



**STATE SUPER**  
SAS Trustee Corporation

# ANNUAL REPORT 2024-25

## Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together, with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

# Letter of Submission

October 2025

The Hon. Daniel Mookhey MLC  
NSW Treasurer  
52 Martin Place  
SYDNEY NSW 2000

Dear Treasurer,

We have pleasure in submitting to you, for presentation to Parliament, the Annual Report of the SAS Trustee Corporation for the period 1 July 2024 to 30 June 2025.

The Annual Report contains reports for the:

- SAS Trustee Corporation; and
- SAS Trustee Corporation Pooled Fund.

These have been prepared in accordance with the provisions of Division 7.3 of the Government Sector Finance Act 2018, the associated regulations and the Treasurer's directions. We note that State Super has self-assessed as a group 1 agency and has prepared these Annual Reports in accordance with Treasury Policy Guideline TPG25-10a *Group 1 – Annual Report*.

We look forward to working with you during the coming year.

Yours sincerely



**Catherine Bolger**  
Board Member and  
Chair, Risk, Audit and Compliance Committee  
SAS Trustee Corporation

# Annual Report: 2024-25

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# 1. Overview

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## MISSION

State Super's mission is to provide high quality superannuation services to members to maximise their superannuation benefits and to support the NSW Government in meeting its funding objective.

## 2024-25 HIGHLIGHTS

### Members

- Our annual member satisfaction survey was conducted by new research partner, CSBA, and delivered high scores out of 10 for Financial Returns (8.2), Telephone Service (8.2), a Fund they Trust (8.6) and Overall Satisfaction (8.5). Pension members were the most satisfied - rating us an 8.8 out of 10 on Overall Satisfaction.
- Finalised the post-implementation review of the System Transition project, ensuring member statement accuracy through actuarial verification.
- Developed and tested the Provision of Detail (POD) functionality for improved member data updates, paused during the System Transition, that will enable real-time member detail retrieval from the ATO, supporting efforts to contact lost members and enhance the member experience.
- At our Annual Member Meeting in November 2024 over 700 members registered to attend with over half of these logging in to view the livestream. Updates were provided by the CEO, CIO, CXO and Chair as well as a Q&A session with members. A post-event survey received 157 responses with over 80% saying they were "very likely/likely" to attend next year's meeting. By comparison to the Superannuation industry, this reflects significant levels of member engagement.
- Conducted two separate Member Advisory Forums for the Education Sector and Transport/General Public sector. Theme was "Ensuring financial well-being in retirement – the view of State Super members".
- There were 166,000 website users who visited the State Super site 296,000 times during 2024/25. We continue to offer two-factor authentication for the secure member site which had over 61,000 logins throughout the year.
- 2,500 members attended one of the 65 free education seminars or webinars on their schemes. Topics include Retirement and Pre-Retirement Planning for SASS and SSS scheme members.

### Investments

- Scale and Position – As at 30 June 2025, the State Super Pooled Fund managed \$38 billion in assets (excluding the Employer Sponsor Receivable), maintaining its role as one of Australia's largest institutional investors. This scale provides meaningful diversification, efficient access to markets, and the ability to negotiate from strength.
- Member Outcomes – All Defined Contribution (DC) Options exceeded long-term objectives in 2024/25, with top-quartile risk-adjusted returns against SuperRatings peers. Members were credited with 10.5% in Growth, 9.3% in Balanced, and 7.9% in Conservative (after tax) for the year ending 30 June 2025, underscoring consistency in meeting retirement needs.
- Employers and Portfolio Resilience – The Trustee Selection Strategy delivered an estimated 11.9% (gross of tax) return to the Crown. This equates to 10.5% after tax. The portfolio remains resilient and favourably positioned on a risk-adjusted basis, protecting capital while capturing upside.
- In the Defined Contribution portfolio, a highlight was the successful completion of the Queensland Airports sale in 2025.
- Sustainability Commitment – State Super continues progress toward Net Zero CO<sub>2</sub>e by 2050, with a 45% reduction target by 2030 from the 2020 baseline. ESG integration, including Modern Slavery monitoring, remains central to manager oversight and stewardship practices.
- Funding and Priorities – At 30 June 2025, net assets covered 59% of accrued liabilities. Looking forward, priorities include managing liquidity, strengthening diversification through private markets, and advancing sustainability while delivering secure retirement outcomes for members.

