of the financial statements describes the valuation methodology used by AustralianSuper to measure the fair value of the directly held assets under Australian Accounting Standards.

AustralianSuper's valuation standard requires most material directly held assets to be valued on a quarterly basis by external valuation experts.

The following significant inputs are used in the

How our audit addressed the key audit matter

We assessed the design and implementation and tested the operating effectiveness of certain controls supporting AustralianSuper's directly held asset valuation process, including controls relating to the review and approval of valuations adopted.

We performed risk assessment procedures over the portfolio of level 3 directly held assets, taking into consideration the asset classes, geographies and characteristics of individual directly held assets.

Based on the risk assessment procedures we performed, for a selection of external valuations, we assessed the objectivity, competency and capability of the external valuers and evaluated whether the valuations were performed in



Key audit matter

How our audit addressed the key audit matter

valuation of directly held assets, amongst others.

- Infrastructure
 - Discount rate
 - $\circ \quad \text{Projected future cash flows} \\$
 - Property
 - Capitalisation rate
 - Discount rate
 - o Projected future cash flows

We considered this a key audit matter because of the following:

- Financial significance of the directly held assets balance
- The level of judgement involved in the underlying assumptions used in the financial models (the "models")
- The sensitivity of fair value changes in key data and assumptions used in the models

accordance with AustralianSuper's valuation standard.

For certain material Australian and international infrastructure assets, we performed the following procedures, amongst others:

- Together with assistance from PwC valuation experts, assessed the appropriateness of the valuation method and significant assumptions and data used in the valuations by reference to market evidence, where relevant.
- Compared the fair value reported by the external valuer to AustralianSuper's accounting records.

For certain material international property assets, we performed the following procedures, amongst others:

- Together with assistance from PwC valuation experts, assessed the appropriateness of the valuation method and significant assumptions used in the valuations by reference to market evidence, where relevant.
- Compared a selection of significant data (e.g., rent, lease terms, and property information) used by the external valuer to the relevant underlying lease agreements.
- Compared the fair value reported by the external valuer to AustralianSuper's accounting records.

We assessed the reasonableness of AustralianSuper's disclosures in the financial statements in light of the requirements of Australian Accounting Standards. In particular, we considered the adequacy of the disclosures made in note 3 to the financial statements, which explains AustralianSuper's evaluation of level 3 asset valuations.

Independent auditor's report (continued)

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Key audit matter

Valuation of level 3 indirectly held assets Refer to note 3 Investments

At 30 June 2024, AustralianSuper's indirectly held assets included Australian and international infrastructure investment funds, Australian property investment funds, and international private equity investment funds, amongst others.

Note 3 of the financial statements describes the valuation methodology and assumptions used by AustralianSuper to measure the fair value of the indirectly held assets under Australian Accounting Standards. AustralianSuper's indirectly held assets are valued using the valuation provided by the relevant external investment manager responsible for each investment fund, in most cases.

We considered this a key audit matter because of the:

- Financial significance of the indirectly held assets balance
- The level of judgement involved in the assumptions used in determining fair value
- The sensitivity of fair value to any changes in key data and assumptions

How our audit addressed the key audit matter

We assessed the design and implementation and tested the operating effectiveness of certain controls supporting the valuation process of AustralianSuper's indirectly held assets, including controls relating to the oversight and review of the valuation policies and methodology adopted by AustralianSuper's external investment managers.

We performed risk assessment procedures, taking into consideration the characteristics of the indirectly held assets, as well as the nature and type of underlying assets held by the investment funds.

Based on the risk assessment procedures performed, we performed the following procedures, amongst others, for a selection of investments:

- Obtained a confirmation from the external investment manager of the respective investment funds and compared the confirmed balance to AustralianSuper's accounting records;
- Obtained valuation statements provided by external investment manager of the respective investment funds and compared the valuation quoted by the external investment manager to AustralianSuper's accounting records; and
- Assessed the reliability of the valuation statements provided by external investment managers with reference to the investment funds' audited financial statements and results of controls reports of the external managers in relation to valuation, amongst others.

We assessed the reasonableness of AustralianSuper's disclosures in the financial statements in light of the requirements of Australian Accounting Standards. In particular, we considered the adequacy of the disclosures made in note 3 to the financial statements, which explains AustralianSuper's evaluation of level 3 asset valuations.



Key audit matter

Financial significance of level 1 and 2 financial assets and liabilities Refer to note 3 Investments

At 30 June 2024, AustralianSuper's level 1 and 2 financial assets and liabilities included investments in listed equity securities, fixed income securities and derivative assets and liabilities, amongst others.

Note 3 of the financial statements describes the valuation methodology used by AustralianSuper to measure the fair value of the level 1 and 2 financial assets and liabilities under Australian Accounting Standards.

Whilst there is no significant judgement in determining the existence or valuation of the Fund's level 1 and 2 financial assets and liabilities, they represent a key measure of the Fund's performance and comprise a significant proportion of net assets available for members' benefits.

Fluctuations in level 1 and 2 financial assets and liabilities will also impact the realised and unrealised gains/(losses) recognised in the income statement.

Given the pervasive nature level 1 and 2 financial assets and liabilities have on the Fund's net assets available for members' benefits, we determined this to be a key audit matter.

How our audit addressed the key audit matter

We assessed the design and operating effectiveness of certain controls operated by the third-party service organisations of administration and custody services.

We performed the following procedures, amongst others:

- Inspected the most recent reports provided to AustralianSuper by the thirdparty service organisations setting out the controls in place at that service organisation, which included an audit opinion from the service organisations' auditor over the design and operating effectiveness of those controls.
- Developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the third-party service organisations' auditor on the design and operating effectiveness of controls, to the extent relevant to our audit.

We obtained and assessed the reliability of an audit report from the third-party service organisation's auditors on the valuation and existence of AustralianSuper's level 1 and 2 financial assets and liabilities as at balance sheet date. We compared the number and value of the financial assets and liabilities at 30 June 2024 as recorded in AustralianSuper's financial statements and underlying accounting records to the third-party service organisation's auditors report.

For level 2 derivative assets and liabilities and certain fixed income securities which were not included in the scope of the third-party service organisation's auditor's report, together with assistance from PwC valuation experts, we assessed the appropriateness of the valuation methodology and significant assumptions and recalculated a selection of the valuations.

Independent auditor's report (continued)



Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Trustee for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of AustralianSuper for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

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

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PricewaterhouseCoopers

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CJ Cummins Partner

Melbourne 3 September 2024



It's Australian. It's super. And it's yours.