



2022

Report to Members



STATE SUPER
SAS Trustee Corporation



STATE SUPER
SAS Trustee Corporation

21-22 Snapshot



**\$38
billion**
in assets

in pooled fund at 30
June 2022

**Net
zero**
by 2050
carbon
objective

**90,000
members**

across three schemes
– SASS, SSS
and PSS

**3,177
MEMBERS**

attended one of
our **75 free**
educational
webinars

**100+
years**

since the trustee
was established on
1 July 1919

**5 Member
BELIEFS**

to articulate our
promise to
members

**100+
members**

participated in our
Member Advisory
Forums

**8.0+
SCORE**

For
Member
Satisfaction
in **6** key
services

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SASS at a glance



	SASS
Members at 30 June 2022	<p>Contributing members: 13,447</p> <p>Deferred benefit members: 8,347</p> <p>Pension members: 4,927</p> <p>Total members: 26,721</p>
Member contributions	<p>Members elect to contribute between 1% and 9% of their salary.</p> <p>73% of member contributions were received via salary sacrifice.</p>
Type of benefits	<p>Retirement/withdrawal benefit – a lump-sum benefit based on average contribution rate, final average salary and years of membership. The benefit includes member contributions and investment earnings less fees and insurance premiums (where applicable).</p> <p>Pensions – some members of superseded schemes also have a pension option.</p> <p>Additional benefit cover – optional cover provides a benefit payable on top of the standard benefits available to contributors where retirement is due to total and permanent invalidity or death before the contributor reaches the statutory retirement age.</p>
Membership	SASS commenced 1 April 1988 and was closed to new members 19 December 1992.
Legislation	SASS was established under the <i>State Authorities Superannuation Act 1987</i> .
Scheme eligibility	New employees in the NSW public sector were eligible to join the scheme and members of the Public Authorities Superannuation Scheme (PASS) were transferred to SASS from 1 April 1988. By 1990, a number of other public sector superannuation schemes were closed and members of these schemes were transferred to SASS. These schemes included, among others, the State Public Services Superannuation Fund (SPSSF), the Transport Gratuity Scheme and the Government Railways Superannuation Fund.
SANCS	<p>In addition to the SASS benefits outlined above, all members receive the SANCS lump-sum basic benefit. The benefit is 100% employer-funded and, depending on the reason for exiting employment, accrues at the rate of up to 3% of either final or final average salary for each year of service from 1 April 1988 (or employment commencement date if later). SANCS was closed to new members in 1992. A members' SANCS benefit also consists of any applicable Additional Employer Contribution, Commonwealth Government Co-contribution and Low-Income Super Tax Offset (LISTO) amounts.</p> <p><i>The State Authorities Non-contributory Superannuation Act 1987</i> is the establishing legislation.</p>

SASS is administered by the SAS Trustee Corporation (STC) under the *Superannuation Administration Act 1996*. As Trustee, STC holds all Fund assets in trust in the Pooled Fund.

SSS and PSS at a glance



	SSS	PSS
Members at 30 June 2022	Contributing members: 946 Deferred benefit members: 844 Pension members: 54,391 Total members: 56,181	Contributing members: 394 Deferred benefit members: 64 Pension members: 6,763 Total members: 7,221
Member contributions	<p>Members generally contribute towards individual pension units on a rate-for-age basis.</p> <p>79% of member contributions were received via salary sacrifice.</p>	<p>Members contribute 6% of their salary.</p> <p>72% of member contributions were received via salary sacrifice.</p>
Type of benefits	Mainly pension benefits, with a lump-sum commutation option.	Mainly pension benefits, with a lump-sum commutation option.
Membership	SSS commenced 1 July 1919 and was closed to new members 1 July 1985.	PSS commenced 1 February 1907 and was closed to new members 1 April 1988.
Legislation	SSS was established under the <i>Superannuation Act (NSW) 1916</i> (Superannuation Act).	PSS was established under the <i>Police Regulation (Superannuation) Act 1906</i> .
Scheme eligibility	Salaried employees of the NSW public service, including teachers and a number of statutory authorities scheduled in the Superannuation Act were eligible to join SSS.	Members of the NSW Police Service employed prior to 1 April 1988.
SANCS	<p>In addition to the SSS and PSS benefits outlined above, all members receive the SANCS lump-sum basic benefit. The SANCS benefit is 100% employer-funded and, depending on the reason for exiting employment, accrues at a rate of up to 3% of either final or final average salary for each year of service from 1 April 1988 (or employment commencement date, if later). A members' SANCS benefit also consists of any applicable Additional Employer Contribution, Commonwealth Government Co-contribution and Low-Income Super Tax Offset (LISTO) amounts. SANCS is governed by the <i>State Authorities Non-contributory Superannuation Act 1987</i> and was closed to new members in 1992.</p>	

SSS and PSS are administered by the SAS Trustee Corporation (STC) under the *Superannuation Administration Act 1996*. As Trustee, STC holds all Fund assets in trust in the Pooled Fund.

A message from the CHAIRPERSON

CHAIRPERSON

NICHOLAS JOHNSON



The operating conditions, risks and financial results of the 2021/22 financial year can be regarded as a direct continuation of the challenging 'long' year of 2020/21, with all of its COVID-19 related challenges and other characteristics.

Unsurprisingly the focus of the State Super Board has, therefore, remained broadly unchanged over that long period; as COVID-19 global economic stimuli were implemented and then progressively withdrawn; as new remote working conditions were developed and still widely continued; and as Governmental and community concerns around climate change have steadily risen.

The difficulties associated with those underlying conditions and trends were intensified in 2022 by the Ukraine war, with its well documented global economic impacts.

In this challenging environment State Super has benefited from the impressive strong commitment of its staff, which resulted in top quartile investment performance, excellent member service levels and strict management of the many associated operational and governance risks.

Structure of Chair's report

As in previous years, I will comment on three themes which have been the focus of particular attention from the Board over the past year.

Two of these are similar to last year, firstly Responsible Investment related issues, and secondly consequences of worldwide governmental policy responses to COVID-19. Thirdly, I touch on the early strategic thinking being done in anticipation of the natural progression in State Super's operating model over the next four years.

Responsible Investment

The Board recognises and endorses the consistent desire of members that State Super should adopt a strong proactive approach to environmental, social and governance issues (together referred to as 'Responsible Investing' or 'ESG' issues), while still delivering above average investment returns to members.

With that ESG approach, the Board supported management during the year in its work plan towards establishing tangible benchmarks to measure the carbon footprint associated with the Pooled Fund's current and prospective investment footprint.

The outcome of that work is discussed more fully later in this report. In essence, State Super now has a robust framework and benchmarks against which to measure the carbon footprint associated with its investment portfolio. With the benefit of that framework State Super has developed its first working version of a credible investment 'road map' to a net zero carbon footprint in its portfolio by 2050, with an interim target of a 45% reduction in carbon emissions over 2020 levels by 2030. The roadmap will be subject to regular review at both management and Board level, to ensure that it remains both genuinely effective and delivers optimal results for members.

Various superannuation funds have been vocal in implementing ESG policies based on immediately selling their interests in companies which are high carbon emitters. State Super has considered the merit of similar policies for its funds but has concluded that member and community interests are served better through a policy of active engagement around ESG issues with the companies in which we invest.

We believe that such proactive and transparent engagement results in earlier action by management in high carbon footprint companies, as compared to having the equity in such companies being held by other investors with much lower levels of transparency and community accountability.

We are also reluctant to adopt short-term equity sale programs when, often, the potential buyers of higher carbon emitting companies are offering a highly discounted price to the underlying long-term value of the various companies. But we do not rule out later sales of shares in companies which do not respond to encouragement to reduce their carbon emissions.



Worldwide governmental policy responses to COVID-19

I commented last year that major governments and their agencies responded to the potential adverse economic consequences of COVID-19 by sharply increasing money supply and setting interest rates at very low rates. There was a consequential strong recovery in global stock markets during 2020/21 as investors used those abnormally high levels of liquidity in conjunction with ultra-low-cost debt to purchase higher yielding or growth stocks.

Unsurprisingly in 2021/22 the COVID-19 driven strategies were paused and then reversed, with monetary authorities moving to curtail growth in the money supply and to increase interest rates to manage the global economy's desired return to 'normal' inflation, growth and employment levels.

And equally unsurprisingly, higher interest rates and less liquidity resulted in generally lessened demand for equities, with the prices of shares in some sectors like technology falling significantly.

State Super has a core investment strategy of holding an above average level of downside protection in the portfolio while holding high levels of liquidity. Consequently, the Pooled Fund performed relatively well in the expected less favourable investment trading conditions of 2021/22 and the Board is satisfied that the Pooled Fund continues to deliver very good risk-adjusted returns to members.