## Stakeholders

- Increased social media exposure (LinkedIn now with over 1,300 followers from Finance, Business Development and Operations). Targeted Investment information sent to select journalists resulting in multiple interviews/articles on our results.
- Scholarship program continues as “State Super ESG for Impact” with an emphasis on ESG and Responsible Investment research. 4 scholarships were awarded – 2 PhD and 2 Honours.
- Continue to engage closely with employers to ensure they remain responsive and committed to their obligations and funding plans.
- Our continuous participation in forums and engagement with industry bodies has included amongst others – Risk Live Australia, FEAL National Conference, i3 Asset Allocation Forum, ASFA Investment Summit, RIAA Global Nature Positive Summit 2024, CFA Society 2024, Australian Investment Conference, H&B Wealth Symposium, 2024 Conexus Fiduciary Investor’s Symposium, ASFA Conference, CIO Forum, GII 2025 Net Zero Investment Forum, FEAL Fund Executive Forum, ACSI Conference 2025, Fiduciary Investors Symposium, Mercer Public Sector Forum, Institute of Internal Auditors Financial services Forum and Frontier Advisors Annual Conference.
- Awarded the Rainmaker ESG Leader rating for 2024 as well as the AAA Quality Rating.
- The annual and independent stakeholder review on the perception of State Super found that we are seen as an organisation which provides high quality superannuation services and supports the NSW government in meeting funding obligations. Once again, the organisation and State Super’s leadership is seen as reliable, professional and a trusted government entity with exceptionally high levels of integrity and the respondents are unanimous in their acknowledgement that State Super is absolutely member-focused.

## People

- State Super’s staff retention remains high and has been maintained at over 94% for the period.
- The latest Employee Engagement score for State Super remained very high at 75% which compares favourably against the Treasury Portfolio (65%) and Sector (63%). The key topics with the highest scores include health & safety at 92%, ethics and values at 93% and flexible working at 90%.
- The State Super 2024–2027 Enterprise Agreement was effectively implemented. A subsequent variation was later made and applied to incorporate agreed changes, ensuring the agreement remains current and reflective of operational needs.
- A revised Code of Conduct & Ethics policy has been drafted to ensure alignment with the new Code of Ethics and Conduct adopted by the Public Service Commissioner for NSW government sector employees. State Super’s Code came into effect in October 2024.

## Governance and Risk

- State Super will continue to review its governance framework to ensure it is fit for purpose as its strategic operating model changes over the next few years.
- Treasury has approved the Contributions and Transfers Framework (CTF) which defines the framework within which Government makes contributions.
- State Super continues to work with TCorp to meet the Risk settings for the Defined Benefit Portfolio.
- We had no major incidents or breaches in the business and there were no material issues raised by our internal or external auditors.
- We were also able to implement the new APRA CPS 230 regulatory standard within our business.
- State Super has completed work to incorporate and comply with new APRA Prudential Standard Operational Risk Management within the framework of the HOGA.

## Overview of State Super

SAS Trustee Corporation (STC but also known as State Super) is a statutory body representing the Crown and incorporated under the *Superannuation Administration Act 1996 (NSW)* (SA Act).

As trustee of four NSW superannuation schemes within the public sector, State Super oversees the State Super schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

### Assets

The State Super Pooled Fund, which comprises the assets of all four schemes, had net assets of approximately \$38 billion at 30 June 2025.

### Membership

With 80,181 members at 30 June 2025, a large portion of the membership has reached or is approaching retirement age. The State Super schemes are closed to new members.

The following table contains a summary of each scheme.

#### State Authorities Superannuation Scheme (SASS)

Commencement	1 April 1988, 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 were transferred to SASS. The schemes transferred included the State Public Services Superannuation Fund (SPSSF), the Transport Gratuity Scheme and the Government Railways Superannuation Fund, among others.
Closed to new members	19 December 1992
Members at 30 June 2025	Contributing members: 8,647 Deferred benefit members: 6,427 Pension members: 5,193 Total members: 20,267
Financial position at 30 June 2025	Net assets: \$9,917 million Accrued benefits: \$12,141 million* Unfunded liabilities: \$2,224 million
Member benefits	Lump sum of employee contributions accumulated with earnings, plus an employer-financed, lump sum defined benefit based on final average salary or final salary, membership period and level of employee contributions.

#### State Superannuation Scheme (SSS)

Commencement	1 July 1919, under the <i>Superannuation Act 1916</i> .
Scheme eligibility	Salaried employees of the NSW public service and teaching service were eligible to join SSS, as well as a number of statutory authorities scheduled in the <i>Superannuation Act 1916 (NSW)</i> .
Closed to new members	1 July 1985
Members at 30 June 2025	Contributing members: 356 Deferred benefit members: 521 Pension members: 52,100 Total members: 52,977

\*Accrued benefits as measured by the Actuary using the assumed earning rate of the Fund as the discount rate. Accounting standards require employers to report accrued benefits in their financial statements using a risk-free discount rate that results in a higher estimate of accrued benefits.

## State Superannuation Scheme (SSS) continued

Financial position at 30 June 2025	Net assets: \$21,515 million Accrued benefits: \$36,049 million* Unfunded liabilities: \$14,534 million
Member benefits	On retirement, a defined benefit (pension or lump sum), the amount of which depends on the number of units purchased. Members contribute towards fortnightly pension units throughout their membership. The number of units' members are entitled to contribute toward is determined by their salary.  Contributions that members make depend on their age, when the units were granted, the member's gender and, if female, whether they elected to retire at age 55 or 60.

## Police Superannuation Scheme (PSS)

Commencement	1 February 1907 under the <i>Police Regulation (Superannuation) Act 1906</i> .
Scheme eligibility	Members of the NSW Police Force employed prior to 1 April 1988.
Closed to new members	1 April 1988
Members at 30 June 2025	Contributing members: 181 Deferred benefit members: 43 Pension members: 6,713 Total members: 6,937
Financial position at 30 June 2025	Net assets: \$5,073 million** Accrued benefits: \$8,504 million* Unfunded liabilities: \$3,431 million
Member benefits	On retirement, a defined benefit (pension or lump sum), the level of which depends on the member's final average salary and membership period.

## State Authorities Non-contributory Scheme (SANCS)

Commencement	1 April 1988 under the <i>State Authorities Non-contributory Superannuation Act 1987</i> .
Scheme eligibility	Members of SASS, SSS and PSS.
Closed to new members	19 December 1992
Members at 30 June 2025	Current active members: 9,184 Deferred benefit members: 6,728 Total members: 15,912
Financial position at 30 June 2025	Net assets: \$1,346 million Accrued benefits: \$1,684 million* Unfunded liabilities: \$338 million
Member benefits	SASS, SSS and PSS members receive the SANCS benefit in addition to their main scheme benefit.  The SANCS benefit is 100% employer funded. The benefit is generally a lump sum of up to 3% of members' final salary or final average salary, for each year of service from 1 April 1988 (or, if later, the employment commencement date).  Members may also be eligible for the Additional Employer Contribution (AEC), an accumulation style superannuation benefit.