Following another related theme from last year, the Board and management continues to focus on unlisted assets like property and infrastructure held in the various funds.

Last year I noted the potential for these unlisted asset values to be subject to substantial movement, tending to increase as a result of low interest rates and high market liquidity. With the changed interest rate and liquidity trends of the last twelve months the Board now recognises the potential for unlisted asset values to decline, especially given the prospect for further increases in inflation and interest rates coupled with monetary policy changes.

Evolution in State Super's operating model

Over the next five years almost all of State Super members will have moved into or be close to their retirement phase. This natural evolution will be accompanied by the expected reduction in the Defined

Contribution funds from approximately \$7.3 billion today to approximately \$4 billion in 2027, although the Defined Benefit funds will still be substantial with a forecast value of around \$25 billion.

At that stage our total members are expected to have reduced from the current level of 90,123 to around 73,000, with pension members of around 62,000, SSS active members dropping from 1,790 currently to 190 with most transferring to a pension and SASS from 21,794 to 10,000.

Of course, the central activities of State Super of overseeing the investment activities, of paying pensions and of carefully managing members' interests will continue for many years. But the change in member demographics and in their associated needs may offer opportunities for changing the way we operate both directly through the State Super team and indirectly through our important outsourced service partners such as Mercer, TCorp and JP Morgan. We will keep members briefed on developments.

Team commitment

The State Super team has performed at the highest levels during another challenging year. The commitment and positive attitude of each individual is recognised and sincerely appreciated.

The leadership and support provided by my fellow Board members and by the State Super Executive team has been central to the success of the business in a difficult environment.

I offer my sincere thanks to all members of this outstanding organisation.

Thank you.

Nicholas Johnson
Chairperson
October 2022

Chief Executive

Officer's report

CEO

JOHN LIVANAS



State Super continues to support our pensioners and our members retiring, and we assisted some 2,000 members retire in this financial

year alone. We pay over 66,000 members' pensions each fortnight, with over \$3.4bn paid over the financial year.

The year in review

Our last financial year reminded us of the speed with which change can happen, and how seemingly unconnected events can create significant disruption: the devastating effects of climate change becoming apparent with floods and droughts wrecking lives; the war in the Ukraine destroying the promise of peace; dramatic increases in energy and food costs driving inflation, and the rise in geopolitical tensions and deglobalisation. The year also evidenced State Super's resilience by design, and thereby our ability to deliver on our member promises, in services and in investment returns.

Net Zero and our Environmental, Social and Governance (ESG) commitments

In December 2021, State Super announced a far-reaching and comprehensive program to achieve net-zero in the carbon intensity of our portfolio by 2050. Prior to making this announcement, the team undertook an extensive assessment of the carbon intensity in our current portfolio and developed a path to progressively and effectively reduce this carbon intensity, with specific milestones along the way. We also ensured we were

consistent with the Paris Agreement on climate change, that committed countries to a path of decarbonisation.

In setting the plan, we ensured that we would maintain our member return objectives by identifying the risks created when our investments were not decarbonising. In addition, we assessed and invested in strategies that would help others decarbonise. We also remain active investors, engaging with companies in areas regarding good governance, gender equality, social responsibility and risks relating to Modern Slavery and Anti-money Laundering.

We believe our considered approach will achieve superior risk adjusted investment outcomes.

We are delighted that our net-zero program was recognised by Rainmaker as an Environmental, Social and Governance Leader in 2022.

Our investments

The investment returns continued to perform above the objectives for the Growth and Balanced options. While our Conservative Option just missed its objective, it was nevertheless the best performing fund of all peers.

Our investment approach has its objective to minimise the risks of loss in down markets because many of our members can choose to retire at any time. As a result, our investment options all performed in the top quartile (and in some cases top 10) of funds in Australia.



Inflation is likely to have a significant effect on economies over the next few years. Whether the rapid interest rate rises will result in recessions, is an open question. In Australia, I remain optimistic that inflation will come back to the Reserve Banks range over the medium term. In part this will be due to increased migration of people assisting to fill our job shortages, a hopeful moderation in the more extreme weather patterns, enabling food prices to stabilise and by a moderation of energy prices as a result of Australia increasingly diversifying its energy mix.

Our members

State Super continues to support our pensioners and our members retiring, and we assisted some 2,000 members retire in this financial year alone. We pay over 66,000 members' pensions each fortnight, with over \$3.4bn paid over the financial year. Again, we saw an increase in the age at which members chose to retire, and as 30 June we had 109 members over the age of 100!

Mercer Administration Services (MAS) provides all the administrative support of member benefits, with State Super continuing to oversight the way these services are delivered. State Super continues to closely monitor the transition of the software system underpinning the administration of our member benefits. We believe our administration system is central to the reliable delivery of services.

Our employees

After the two years of COVID-19, we are rotating to a hybrid work arrangement, with most people coming into the office 2 or 3 days a week. We remain fully committed to supporting and accommodating people's needs for flexibility. We also recognise that an office environment helps newer employees acclimatise to the State Super culture and create that camaraderie that sometimes is best evidenced through unexpected conversations.

We continue to encourage self-development, and like other Superannuation Funds, are exposed to the significant competition for talent. Our employee value proposition (EVP) enables our people to actively engage and be supported in challenging work activities, and our open-door policy continues to lead to high retention of

our key talent. Most of our Executive Team has been together for well over 5 years, ensuring that skills required to support our new generation leaders are retained.

Looking ahead and innovations

State Super has developed a unique set of skills responding to more than a decade of challenges. These skills and State Super's culture have become State Super's 'DNA'. The benefits include successfully managing a portfolio of investments with negative cashflow; balancing an objective of net-zero with ambitious investment objectives; successfully overseeing a complete administration systems transition; transacting on real assets and infrastructure and managing within significant constraints to achieve superior member and employee engagement and investment returns. We believe we can harness this for the continued benefit to members.

What a year (again). A special thank you to all our people for their hard work in making 2021/22 a great year again. I'd also like to give a special thanks to our Board members who have provided me and the organisation with the support and guidance to navigate these challenges.

John Livanas
Chief Executive Officer
October 2022

Your Trustee BOARD



The Trustee Board is appointed by the Treasurer of NSW and comprises:

- an independent Chairperson
- four employer representatives
- four employee representatives nominated by Unions NSW.

Professional indemnity insurance is in place for the Trustee Board and each Board member.

Employer representatives



Carol Austin
Company Director
Appointed June 2018;
reappointed June 2022



Claire Keating
Company Director
Appointed November 2016;
reappointed November 2019



Lisbeth Rasmussen
Company Director
Appointed March 2020



Cathy Yuncken
Company Director
Appointed May 2022

Chairperson



Nicholas Johnson
Chairperson
Appointed June 2015;
reappointed June 2019

Employee representatives



Catherine Bolger
Professionals Australia
Appointed September 2015;
reappointed October 2019



Alex Claassens
NSW Rail,
Tram and Bus Union
Appointed November 2012;
reappointed November 2016
and November 2020



Stewart Little
Public Service
Association of NSW
Appointed September 2019




Tony O'Grady
Formerly NSW Nurses and
Midwives' Association
Appointed September 2017
and September 2021

Thank you

State Super would like to take this opportunity to thank the following former Board member for their valuable contribution during their term:

Swati Dave
Company Director

Appointed May 2016; reappointed May 2019,
term ended May 2022



Function and role of State Super and the Board

State Super

The principal functions of State Super as set out in s.50(1) of the SA Act are to:

- administer the State Super schemes
- invest and manage the Pooled Fund
- provide for the custody of the assets and securities of the State Super schemes
- ensure that benefits payable to persons entitled to receive benefits under the State Super schemes are paid in accordance with the Acts under which the schemes are constituted
- determine disputes under those Acts
- exercise such other functions regarding the State Super schemes and the Pooled Fund as the Minister may, from time to time, approve by order in writing.

State Super is required by the SA Act to outsource the following principal functions for the State Super schemes:

- superannuation scheme administration services
- superannuation investment management services
- custodian services.

The Board

Under s. 69(5) of the SA Act the State Super Board (the Trustee Board) manages and controls the affairs of State Super. The role of the Trustee Board extends to strategy, corporate governance, risk management, policy making and monitoring. Accordingly, the Trustee Board is responsible for:

- monitoring the State Super schemes and the Pooled Fund, including the control and accountability systems
- appointing and removing the Chief Executive Officer

- providing input to, and final approval of, the long-term strategy for the State Super schemes and annual Strategic and Business Plan
- approving and monitoring the annual budget and any extraordinary expenditure
- approving and monitoring State Super's risk management, compliance and control systems and policies
- approving and monitoring policies and procedures for the management of the Fund, including:
 - business plans, policies and processes for the proper direction, control and performance measurement of the Fund
 - standards to assess the performance of State Super's service providers
- setting the objectives, strategies and risk for investments, approving major investment decisions and monitoring and assessing investment performance
- approving and monitoring State Super's governance procedures for the Trustee Board and the staff of State Super, including work health and safety, and the Code of Conduct and Ethics
- monitoring the performance of the Pooled Fund, the Trustee Board's activities, State Super management and State Super's service providers.