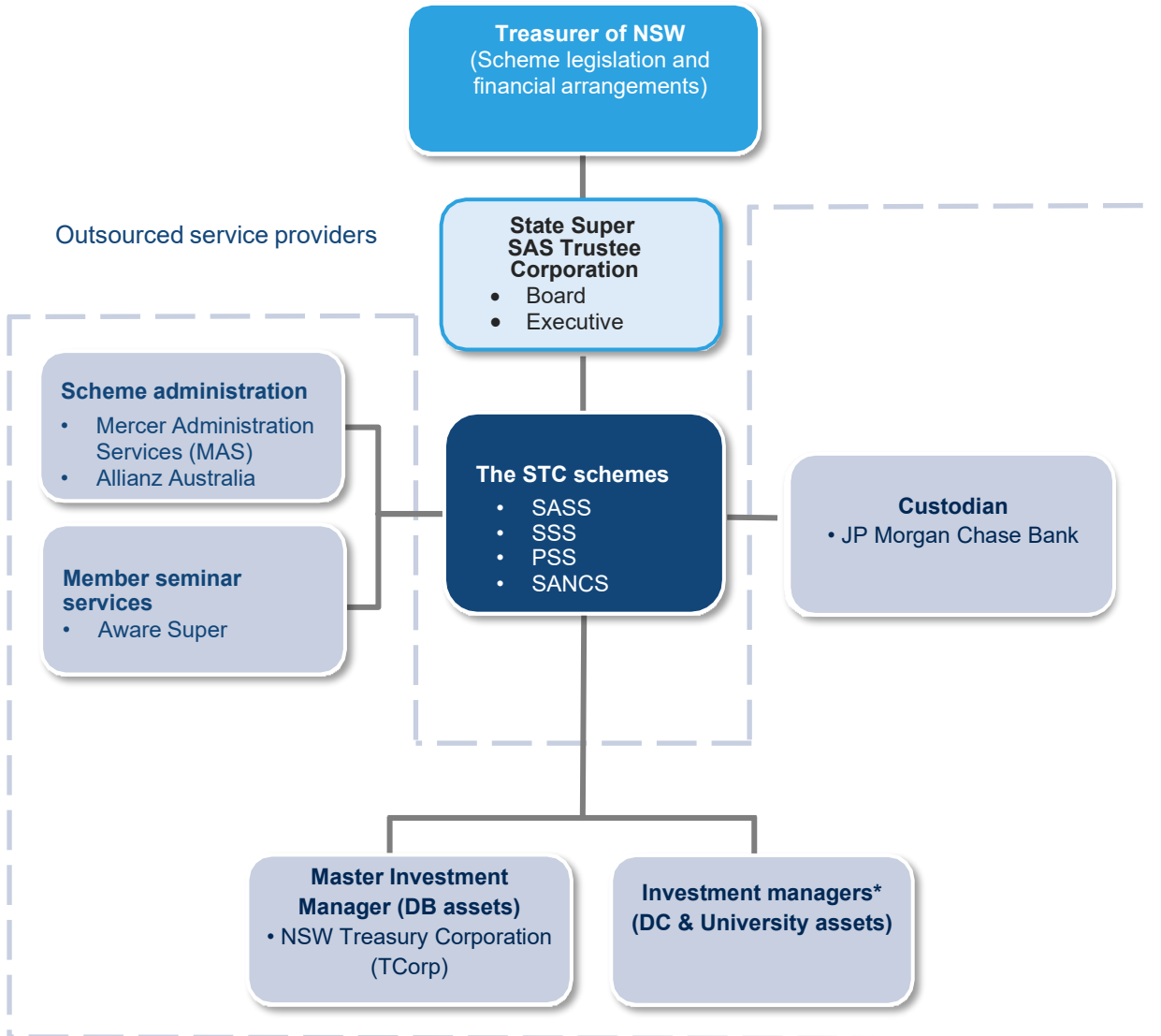
\*Accrued benefits as measured by the Actuary using the assumed earning rate of the Fund as the discount rate. Accounting standards require employers to report accrued benefits in their financial statements using a risk-free discount rate that results in a higher estimate of accrued benefits.

\*\*Excludes Employer Sponsor Receivable.

# Management and structure

State Super operates under the *Superannuation Administration Act 1996* (SA Act) which establishes its functions, duties, powers and obligations. The SA Act also specifies requirements regarding Board composition and appointments. The minister responsible for the administration of the SA Act is the Treasurer of NSW, who also has powers to monitor the operations of State Super.

State Super’s operational arrangements at 30 June 2025 are set out below:



\* Refer to pages 54, 55 and 56 for a full list of investment managers at 30 June 2025.

# State Super Board

## Function and role of 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.

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

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

## Board member profiles

### **Catherine Bolger – Employee Representative, Board Member**

**Appointed September 2015; reappointed October 2019 and September 2023**

Ms Bolger has extensive experience as a professional trustee director, having served on a range of industry fund and related boards for the last 20 years. She was recently appointed to the Board of REST Superannuation and is currently Director of the Centre for Workers Capital. Ms Bolger is also a trustee of Unions NSW.

Ms Bolger is actively involved in helping shape superannuation policy to improve outcomes for working Australians. As President of AIST she oversaw the development and implementation of the Governance Code for Boards of Industry Superannuation funds. Ms Bolger chaired the ACTU Group responsible for developing the ACTU Guide on Just Transition for investors and asset managers providing guidance and measures on how to secure a just transition for workers.

Ms Bolger holds a Bachelor of Economics and a Master of Labour Law and Relations from the University of Sydney and Super Springboard Level 1 from the Australian Institute of Superannuation Trustees. She is also a Graduate Member of the Australian Institute of Company Directors.

### **Thomas Costa – Employee Representative, Board Member**

**Unions NSW**

**Appointed February 2023**

Mr Costa is the Assistant Secretary of Unions NSW, where his responsibilities include managing the NSW peak union's communications and digital team and also its research and industrial strategy.

Mr Costa is also responsible for the coordination of Unions NSW's Visa Assist Project. A partnership with the Immigration Advice and Rights Centre (IARC), Visa Assist was launched in 2019 to assist unions in representing and advocating for migrants and in particular the project provides free immigration legal support and advice to migrants who are union members.

Prior to his role at Unions NSW, Mr Costa worked as an industrial officer and lawyer with the national offices of the Australian Rail, Tram and Bus Industry Union and the Australian Workers' Union. He has also worked as a solicitor for Slater & Gordon Lawyers and the HIV Aids Legal Centre (HALC).

### **Fiona Li – Employee Representative, Board Member**

**Unions NSW**

**Appointed March 2025**

Ms Li is a highly accomplished finance executive with almost two decades of professional experience across the education, hospitality, information technology, not-for-profit, and property sectors. She currently serves as Finance Director at Unions NSW, where she is responsible for overseeing all financial operations, strategic planning, compliance, and risk management across multiple entities.

In her current role, she has successfully led initiatives that significantly enhanced the organisation's financial performance and improved operational efficiency through internal control reforms and process optimisation.

Ms Li's previous experience includes senior finance roles, where she supported large-scale digital transformation projects, and played a key role in launching and managing new business ventures. Her career is distinguished by a consistent record of delivering financial leadership, providing strategic insights, strengthening governance frameworks, and improving operational efficiency.

Ms Li holds a Master of Accounting from Macquarie University and is a qualified member of CPA Australia. She also holds a Bachelor of Arts in International Hotel and Tourism Management from IMI International Management Institute Switzerland, and Manchester Metropolitan University.

### **Russell Mason – Employer Representative, Board Member**

**Appointed November 2022**

Mr Mason has over 40 years advisory experience in the superannuation industry, having previously held senior roles with Mercer for 24 years and most recently a Partner with Deloitte for 11 years. At Deloitte he was the Lead Superannuation Advisory Partner for the firm.

Mr Mason is a qualified solicitor, having graduated from Macquarie University with a BA/LLB, and was

previously a director of the Association of Superannuation Funds of Australia (ASFA). Following over 30 years active involvement in both the Board and NSW Executive he was made a Life Member of ASFA in 2018. In addition, he is a Director of Australian Food Super, an industry fund covering the meat and allied industries nationally, and is Deputy Chair of the Police Superannuation Advisory Committee.

His experience in superannuation includes advising Boards of large public sector, corporate and industry funds in areas including outsourcing, governance, insurance and strategy. At Deloitte Mr Mason advised some of Australia's largest funds in setting strategic directions and developing new products and services for members.

**Tony O'Grady – Employee Representative, Board Member**  
**Formerly NSW Nurses and Midwives' Association**  
**Appointed June 2013; reappointed September 2017 and September 2021**

Mr O'Grady has over 16 years' experience as a trustee director of superannuation funds, initially, with Private Hospitals Superannuation Pty Ltd – the trustee for Health Industry Plan. He was appointed to the Board of State Super in June 2013.

He trained as a Registered Nurse at Royal North Shore Hospital and subsequently nursed in the specialities of Orthopaedics, Rheumatology and Sexually Transmitted Diseases.

Mr O'Grady has more than 30 years' experience in the union movement, elected as a Branch Delegate to the New South Wales Nurses and Midwives' Association at Royal North Shore and Westmead Hospitals, before commencing full-time work with the Association in 1987. He worked as an organiser, industrial officer, team manager and projects manager. In 2004 he moved into administrative roles, initially as Manager Administrative Services, and from August 2006 to August 2018 as Manager Projects and Compliance. This latter role involved responsibility for managing the Finance, Information Technology, and Records and Information Teams with a focus on budget, finance and audit, risk and compliance. He also served as the Association's Privacy Officer during this period.

Mr O'Grady served on the Risk and Audit Committee whilst a Director of HIP. He has been a member of State Super's Member Services Committee since 2013 and a member of State Super's Risk, Audit and Compliance Committee since December 2014.

Mr O'Grady holds a Graduate Diploma in Employment Relations from the University of Technology, Sydney and a Certificate in Nursing, which he completed at Royal North Shore Hospital.

**Lisbeth Rasmussen – Employer Representative, Board Member**  
**Appointed March 2020; re-appointed May 2024**

Ms Rasmussen is a senior investment professional who brings to the board more than 35 years' experience in managing large, complex funds. Over this period Ms Rasmussen has held the following senior roles: CIO, Deputy CIO, Head of Strategy, Investment Manager, Investment Advisor and Economist in Europe and Australia.

For much of her career, Ms Rasmussen worked with State Super and its predecessors, before retiring as CIO in 2016, and was instrumental in establishing the principles that underpin the portfolios.

Ms Rasmussen is currently the Chief Investment Officer for the Coal Mining Industry (Long Service Leave Funding) Corporation where she is responsible for overseeing their investment portfolio. She is also a member of the Platypus Asset Management Investment Forum. Ms Rasmussen is a former Director of Equip and Togethr Trustees.