Trustee Board members are remunerated in accordance with the NSW Government's Classification and Remuneration Framework for NSW Government Boards and Committees.



Function and role of State Super and the Board – continued

State Super committees

A number of Board Committees assist with the performance of State Super's functions and monitor the compliance of external service providers against their contractual requirements. The Committees and their membership at 30 June 2022 are listed below.

Investment Committee

Mr N Johnson (Chairperson)
Ms C Austin
Ms C Bolger
Ms L Rasmussen

Risk, Audit and Compliance Committee

Ms C Bolger (Chairperson from 22 June 2022)
Ms C Keating (was Chairperson until 21 June 2022)
Mr T O'Grady

Member Services Committee

Mr A Claassens (Chairperson)
Mr S Little
Mr T O'Grady

Human Resources and Nominations Committee

Mr A Claassens (Chairperson)
Ms C Bolger
Mr N Johnson
Mr S Little

Police Superannuation Advisory Committee

Mr A Claassens (Acting Chairperson)

The Police Superannuation Advisory Committee (PSAC) comprises a Chairperson appointed by the Minister, three nominees of the Police Association of New South Wales and one nominee each from the Commissioned Officers' Branch of the Public Service Association of New South Wales, State Insurance Regulatory Authority, the Minister for Police, and State Super. The State Super nominee is a member of the State Super Executive.

PSAC determines entitlements under the Police Superannuation Scheme for members of the NSW Police Force who seek to be medically discharged, for 'Hurt on Duty' Scheme pensioners who apply for pension increases and in relation to 'Hurt on Duty' death benefits and it also advises State Super on any administrative matters under the *Police Regulation (Superannuation) Act 1906* that are referred to it by the Board.

For more information about each of the Trustee Board Committees, refer to State Super's Annual Report to Parliament, available on the State Super website at www.statesuper.nsw.gov.au.

Member services update



Member interviews with Customer Service

Interview Services using the Zoom video call platform are available by appointment from 9.00am to 5.00pm Monday to Friday.

State Super's free Interview Service is available to all current and deferred members as well as pension members.

Customer service staff can meet with you via a virtual face-to-face video call. They can assist with general information about your scheme, superannuation rules, even completing administrative forms or other paperwork. Easy-to-follow instructions will be supplied to help you join your video interview.

Of course, you can contact us by phone for assistance any time during business hours. There is also a wide range of information available on our website. Details about the rules, benefit entitlements and membership conditions of each of the State Super schemes are provided in a series of fact sheets.

To download a form or fact sheet, go to www.statesuper.nsw.gov.au/help-centre/forms-and-factsheets and search for the name or document number or scroll through your scheme's documents to find what you need.

Member login now with two-factor authentication

Did you know you can keep track of your State Super benefits online via the secure member login on our website. And this year we've introduced enhanced security features which means that every time you log in:

- A unique PIN number will be sent to your mobile phone or email address (we will use the details that are currently on file).
- You will need to enter the PIN number which will then be validated.

For members who do not have either a mobile number or email address on file, you will need to update your member details in order to use the new security features.

Registering for online access enables you to:

- update or change your contact details
- view and download your last annual statement, or view your fortnightly pension
- access an online benefit estimate (SASS members)

To register, simply go to statesuper.nsw.gov.au and click on the Member Login link (top right corner) and complete the new user registration details.

Seminars continue as online Webinars

State Super webinars continued during 2022 with more than 3,000 members taking advantage of this service last year.

Our webinars are presented on our behalf by qualified financial planners from Aware Super, who are specifically trained in your superannuation scheme.

They can help you understand how to maximise your superannuation and plan for the future

Our webinars will help you to:

- learn more about your scheme – how it works, what your choices are and how to make the most of your available benefits
- understand how and when the decisions you make about your employment and superannuation can affect your retirement benefits
- understand the Centrelink rules and the benefits you could be eligible for
- find out how a financial plan can help you make the most of your super

Easy-to-follow instructions are provided on how to join and participate online from the comfort of home.

To make a booking to attend one of our webinars, call **1800 620 305** or go to **www.statesuper.nsw.gov.au/help-centre/seminars** where you can view dates and times that are convenient for you.

Our Member Beliefs

State Super
promises to:

Act with fairness,
integrity and
openness



Help members
maximise their
State Super
benefits



Act in
members'
best interests



Make it easy
for members to
understand their
unique scheme



Be a trusted
guardian of
members'
funds



We listen, learn and grow with you.



STATE SUPER
SAS Trustee Corporation

State Super Academic Scholarships for 2023



About the Scholarship

The State Super Scholarship was established as a legacy to acknowledge the organisation's 100-year anniversary.

The scholarship provides funding support for successful applicants to pursue research in fields related to public sector employees and their retirement, pensions, superannuation or responsible investments.

The scholarship will support those seeking to complete research at postgraduate level – either Honours/Masters (by Research) or Doctor of Philosophy (PhD).

Who should apply?

Any post-graduate student who has a desire to contribute to a vision for the future of superannuation, retirement or responsible investment and has demonstrated academic excellence in their field.

What fields of research are applicable for the scholarship?

The proposed research must contribute to the knowledge base for future planning by the NSW government in one of State Super's priority areas: public sector retirement, pensions and superannuation:

- The future of pensions in the public sector
- Superannuation or retirement solutions to attract and retain talent in the public sector
- Innovations in responsible investing, including environmental, social and governance issues
- Innovation in superannuation or retirement solutions around the globe
- Other related fields in pensions, public service or financial services

What is included in the State Super Scholarship?

The successful applicants will receive financial support for a period of 12 months as follows:

Study	Amount	Number of scholarships
Honours/Masters (by Research) Scholarship	\$16,000	4 per year
PhD Scholarship	\$36,000	1 per year

Successful applicants may apply for the scholarship in subsequent years.

Which universities are participating?

All NSW Universities that are scheduled employers in State Super:

- The University of Sydney
- University of New South Wales
- Macquarie University
- The University of Newcastle
- Southern Cross University
- University of Technology Sydney
- University of New England
- Western Sydney University
- University of Wollongong
- Charles Sturt University

Students from regional or emerging Universities are encouraged to apply.

Key dates

Applications open	8 August 2022
Applications close	9 December 2022
Scholarships awarded	3 February 2023

Note: Applicants must commence postgraduate study in the 2023 calendar year.

Application

Visit the State Super website to apply
www.statesuper.nsw.gov.au/

Aware of the difference advice can make

We have always been aware of the important role high-quality, affordable financial advice can play in helping you achieve your retirement goals.

We have over 140 advisers nationally that are specialists in defined benefit schemes, superannuation and retirement. We're ready to give you tailored advice to get the most from your scheme, plan for retirement, and give you peace of mind that you're making the most of any Centrelink entitlements in retirement. We can also provide you with aged care advice for yourself or a family member.

With strong long-term investment performance¹ and competitive fees², we provide a range of retirement income products and services to meet your needs.

Plan for your future by getting the right help today with Aware Super.

We are Aware Super.



Scan here for information on our retirement webinars or to book an advice appointment.



1800 620 305 | aware.com.au

¹ Source: Super Ratings Pension Fund Crediting Rate Survey 30 June 2022 (SRP50 Balanced (60-76 Index) - approximately 50 funds and SRP25 Conservative Balanced (41-59 Index) - approximately 23 funds). Aware Super Pension Growth and Balanced Growth investment options delivered average yearly returns over 10 years to 30 June 2022 of 9.15% p.a. and 7.64% p.a. compared to the index medians of 8.92% p.a. and 7.06% p.a. for the same period. Returns are net of investment fees, tax and implicit asset-based administration fees. Investment returns are not guaranteed. Past performance is not a reliable indicator of future performance.

² Source: Chant West Pension Fee Survey 30 June 2022, Balanced [41-60% in growth assets] investment option index and \$100,000 account balance. Total fee includes combined administration, investment fees and costs. Aware Super Balanced Growth option total fee is 1.06% p.a. compared to 1.12% p.a. (overall average - approximately 74 funds). Fees and comparisons may differ for other investment options and account balances.