Ms Rasmussen has an economics degree from the University of Copenhagen and a M.Sc. from the University of Bath in Development Studies and is a graduate of the Australian Institute of Company Directors.

## Former Trustee Board members

**Nicholas Johnson – Chair**  
**Appointed June 2015; reappointed June 2019 and June 2023, term ended June 2025**

Mr Johnson has extensive experience in financial services management in Australia and overseas. He retired from Barclays Capital in 2012 after serving as Chief Executive Officer for Australia from 1998 to 2009 and as Managing Director, Senior Relationship Management. He had previously held senior

positions with the Commonwealth Bank, Morgan Stanley, and Credit Suisse. His financial sector experience includes roles as Head of Operations and of IT systems development in major investment banks as well as extensive involvement with investing in Unlisted Asset sectors.

Mr Johnson's previous appointments include a member of the NSW Generations Fund Advisory Board, Chair of Pillar Administration (a provider of administrative services to the superannuation industry, including to State Super), Chair of the National Art School, Chair of The Sydney Institute and an Advisory Board Member of the North-West Rail Link project.

Mr Johnson holds a Master of Arts from Oxford University and is a Member of the Australian Institute of Company Directors.

**Carol Austin – Employer Representative, Board Member**  
**Appointed June 2018; reappointed June 2022, term ended 2025**

Ms Austin has over thirty years' experience in the finance industry and is currently the Chair of Housing Australia, a Non-Executive Director of Infoxchange and the Grattan Institute, and a member of the Investment, Audit and Risk Committee of the General Sir John Monash Foundation.

Ms Austin's past directorships include the Future Fund and the Tasmanian Public Finance Corporation. She has also served on the advisory boards of the Australian Office of Financial Management and the Melbourne Institute of Applied Economic and Social Research. Ms Austin was also a Commissioner with the NSW Independent Planning Commission.

Ms Austin's executive career included economic research/senior management roles with the Reserve Bank of Australia, BHP and Contango Asset Management.

Ms Austin holds a Bachelor of Science from Monash University and a Bachelor of Economics (Hons) from ANU. She is a Fellow of the Australian Institute of Company Directors and a member of Chief Executive Women.

**Alex Claassens – Employee Representative, Board Member**  
**Australian Rail, Tram and Bus Union**  
**Appointed November 2012; reappointed November 2016 and November 2020, term ended November 2024**

Mr Claassens has been on our board since 2012 and is the Chair of the Member Services Committee, Chair of the People & Culture Committee and appointed Deputy Chair of the Police Superannuation Advisory Committee (PSAC). He is currently the National Secretary of the Australian Rail, Tram and Bus Union, Director of Australian Mutual Bank and is an Elected Director & Deputy Chair of Transport Heritage NSW and is also the Chair of its Safety Committee.

Mr Claassens is an experienced board member having held numerous positions in the Mutual Credit Union sector and has been involved in several mergers. He is currently serving on the Board of Australian Mutual Bank and as a member of its Risk Committee. He has also recently joined the Board of Industry Skills Australia (ISA) and he is a member of the Australian Institute of Company Directors (AICD) and the Super Members Council (SMC).

Mr Claassens has a passion for the transport industry, having begun his career driving trains on the NSW rail network and still drives passenger trains and heritage steam locomotives on a regular basis.

**Cathy Yuncken – Employer Representative, Board Member**  
**Appointed May 2022, term ended May 2025**

Ms Yuncken has over thirty years' commercial and executive leadership experience in the financial services industry. She is currently a Non-Executive Director of FleetPartners Group Limited (ASX:FPR); and Managing Director of See Y Pty Ltd, a commercial and financial advisory consultancy.

Ms Yuncken's past directorships include Chair of the St George and Sutherland Medical Research Foundation, Chair of BT Private Nominees, Executive Director of the Advisory Boards of BankSA and Bank of Melbourne, and Non-Executive Director of Fitted for Work.

Ms Yuncken's executive career included corporate finance and investment banking roles at Bank of America and Barclays Capital, and executive leadership roles at GE Capital, Commonwealth Bank's institutional bank, and the multi-brand business banking and private wealth businesses of Westpac Group.

Ms Yuncken holds Bachelor of Laws and Bachelor of Commerce degrees from UNSW, is a Graduate member of the Australian Institute of Company Directors, and a member of Chief Executive Women.