Personal advice requires the provider to act in the client's best interests and take into account the client's circumstances. These rules do not apply to general advice. This communication contains general advice only and no personal advice. We have not taken into consideration any of your objectives, financial situation or needs or any information we hold about you when providing this general advice. Further this communication does not contain, and should not be read as containing, any recommendations to you in relation to our product. Before taking any action, you should consider whether the general advice contained in this communication is appropriate to you having regard to your circumstances and needs and seek appropriate professional advice if you think you need it. Contact us to make an appointment to see one of our representatives. Before making a decision about Aware Super you should read our product disclosure statement and Target Market Determination (TMD) available at aware.com.au/pds or call us and we'll send you a copy. Issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Financial planning services are provided by our wholly owned financial planning business Aware Financial Services Australia Limited, ABN 86 003 742 756, AFSL No. 238430. You should read their Financial Services Guide before making a decision.

Investment performance



The 2021-22 financial year saw broad declines in both equities and fixed Income markets offset by stronger performance in alternative asset classes including infrastructure, property and private markets. This resulted in a small negative return to Trustee Selection, DC Growth and DC Balanced options while DC Conservative was able to maintain a positive return for the year.

Despite the negative returns, the defensive positioning of our funds helped to mitigate the drawdown and deliver strong risk adjusted returns compared to our peers with all diversified investment options delivering top quartile returns versus funds with comparable allocations to growth assets.

The Trustee Selection and all diversified investment option strategies, with the exception of the Conservative option, have delivered returns above their long-term performance objectives

State Super implements its investment strategies through investment managers, with TCorp undertaking all manager selection activities for Trustee Selection. Over the course of the financial year investment managers' performances in each of the investment strategies were reviewed and adjustments made to ensure the risk return characteristics of each investment strategy were in line with investment objectives. State Super continues to maintain prudent liquidity requirements to fund its liabilities and a focus on liquidity management remains a priority for the investment team.

Risk and asset allocation settings for the Fund are reviewed regularly. The asset allocation for each investment strategy is well diversified across asset classes, risk premiums, investment managers and individual securities. The aim is to generate returns with substantially reduced volatility. Risk management plays a crucial role in this process.

Year ending	Crediting rate to members (%p.a.)						
	Growth Strategy	Balanced Strategy	Conservative Strategy	Cash Strategy	Trustee Selection	University Diversified Conservative	University Cash
30 June 2022	-1.7	-0.9	1.1	0.1	-0.6	-	0.1
30 June 2021	14.3	8.9	5.6	0.1	13.1	3.3	0.1
30 June 2020	1.5	2.7	3.0	0.9	1.3	0.3	0.8
30 June 2019	7.6	5.9	4.7	1.9	8.5	4.0	1.8
30 June 2018	9.4	6.9	5.0	1.7	8.2	3.3	1.6
Average annual compound rate (% p.a.)							
Over 3 years	4.5	3.5	3.2	0.4	4.4	1.2	0.3
Over 5 years	6.1	4.6	3.9	0.9	6.0	2.2	0.9
Over 10 years	8.3	6.8	5.2	1.7	8.3	n/a	n/a

Note: The figures above are after allowance for tax and investment management expenses. Past returns are no guarantee of future returns. The value of a SASS member's personal account, Commonwealth Government contribution accounts and deferred benefits are not guaranteed and can fluctuate with investment gains or losses. SASS members should seek professional financial advice to help them select an investment strategy that best suits their personal circumstances. For up-to-date investment returns information, visit the State Super website at www.statesuper.nsw.gov.au.

*The University Conservative Option closed on 28 February 2021.



Investment management



Strategic asset allocation

State Super allocates assets into three categories – Liquid Growth, Alternatives and Liquid defensive – to more closely reflect the role of each type of asset within the portfolio.

Category	Asset Class
Liquid growth	Australian equities
	International equities
	Property
Alternatives	Infrastructure
	Other alternatives
	Australian fixed interest
Liquid defensive	International fixed interest
	Defensive Strategies
	Cash

Liquid Growth consists of Australian and international listed equities. Liquid Defensive consists of Australian and international fixed interest, inflation-linked bonds, other defensive strategies, cash and income. Alternatives comprises property, infrastructure, corporate debt and absolute return strategies.

Liquid Growth is expected to make a large contribution to long-term returns; however, the market is likely to remain highly volatile. The allocation to Liquid Growth, as well as the allocation between Australian and international equities within this category may be changed from time to time depending on market opportunities.

Alternatives serve a dual purpose. Some of the asset classes in this category are expected to generate returns in line with or higher than the return objective. Other asset classes within Alternatives are expected to have the dual objective of providing a good level of return, whilst also reducing the volatility of returns, especially when equity markets fall.

Liquid Defensive represents asset classes that tend to do well when equity markets are turbulent or fall. These asset classes provide capital protection when most other strategies are not performing well but are not expected to significantly contribute to the return over the long term. However, the historically low interest rates mean that the returns for these assets are likely to be below inflation over the short to medium term. This led to the addition of the income asset class that aims to deliver yield above cash with strong capital preservation characteristics.

State Super can dynamically allocate assets between Liquid Defensive and Liquid Growth, based on changes in the investment environment. The allocation to Alternatives, on the other hand, is strategic in nature and generally illiquid, with investments being held over the medium to long term.

State Super reviews the strategic asset allocation of each investment strategy annually in conjunction with its advisers. Critical areas of focus include setting the investment risk and return objectives, having regard to the expected investment environment over each option's investment timeframe, and liquidity requirements over the short- and medium-term to ensure member benefits can be readily paid as and when they fall due.

MARKET RISK PROTECTION STRATEGIES

The Trustee is focused on mitigating the risks of a large drawdown in equity markets; however, downside protection strategies typically require a premium to be paid for that protection and could also mean giving up some return in strong equity markets. State Super carefully weighs up this trade-off in managing its downside risk.

Downside protection – The Trustee may employ a series of investment strategies to manage downside risk, which could include a combination of derivatives for hedging and exposure management, rotation of assets and managers, centralised managed currency overlay, option strategies and manager benchmarking focused on downside risk management.

Exposure management – In the case of the Trustee Selection and all DC Strategies, the listed asset classes can be tilted away from their respective asset allocation weights in a disciplined manner. The portfolios are tilted using dynamic asset allocation ranges set for each of the strategies to capture upside potential gains and provide a degree of downside protection.

RESPONSIBLE INVESTMENT

State Super's Investment Beliefs recognise that "environmental, social and governance (ESG) factors may materially impact investment risk and returns, particularly over the long term". State Super is committed to the integration of responsible investment and ESG factors in the selection, retaining and realising of investments, and the adoption of an active ownership approach across the Pooled Fund.

State Super continued to enhance its Responsible Investment Policy over the 2022 financial year and published a new Responsible Investment Policy, Climate Change Statement and updated Stewardship Statement.

Significant developments in this respect include:

- **Net-Zero** – State Super announced in December its net-zero CO2e goal across its investment portfolio, in its Pooled Fund, by 2050. The Board-approved plan was formulated with input from TCorp (NSW Treasury Corporation) and Mercer, with State Super setting a milestone of a 45% reduction in the weighted-average intensity of CO2e emissions by 2030 by revenue against an end of calendar 2020 baseline, on the way to the 2050 net-zero objective.
- **Proxy voting** – All proxy voting for DC and DB Options is directed by State Super and TCorp respectively. For DC Options voting is based on a bespoke policy. Proxy voting for Trustee Selection has been delegated to TCorp and international voting is based on a consistent policy. State Super continues to publish six-monthly proxy voting activities on its website.

- **Engagement** – State Super continues to engage with companies and collectively on climate and ESG policy through organisations such as The Australian Council of Superannuation Investors, Hermes EOS, Investor Group on Climate Change, the Principles for Responsible Investment and the Australian Sustainable Finance Institute.
- **Climate modelling** – With its advisors, State Super continues to model alternative climate change scenarios in order to assess the impact of climate change on the expected risk and return characteristics for different asset classes and reflect its impact in the annual investment strategy review.
- **Modern Slavery** – State Super continues to engage with investment managers regarding modern slavery risks and has requested reporting from them to assist in monitoring and addressing this on an annual basis. We include reporting requirements in our contracts as well as our expectations of compliance with the regulatory requirements to modern slavery. We actively engage with investee companies regarding their approach to modern slavery.
- **Carbon footprint analysis** – State Super continues to measure and monitor the carbon footprint of the listed equities portfolios within the DC fund through our Responsible Investment Risk dashboard and has implemented carbon reduction strategies for quantitative equities strategies. This will form part of the ongoing management of ESG risk. At reporting date, TCorp have also implemented a low carbon benchmark for the passively managed developed market equities portion of the DB portfolio.
- **Exclusions** – State Super continued to exclude investments in tobacco and controversial weapon manufacturers from the Pooled Fund.
- **Diversity** - We think that diverse backgrounds and diverse thinking contribute to better member outcomes and we hire diverse teams. We encourage and value diversity and inclusion at State Super and have 56% female representation at the Board and 40% at the Executive Leadership Committee. This is an engagement theme of ours with our investee companies, not only at board level but with the executive. Our expectation is that there is a minimum 30% female representation on our investee company boards and support a move towards 40, 40, and 20 gender balance.

Investment strategies at 30 June 2022



DEFINED BENEFIT INVESTMENT STRATEGIES

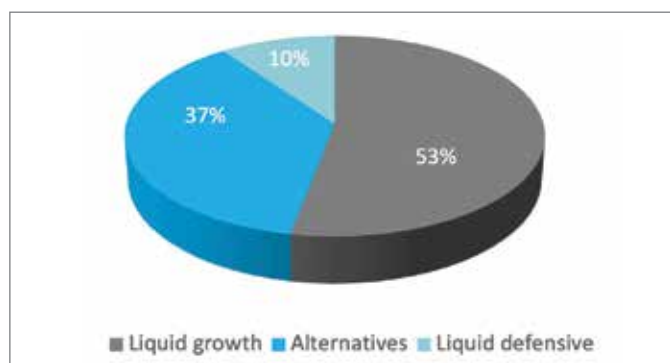
Defined benefit investment strategies are used to invest assets within the State Super Pooled Fund that support employer reserves. Such reserves are held in order to meet the New South Wales Government's obligation to provide defined superannuation benefits.

Trustee Selection Strategy

Investment objective: The objective of the Trustee Selection Strategy is to maximise the earnings rate, subject to a greater than 50% probability of exceeding CPI + 5.0% p.a. over rolling 10-year periods.

Risk: High (standard risk measure (SRM) risk band 6: from 4 to less than 6 negative annual returns estimated over any 20-year period).

Net assets at 30 June 2022: \$30,636 million.



Asset allocation at 30 June 2022:

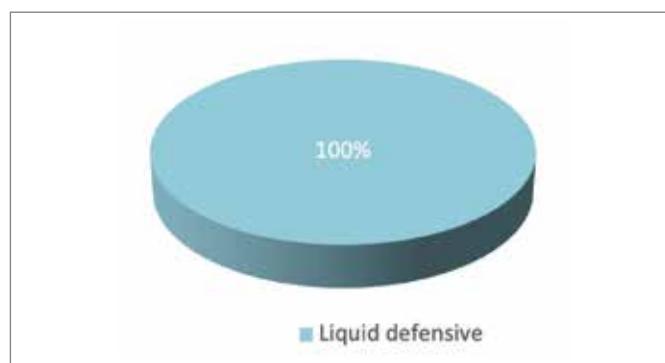
	Strategic %	Actual %
Liquid growth	53.0	47.7
Australian equities	16.0	12.4
International equities	37.0	35.3
Alternatives	37.0	42.0
Infrastructure	12.0	14.1
Property	7.0	10.1
Other alternatives	18.0	17.8
Liquid defensive	10.0	10.2
Australian fixed interest	2.0	1.7
International fixed interest	0.0	0.0
Defensive Strategies	4.0	4.1
Cash	4.0	4.4
TOTAL	100.0	100.0

University Cash Strategy

Investment objective: The investment objective of the University Cash Strategy is to maximise the earnings rate subject to a greater than 80% probability of exceeding cash p.a. over rolling three-year periods.

Risk: Very Low (SRM risk band 1: less than 0.5 negative annual returns estimated over any 20-year period)

Net assets at 30 June 2022: \$401 million.



Asset allocation as at 30 June 2022:

	Strategic %	Actual %
Liquid growth	0.0	0.0
Alternatives	0.0	0.0
Liquid defensive	100.0	100.0
Australian fixed interest	0.0	0.0
International fixed interest	0.0	0.0
Cash	100.0	100.0
TOTAL	100.0	100.0

MEMBER INVESTMENT CHOICE (MIC) STRATEGIES

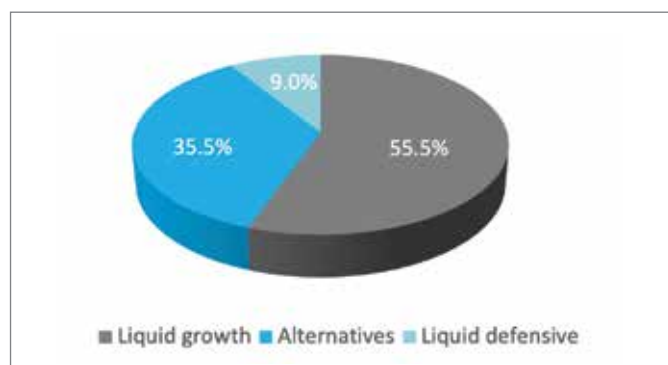
The four State Super MIC strategies are used to invest defined contribution assets within the State Super Pooled Fund.

Growth Strategy

Investment objective: The objective of the Growth Strategy is to maximise the earnings rate subject to a greater than 50% probability of exceeding CPI + 3% p.a. over rolling 7-year periods.

Risk: High (SRM risk band 6: from 4 to less than 6 negative annual returns estimated over any 20-year period).

Net assets at 30 June 2022: \$5,497 million.



Asset allocation as at 30 June 2022:

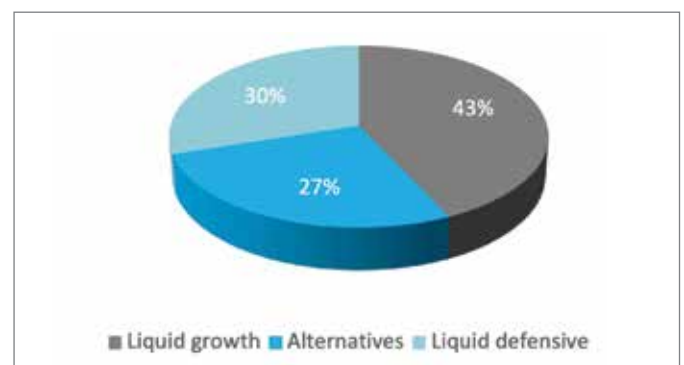
	Strategic %	Actual %
Liquid growth	55.5	56.7
Australian equities	24.0	22.7
International equities	31.5	34.0
Alternatives	35.5	32.9
Infrastructure	9.0	8.4
Property	5.0	7.0
Other alternatives	21.5	17.5
Liquid defensive	9.0	10.4
Australian fixed interest	3.0	2.8
International fixed interest	0.0	0.0
Income	2.0	2.9
Defensive Strategies	0.25	0.4
Cash	3.75	4.3
TOTAL	100.0	100.0

Balanced Strategy

Investment objective: The objective of the Balanced Strategy is to maximise the earnings rate subject to a greater than 50% probability of exceeding CPI + 2% p.a. over rolling 7-year periods.

Risk: Medium to High (SRM risk band 5: from 3 to less than 4 negative annual returns estimated over any 20-year period).

Net assets at 30 June 2022: \$1,214 million.



Asset allocation as at 30 June 2022:

	Strategic %	Actual %
Liquid growth	43.0	44.5
Australian equities	15.5	14.6
International equities	27.5	29.9
Alternatives	27.0	24.8
Infrastructure	9.0	8.4
Property	5.0	7.0
Other alternatives	13.0	9.4
Liquid defensive	30.0	30.8
Australian fixed interest	7.0	6.4
International fixed interest	0.0	0.0
Income	8.0	8.2
Defensive Strategies	0.25	0.4
Cash	14.75	15.8
TOTAL	100.0	100.0

Investment strategies at 30 June 2022 – continued

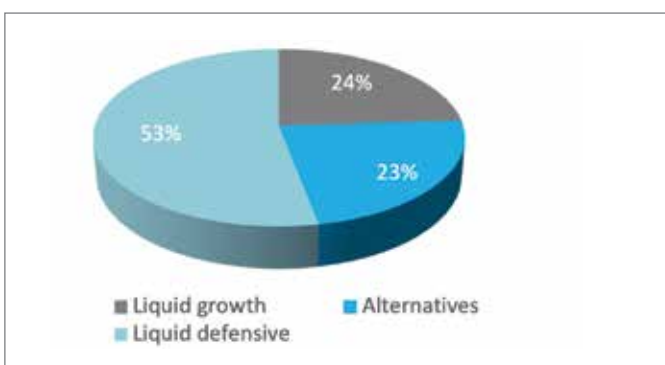


Conservative Strategy

Investment objective: The objective of the Conservative Strategy is to maximise the earnings rate subject to a greater than 50% probability of exceeding CPI + 1.0% p.a. over rolling 4-year periods.

Risk: Medium (SRM risk band 4: from 2 to less than 3 negative annual returns estimated over any 20-year period).