## Board membership and meeting attendance

The Board consists of a Chair, four employer representatives and four employee representatives nominated by Unions NSW. All Board members are appointed by the Minister on a part-time basis.

Board memberships and the current term of appointment for each member during the 2024-25 reporting period are listed in the table below.

	Appointed	Term end date	Meetings attended during 2024-25 (actual / possible)
Mr N Johnson ( <i>Chair</i> )*	26 Jun 2015	25 Jun 2025	8 / 8
<b>Employee representatives</b>			
Mr A Claassens	5 Nov 2012	4 Nov 2024	4 / 4
Mr T O'Grady	14 Sep 2017	13 Sep 2025	8 / 8
Ms C Bolger	25 Sep 2015	29 Sep 2027	8 / 8
Mr T Costa	13 Feb 2023	12 Feb 2027	6 / 8
Ms F Li*	17 Mar 2025	16 Mar 2028	2 / 2
<b>Employer representatives</b>			
Ms C Austin*	28 Jun 2018	27 Jun 2025	8 / 8
Ms L Rasmussen	12 Mar 2020	2 May 2027	8 / 8
Mr R Mason	1 Nov 2022	31 Aug 2026	8 / 8
Ms C Yuncken*	26 May 2022	25 May 2025	7 / 8

*The full-time employee representative position was vacant at 30 June 2014 and has since been filled by a part-time Board member.*

*\*During the year:*

- *Mr Johnson, Mr Claassens, Ms Austin and Ms Yuncken's terms expired on 25 June 2025, 4 November 2024, 27 June 2025 and 25 May 2025, respectively. The re-appointments of Mr Johnson and Ms Yuncken remain pending as at 30 June 2025.*
- *Ms Li was newly appointed to the Board as Employee Representative from 17 March 2025.*

## Board and other committees

### Investment Committee members during the reporting period

Ms Austin, Ms Bolger, Ms Rasmussen and Mr Johnson. Mr Johnson was the Committee Chair until the expiry of his term on 25 June 2025. Ms Rasmussen was appointed interim Committee Chair from 26 June 2025, pending Mr Johnson's re-appointment. Members of the executive and other invited visitors attend committee meetings.

Ms Li and Messrs Costa, O'Grady and Mason were appointed to this committee on 10 June 2025, there were no committee meetings subsequent to their appointments in 2024-2025.

#### Purpose

The purpose of the Investment Committee includes:

- supporting the Board in determining and monitoring the investment objectives and strategy
- monitoring the appointment or termination of investment managers for Pooled Fund investments, reviewing their performance and monitoring asset allocation
- monitoring the developments and activities in the Responsible Investments program, and the ESG performance of the Pooled Fund including State Super's 2050 net-zero greenhouse emissions objective and other climate change related initiatives
- receiving other information as may be required to improve the investment management decisions of State Super
- monitoring the asset and risk profile of the investment options so that they align with the investment strategy.

### Meetings attended during 2024-25

Member	Attendance actual / possible
Mr N Johnson ( <i>Chair to end of term 25 June 2025</i> )	11 / 11
Ms C Austin	10 / 11
Ms C Bolger	11 / 11
Ms Rasmussen (Chair from 26 June 2025)	11 / 11

### Risk, Audit and Compliance Committee members during the reporting period

Ms Bolger (Chair), Ms Yuncken, Mr O'Grady and Mr Mason.

Members of the executive, the Audit Office of New South Wales (and their delegates), the internal auditor and other invited visitors also attended committee meetings.

#### Purpose

The purpose of the Risk, Audit and Compliance Committee is to provide independent assistance and advice to the Board on State Super's:

- risk management, internal and external control frameworks and compliance framework
- internal and external audit, actuarial matters
- financial reporting and accountability
- emerging data security and cyber risk.

### Meetings attended during 2024-25

Member	Attendance actual / possible
Ms C Bolger ( <i>Chair</i> )	6 / 6
Ms C Yuncken	6 / 6
Mr T O Grady	6 / 6
Mr R Mason	6 / 6

## Member Services Committee members during the reporting period

Ms Yuncken and Messrs Claassens, Mason and O'Grady. Mr Claassens was the Committee Chair until the expiry of his term on 4 November 2024. Ms Yuncken was appointed as the Committee Chair from 12 December 2024 to the end of her term on 25 May 2025.

Mr Mason was appointed interim Committee Chair from 10 June 2025, pending Ms Yuncken's re-appointment to the Board.

Ms Li and Ms Bolger was appointed to this committee from 10 June 2025, there were no committee meetings subsequent to their appointments in 2024-2025.