Net assets at 30 June 2022: \$468 million



Asset allocation at 30 June 2022:

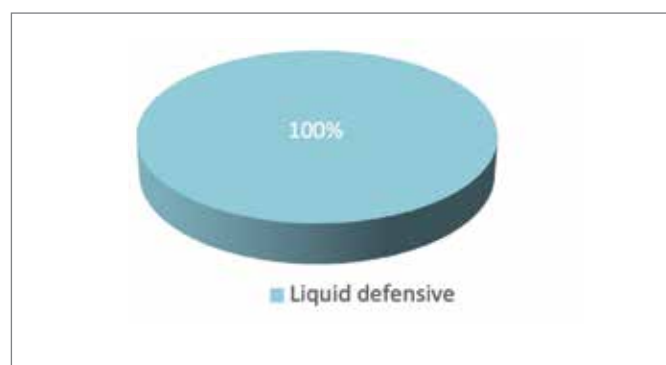
	Strategic %	Actual %
Liquid growth	24.0	25.5
Australian equities	9.5	9.0
International equities	14.5	16.5
Alternatives	23.0	20.8
Infrastructure	9.0	8.4
Property	5.0	7.0
Other alternatives	9.0	5.4
Liquid defensive	53.0	53.7
Australian fixed interest	9.0	8.3
International fixed interest	0.0	0.0
Income	19.0	18.0
Defensive Strategies	0.25	0.4
Cash	24.75	27.0
TOTAL	100.0	100.0

Cash Strategy

Investment objective: The objective of the Cash Strategy is to maximise the earnings rate subject to a greater than 80% probability of exceeding Cash p.a. over rolling 3-year periods.

Risk: Very low (SRM risk band 1: less than 0.5 negative annual returns estimated over any 20-year period).

Net assets at 30 June 2022: \$147 million



Asset allocation at 30 June 2022:

	Strategic %	Actual %
Liquid growth	0.0	0.0
Alternatives	0.0	0.0
Liquid defensive	100.0	100.0
Cash	100.0	100.0
TOTAL	100.0	100.0

Further information about the Standard Risk Measures and investment objectives is included in SASS Fact Sheet 15: Choosing an investment strategy, which is available on the State Super website at www.statesuper.nsw.gov.au



Investment updates and changes

In June 2022, State Super undertook its annual detailed review of the investment strategies and objectives for each investment option of the Pooled Fund.

Strategic asset allocation changes

As part of the review, several strategic asset allocation changes have been made to the Trustee Selection Strategy. We continue to harmonise illiquid assets across different Member Investment Choice options to enhance portfolio liquidity. These changes have been implemented by re-weighting the allocations to the impacted asset classes. While we continue to maintain a constructive longer-term outlook, we are mindful of the heightened risk in the shorter term and these changes are intended to further improve the diversification and provide additional downside risk protection.

Growth, Balanced and Conservative Strategy

As part of the review, a few strategic asset allocation changes have been made to the DC Options. This includes an increase in Liquid Growth funded by a modest reduction in alternatives. Particularly, we have reduced illiquid assets such as infrastructure and property to ensure we continue to maintain the portfolio liquidity in anticipation of negative cashflow.

Trustee Selection Strategy

Trustee Selection is a defined benefit scheme with a different investment time horizon to DC options. We have increased allocation to growth assets to take advantage of dislocation in valuation created by COVID-19.

This has been funded by a modest reduction in Fixed Income.

Investment strategies from 1 July 2022

STRATEGIC ASSET ALLOCATIONS FOR DEFINED BENEFIT STRATEGIES

Trustee Selection Strategy

Effective from 1 July 2022, the strategic asset allocation for the Trustee Selection Strategy was revised as follows:

	Strategic asset allocation %	Dynamic asset allocation range %
Liquid growth	55.0	32.0 – 67.0
Australian equities	11.0	
International equities	44.0	
Alternatives	37.0	15.0 – 49.0
Infrastructure	12.0	
Property	7.0	
Other alternatives	18.0	
Liquid defensive	8.0	1.0 – 33.0
Australian fixed interest	0.0	
International fixed interest	0.0	
Other defensive strategies	4.0	
Cash	4.0	
TOTAL	100.0	100.0

University Cash Strategy

Effective from 1 July 2022, the strategic asset allocation for the University Cash Strategy remains as follows:

	Strategic asset allocation %
Liquid growth	0.0
Alternatives	0.0
Liquid defensive	100.0
Cash	100.0
TOTAL	100.0

Note: Dynamic asset allocation ranges are not used in the University Cash Strategy.



STRATEGIC ASSET ALLOCATIONS FOR MEMBER INVESTMENT CHOICE STRATEGIES

Growth Strategy

Effective from 1 July 2022, the strategic asset allocation for the Growth Strategy remains as follows:

	Strategic asset allocation %	Dynamic asset allocation range %
Liquid growth	60.0	44.0 – 76.0
Australian equities	24.0	
International equities	36.0	
Alternatives	30.0	22.0 – 38.0
Infrastructure	7.0	
Property	2.0	
Other alternatives	21.0	
Liquid defensive	10.0	1.0 – 20.0
Fixed interest	4.0	
Income	3.0	
Defensive strategies	0.25	
Cash	2.75	
TOTAL	100.0	100.0

Balanced Strategy

Effective from 1 July 2022, the strategic asset allocation for the Balanced Strategy remains as follows:

	Strategic asset allocation %	Dynamic asset allocation range %
Liquid growth	48.0	38.0 – 58.0
Australian equities	17.5	
International equities	30.5	
Alternatives	22.0	14.0 – 30.0
Infrastructure	7.0	
Property	2.0	
Other alternatives	13.0	
Liquid defensive	30.0	20.0 – 40.0
Fixed interest	7.0	
Income	8.0	
Defensive strategies	0.25	
Cash	14.75	
TOTAL	100.0	100.0



Investment strategies from 1 July 2022 - continued

STRATEGIC ASSET ALLOCATIONS FOR MEMBER INVESTMENT CHOICE STRATEGIES

Conservative Strategy

Effective from 1 July 2022, the strategic asset allocation for the Conservative Strategy remains as follows:

	Strategic asset allocation %	Dynamic asset allocation range %
Liquid growth	30.0	22.0 – 38.0
Australian equities	10.5	
International equities	19.5	
Alternatives	18.0	10.0 – 26.0
Infrastructure	7.0	
Property	2.0	
Other alternatives	9.0	
Liquid defensive	52.0	42.0 – 62.0
Fixed interest	9.0	
Income	19.0	
Defensive strategies	0.25	
Cash	23.75	
TOTAL	100.0	100.0

Cash Strategy

Effective from 1 July 2022, the strategic asset allocation for the Cash Strategy remains as follows:

	Strategic asset allocation %
Liquid growth	0.0
Australian equities	0.0
International equities	0.0
Alternatives	0.0
Liquid defensive	100.0
Cash	100.0
TOTAL	100.0

Note: Dynamic asset allocation ranges are not used in the Cash Strategy.

Investment managers

As required by the *Superannuation Administration Act 1996*, all of the Pooled Fund's assets are managed by external fund managers appointed by State Super.



Investment managers at 30 June 2022	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
Australian Equities			
Abrdn Investment Management (name change previously Aberdeen)	–	✓	–
Alphinity Investment Management Pty Ltd	✓	–	–
Ausbil Investment Management Limited	✓	–	–
BlackRock Asset Management Australia Limited	✓	–	–
Citigroup Global Markets Australia Pty Ltd	✓	✓	–
Lazard Asset Management Pacific Co	✓	–	–
Macquarie Group Limited	–	✓	–
Martin Currie Investment Management Ltd	✓	✓	–
Northcape Capital Pty Ltd	–	✓	–
Pendal Group Limited	✓	–	–
Plato Investment Management Limited (previously Omega)	–	✓	–
Platypus Asset Management Pty Ltd	✓	✓	–
State Street Bank & Trust Company	✓	✓	–
UBS Securities Australia Limited	–	✓	–
International Equities			
Ardevora Asset Management LLP	✓	–	–
Artisan Partners Limited Partnership	✓	–	–
AQR Capital Management LLC	–	✓	–
AXA Rosenberg (via Equity Trustees Ltd)	✓	–	–
BlackRock Asset Management Australia Limited	✓	–	–
Citigroup Global Markets Australia Pty Ltd	✓	✓	–
C Worldwide Asset Management Fondsmæglerselskab A/S	–	✓	–
Harris Associates Limited Partnership	✓	–	–
MFS International Australia Pty Ltd	✓	–	–

Investment managers - continued



Investment managers at 30 June 2022	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
Neuberger Berman Australia Ltd	–	✓	–
Ninety One UK Limited	✓	✓	–
Northcape Capital Pty Ltd	✓	–	–
Northern Trust Company of Hong Kong Limited	✓	–	–
Robeco Hong Kong Limited	✓	–	–
Schroder Investment Management Australia Limited	✓	–	–
State Street Bank & Trust Company	–	✓	–
State Street Global Advisors Australia Limited	–	✓	–
Property			
AEW Capital Management, LP (via Equity Trustees Ltd)	–	✓	–
Brookfield Premier Real Estate Partners L.P	✓	–	–
Charter Hall Investment Management Limited	–	✓	–
Citigroup Global Markets Australia Pty Ltd	✓	✓	–
Dexus Property Group	–	✓	–
EG Funds Management Pty Ltd	✓	–	–
Franklin Templeton Investments Australia Limited	✓	–	–
Invesco Real Estate (via Equity Trustees Ltd)	–	✓	–
Investa Property Group	–	✓	–
ISPT Pty Ltd	–	✓	–
LaSalle Investment Management (via Equity Trustees Ltd)	–	✓	–
LendLease Investment Management (AFSL) Pty Limited	✓	–	–
New South Wales Treasury Corporation	✓	–	–
International fixed interest			
State Street Global Advisors, Australia, Limited	–	✓	–

Investment managers at 30 June 2022	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
Australian fixed interest & cash			
Ardea Investment Management Pty Ltd	✓	✓	–
Citigroup Global Markets Australia Pty Ltd	✓	–	–
Macquarie Group Limited	✓	–	–
Pendal Group Limited	✓	–	–
State Street Global Advisors Australia Limited	✓	✓	✓
Alternative assets			
Bentham Asset Management Pty Limited	–	✓	–
Challenger Investment Partners Limited	–	✓	–
Citigroup Global Markets Australia Pty Ltd	–	✓	–
Fulcrum Asset Management LLP	–	✓	–
GMO Australia Limited	✓	–	–
HarbourVest Partners, LLC	–	✓	–
K2/D&S Management Co, LLC	✓		–
Kohlberg Kravis Roberts & Co. L.P.	–	✓	–
MAN Group plc	–	✓	–
Neuberger Berman Australia Ltd	–	✓	–
New South Wales Treasury Corporation	✓	–	–
Pendal Group Limited	–	✓	–
Perennial Value Management Limited	–	✓	–
PIMCO Australia Pty Ltd	✓	–	–
PineBridge Investments LLC	–	✓	–
Resolution Life Group Holdings L.P.	✓	–	–
Siguler Guff Distressed Opportunities Fund III (F) LP	✓	–	–
Siguler Guff Distressed Opportunities Fund IV (F) LP	✓	–	–
York Distressed Asset Holdings IV, LLC	–	✓	–

Investment managers - continued



Investment managers at 30 June 2022	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
Currency and Overlay			
CIP Asset Management Pty Ltd	–	✓	–
Citigroup Global Markets Australia Pty Ltd	✓	–	–
Macquarie Investment Management Global Limited	✓	–	–
New South Wales Treasury Corporation	✓	–	–
PIMCO Australia Pty Ltd	✓	–	–
State Street Global Advisors Australia Limited	–	✓	–
High Yield/Bank Loans/EMD			
Brigade Capital Management LP	✓	–	–
Intermediate Capital Group Limited	✓	–	–
KKR Australia Investment Management Pty Limited	✓	–	–
Lazard Asset Management Pacific Co	✓	–	–
New South Wales Treasury Corporation	✓	–	–
Ninety One UK Limited	✓	–	–
PineBridge Investments LLC	✓	–	–
Infrastructure			
Citigroup Global Markets Australia Pty Ltd	✓	✓	–
Challenger Investment Partners Limited	✓	–	–
First Sentier Investors	–	✓	–
H.R.L. Morrison & Co Limited	–	✓	–
Macquarie Specialised Asset Management Limited	✓	–	–
New South Wales Treasury Corporation	✓	–	–
QIC Limited	–	✓	–

Abridged financial statements



Financial reports at 30 June 2022

The following tables provide abridged financial information about all of the State Super schemes for the last two financial years. The full financial statements for the year to 30 June 2022 have been audited by the Auditor General and will be available on the website after State Super's Annual Report has been tabled in the NSW Parliament.

Statement of Financial Position As at 30 June 2022	2022 (\$ million)	2021 (\$ million)
Assets		
Cash	54	27
Receivables	519	320
Short term securities	2,427	3,046
Australian fixed interest	643	1,043
International fixed interest	-	228
Australian equities	6,148	8,387
International equities	12,209	14,188
Property - indirect	1,789	1,901
Investment properties - direct	1,804	2,049
Infrastructure and other alternatives	12,901	12,380
Derivatives	104	28
Employer sponsor receivable	3,347	2,512
Income tax receivable	137	-
Deferred tax asset	6	-
Total assets	42,088	46,109
Liabilities		
Payables	144	249
Derivatives	235	129
Income tax payable	-	7
Deferred tax liabilities	-	34
Total liabilities excluding member liabilities	379	419
Net assets available for member benefits	41,709	45,690
Member liabilities		
Defined benefit member liabilities	(59,000)	(58,933)
Total member liabilities	(59,000)	(58,933)
Total net liabilities	(17,291)	(13,243)
Equity		
Defined benefit deficit	(17,291)	(13,243)
Total equity	(17,291)	(13,243)



Fees and charges

DIRECT FEES

	SASS	SSS and PSS
Management charge	<p>Contributing members pay an annual administration fee of \$45 p.a.</p> <p>Deferred benefit members pay an annual administration fee of \$45 p.a., plus an additional annual administration fee of \$20 p.a. if they have a deferred SANCS benefit.</p> <p>These fees are deducted in equal monthly instalments from the member's personal account.</p>	<p>Generally, the direct fees and costs associated with SSS and PSS are met by the employer.</p> <p>Deferred benefit members with a deferred SANCS benefit pay an annual administration fee of \$20 p.a.</p>
Investment switch fees	<p>A member can switch between investment strategies once each year ending 30 June without incurring a fee. A switch fee of \$25 is applied for each additional switch in the year and is deducted from the member's personal account at the time of the switch.</p> <p>For further details, please refer to SASS Fact Sheet 15: <i>Choosing an investment strategy</i>.</p>	Not applicable
Additional benefit cover	Where a member has additional benefit cover, the amount deducted each month from the personal account will vary based on the member's age, amount of cover and type of employment.	Not applicable
Family law fees	<p>An additional service fee applies if information is requested for the purposes of a Family Law split. If a member or a member's spouse or de facto partner has requested information during the year, a fee of \$275 for contributing members and \$110 for deferred and pension members must be paid by the requesting party directly to the Fund. The amount is not deducted from the member's account.</p> <p>A benefit split fee of \$1,347.50 is payable when a member's benefit is split and is generally divided equally between the member and their spouse or de facto partner. However, if the spouse or de facto partner is entitled to all of the member's benefit, the fee is payable by the spouse. The benefit split fee can be deducted from the final amount or paid directly to the Fund.</p>	

INDIRECT FEES

Investment management costs

Investment management expenses are deducted from investment gains or losses before determining the declared rate. They are borne indirectly by members via a reduced rate of investment return but are not charged directly as a fee.

For **contributory members**, investment gains or losses affect the balance of the personal account (and the balance of reserve unit accounts for SSS members), the Commonwealth Government Contribution account and the Additional Employer Contribution account. Any amounts deducted from your investment include reductions in the return on your investment but are not charged directly to you as a fee.

For **deferred benefit members**, investment gains or losses affect the amount of the immediate lump sum, deferred lump sum, SANCS basic benefit, the Commonwealth Government contribution account and the Additional Employer Contribution account. Any amounts deducted from your investment include reductions in the return on your investment but are not charged directly to you as a fee.

Indirect fees and costs for SSS and PSS members

These are not borne by members who receive a retirement benefit from the scheme, as retirement benefit calculations do not directly rely on the balance of the personal account or the reserve unit account (for SSS members).

Investment expenses

The investment management expense ratio for an investment strategy is the investment management expenses incurred by the strategy expressed as a percentage of the average net asset value of the strategy. The investment management expense ratios for the six State Super investment strategies are shown below.

Note, the expense ratios for 2022-23 are estimates and may change as the year unfolds due to market circumstances or changes in the structure of the asset sectors.

Investment indirect cost ratio of average total assets		
Strategy	Actual 2021-22	Estimated 2022-23
Defined benefit investment strategies		
Trustee Selection	0.33%	0.35%
University Cash	0.05%	0.05%
Member Investment Choice investment strategies		
Growth	0.36%*	0.42%*
Balanced	0.32%	0.35%
Conservative	0.30%	0.33%
Cash	0.03%	0.04%
	0.36% + nil performance fee paid	*estimated 0.37% + 0.05% performance fee

Complaints and disputes



COMPLAINTS

If you are dissatisfied with an administrative matter relating to something **other** than a **decision** about whether there is an entitlement, or who is entitled, to a benefit e.g. the calculation of the amount of a benefit, the slow processing of a claim or the provision of incorrect information, you may lodge a complaint with the scheme administrator, Mercer Administration Services (MAS).

If you are still not satisfied with the resolution of the matter by MAS, you may complain directly to the schemes' trustee, SAS Trustee Corporation (State Super). A complaint about a matter to do with the schemes but that does not concern the administration of the schemes can be made directly to State Super.

DISPUTES

If you are aggrieved with a **decision** about whether there is an entitlement, or who is entitled, to a benefit e.g. a decision by MAS as delegate for State Super to refuse a claim for a disability benefit (**except** where the decision concerns a member or former member of the Police Force being 'hurt on duty'), you may dispute that decision directly with State Super.

A notice of dispute must be served on State Super within two years after you have been notified in writing of the decision and of the right to dispute it. You may then be asked to clarify certain details relating to your dispute and to provide additional supporting evidence. Your dispute will then be referred to State Super's Member Services Committee for consideration and determination, and you will be notified in writing of the outcome of the determination.

APPEALS

Appeal right after determination of a dispute

If you are aggrieved with the determination of a dispute by State Super, you may appeal to the Supreme Court of NSW within six months of being notified of State Super's determination or within such further period as the Court allows.

Application to District Court from 'hurt on duty' decision

If you are a member or former member of PSS and are aggrieved by a decision made by State Super or one of its delegates, the CEO of State Super or the Police Superannuation Advisory Committee (PSAC), about a matter that arises by reason of you being 'hurt on duty', you have a right to apply to the District Court of NSW for a determination in relation to the decision.

Again, if you are a member or former member of PSS, you also have a right to apply to the District Court if you are aggrieved by a decision made by the Commissioner of Police as to whether you were 'hurt on duty' in relation to a particular certified infirmity. There is also a right to apply to the District Court if a person is aggrieved by a decision of the Commissioner about whether the death of a member or former member of PSS was caused by the deceased being 'hurt on duty'.

Section 21 of the *Police Regulation (Superannuation) Act 1906* (NSW) provides that if you are aggrieved by an applicable 'hurt on duty' decision you may, **within 6 months** after being notified of the decision, apply to the District Court for a determination in relation to the decision.



CONTACTS

To lodge a complaint with Mercer Administration Services please contact Customer Service on:

SASS – 1300 130 095

SSS – 1300 130 096

PSS – 1300 130 097

**Deferred benefit members –
1300 130 094**

**Pension members –
1300 652 113**

To lodge a dispute please contact State Super by writing to:

**Disputes Officer
SAS Trustee Corporation
PO Box N259
Grosvenor Place NSW 1220**

To lodge an appeal against a State Super decision (following the dispute process) please contact the Registry of the Supreme Court of NSW by telephoning 1300 679 272 or by writing to:

**Registry of the Supreme Court of NSW
GPO Box 3
Sydney NSW 2001**

To lodge an application with the District Court of NSW for a determination of a 'hurt on duty' decision, please contact the District Court Civil Registry (Residual Jurisdiction) by telephoning (02) 9377 5461 or by writing to:

**District Court Civil Registry (Residual
Jurisdiction)
PO Box K1026
Haymarket NSW 1240**

Privacy, compliance and the Government Information Public Access Act



Privacy

As a NSW Government entity, State Super complies with relevant NSW legislation, including the *Privacy and Personal Information Protection Act 1998* (NSW Privacy Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act).

State Super has developed a Privacy Management Plan (Plan) and implements the Plan with the assistance of Mercer Administration Services (MAS).

State Super also has a Privacy Statement, that:

- details how State Super complies with the requirements of the NSW Privacy Act and the HRIP Act;
- explains how State Super deals with members' personal and health information that may be collected and used in the course of administering its schemes; and
- summarises the circumstances where State Super may provide a members' personal and health information to third parties.

State Super endeavours to ensure its records of members' personal details are accurate. Members may contact MAS to change their personal or health details.

State Super takes steps to ensure there is no unauthorised use or disclosure of members' information. The Privacy Statement is available on request and from the State Super website at www.statesuper.nsw.gov.au.

Compliance

The State Super schemes are public sector superannuation schemes that are exempt from the *Superannuation Industry (Supervision) Act 1993* (Cth) (the SIS Act). The SIS Act provides that exempt public sector superannuation schemes are treated as complying funds for concessional taxation and Superannuation Guarantee purposes.

Under a Heads of Government Agreement, the NSW Government undertakes to ensure that the State Super schemes, on a best endeavours basis, conform with the principles of the Commonwealth Government's retirement incomes policy. The Commonwealth Government's retirement incomes policy covers trustee governance, risk management, preservation, vesting, reporting to members and adequate protection of members' benefits.

The *Superannuation Administration Act 1996* (NSW) requires State Super, in exercising its functions, to have regard to the Heads of Government Agreement. The *Superannuation Administration Act 1996* and other NSW legislation enables the NSW Government to prudentially monitor and audit the State Super schemes and the State Super Board.



Government Information Public Access Act (2009)

Under the *Government Information (Public Access) Act 2009* (NSW) (the GIPA Act), State Super must review, at least annually, its program for the release of government information it holds that should in the public interest be made publicly available. The result of the latest review was that State Super believes that it has made publicly available all the government information about itself that it holds that should, in the public interest, be available and that can be made available without imposing unreasonable costs on itself. The information about State Super that is publicly available is accessible on its website **www.statesuper.nsw.gov.au**, in particular under “About Us” and then “Access to Information”.

State Super documents that can be obtained free of charge from the website include:

- policy documents;
- State Super’s Agency Information Guide, which describes the structure and functions of STC, the types of government information it holds, how that government information is made publicly available, and whether or not there is a cost to access that information;
- a register of State Super’s contracts with private sector organisations that are worth more than \$150,000; and
- documents that have been tabled in Parliament by or on behalf of State Super.

State Super will also publish on its website whether it has decided that any of its open access information should not be disclosed due to an overriding public interest against disclosure.

Please contact Customer Service to confirm whether any other avenue for obtaining information about State Super exists before deciding to formally apply for access to the information under the GIPA Act.

For further information, please refer to STC Fact Sheet 9: *Government Information (Public Access) Act & Privacy*, which is available on the State Super website at **www.statesuper.nsw.gov.au**.



Customer service



SASS	1300 130 095
SSS	1300 130 096
PSS	1300 130 097
Deferred members	1300 130 094
Pension members	1300 652 113

You can contact customer service from 8.30am to 5.30pm, Monday to Friday AEST for the cost of a local call unless calling from a mobile, pay phone or from overseas. If calling from overseas please call +61 2 4209 5438.

Fax service 02 4298 6688
Email enquiries@stc.nsw.gov.au

Mailing addresses

Customer service and Mercer Administration Services:
GPO Box 2181
Melbourne VIC 3001

SAS Trustee Corporation (the Trustee Board)
PO Box N259
Grosvenor Place NSW 1220

Website www.statesuper.nsw.gov.au

Personal interview service

Personal interviews are available by appointment only 9.00am to 5.00pm Monday to Friday via Zoom video call or at selected Aware Super locations (Parramatta, Newcastle and Wollongong).

To arrange an appointment call one of the Customer Service numbers above.



Need help with English?

For members who need help with English, customer service can make arrangements for information to be translated through the Government Interpreter Service.

Arabic

بإمكان "الخدمة الإستشارية" (Advisory Service) أيضاً تأمين ترجمة خطية للمعلومات للأعضاء الذين يجدون صعوبة باللغة الإنكليزية.

Chinese

會員如果閱讀英語有困難，諮詢服務部可安排發放資料的譯本。

Greek

Για τα Μέλη που δυσκολεύονται στα αγγλικά, η Υπηρεσία Πελατών μπορεί να κανονίσει για τη μετάφραση των πληροφοριών.

Italian

Per i contribuenti che hanno difficoltà nel comprendere l'inglese il servizio clienti può provvedere alla traduzione dei dati informativi.

Vietnamese

Đối với các thành viên nào gặp trở ngại về Anh ngữ, Dịch vụ Tư Vấn (Advisory Service) có thể giúp thu xếp để họ nhận được bản dịch tin liệu.

Financial planning advice

Aware Super provides our members and their families with access to comprehensive financial planning advice and investment management services.

You can contact Aware Super on:

1800 620 305

or visit

www.retire.aware.com.au/statesuper



Aware Financial Services Australia Limited (Aware Financial Services) (ABN 86 003 742 756) holds an Australian Financial Services Licence (AFSL number 238430) and is able to provide you with financial product advice. Aware Financial Services is owned by Aware Super Pty Ltd as trustee of Aware Super. State Super does not pay fees to, nor receives any commissions from Aware Financial Services for financial planning and member seminar services provided to State Super members. Neither State Super nor the New South Wales Government take any responsibility for the services offered by Aware Financial Services and its related entities, nor do they guarantee the performance of any service or product provided by Aware Financial Services and its related entities.



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