Members of the executive and other invited visitors also attended committee meetings.

### Purpose

The purpose of the Member Services Committee includes:

- making recommendations to the Board on matters relating to the administration of State Super schemes and policies affecting stakeholders including dispute-related matters
- exercising a Board delegation to determine disputes involving State Super schemes
- monitoring member communications and research to assess member satisfaction with the services provided to them and how well the services meet member needs.

### Meetings attended during 2024-25

Member	Attendance actual / possible
Mr A Claassens (Chair until 4 Nov 2024)	1 / 1
Mr T O Grady	5 / 6
Ms Yuncken (Chair from 12 Dec 2024 to 25 May 2025)	6 / 6
Mr R Mason (Chair from 10 June 2025)	6 / 6

## Statutory Committee – Police Superannuation Advisory Committee

The committee is a statutory committee established under Part 2H of the *Police Regulation (Superannuation) Act 1906* to exercise certain powers delegated to it by the State Super Board and to advise the Board on certain matters.

### Members during the reporting period

This committee consists of a Chair 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, the State Insurance Regulatory Authority, the Minister for Police, and State Super. The State Super nominee is a member of the State Super Executive.

### Functions

The functions of the Police Superannuation Advisory Committee include determining whether:

- a PSS member may be eligible for an invalidity pension payable from PSS;
- a PSS 'Hurt on Duty' pensioner is entitled to an increase to their pension and if so, how much of an increase and for what period;
- after periodic review, a 'Hurt on Duty' invalidity pension should be reduced because the pensioner has recovered a capacity for work; and
- various benefits are payable upon the 'Hurt on Duty' death of a PSS member, and
- to advise State Super on matters relating to the administration of the Police Regulation (Superannuation) Act 1906 that are referred to the Board.

### Police Superannuation Advisory Committee meetings attended by Board members during 2024-25

Member	Attendance actual / possible
Mr A Claassens (Chair until 4 Nov 2024)	4 / 4
Mr R Mason (attended as Deputy Chair after 4 Nov 2024, acted as Chair at meetings he attended)*	6 / 7

\*An acting Chair was appointed from Committee members for the March 2025 meeting when the Deputy Chair was absent.

## People and Culture Committee members during the reporting period

Ms Bolger, Ms Austin and Messrs Claassens, Johnson and Costa. Mr Claassens was the Committee Chair until the expiry of his term on 4 November 2024, and Mr Johnson was appointed as the Committee Chair from 12 December 2024 until the expiry of his term on 25 June 2025. Mr Costa was appointed interim Committee Chair from 26 June 2025. Members of the executive and invited visitors also attended committee meetings.

Ms Austin was appointed to this committee from 12 December 2024 until the expiry of her term on 27 June 2025.

Mr Mason was appointed to this committee on 10 June 2025, there were no committee meetings subsequent to his appointment in 2024-2025.

### Purpose

The purpose of the People and Culture Committee is to support the Board in fulfilling its responsibilities in relation to human resource matters and corporate culture including:

- overseeing the human resource governance framework and work health and safety
- oversee the framework to embed an ethical corporate culture
- reviewing and developing the ongoing performance assessment methodology to assess the performance of the Board and its committees
- to set and review the remuneration, performance objectives and criteria for the CEO
- Board training strategies and renewal.

### Meetings attended during 2024-25

Member	Attendance actual / possible
Mr A Claassens (Chair and term on Committee to end of term 4 Nov 2024)	2 / 2
Ms C Bolger	4 / 4
Mr N Johnson (Chair from 12 Dec 2024 to end of term 25 June 2025)	4 / 4
Mr T Costa (Chair from 26 June 2025)	3 / 4
Ms C Austin	2 / 2

## State Super Executive team

The State Super Executive comprises the Chief Executive Officer and six senior executives. Together they are responsible for implementing State Super's corporate strategies and managing the day-to-day activities of the business.

The structure of the State Super Executive team as at 30 June 2025 is shown below:



### Executive team profiles

#### John Livanas

##### Chief Executive Officer

Mr Livanas leads a team of experienced senior executives in managing the provision of member services and the investment of approximately \$38 billion of assets.

Mr Livanas has over 30 years' industry experience, having worked in organisations including Deloitte South Africa, the South African Government Employees Pension Fund – the precursor to the country's sovereign fund – and several Australian superannuation funds.

Prior to his appointment at State Super, Mr Livanas was the Chief Executive Officer of AMIST Super and the General Manager of FuturePlus Financial Services. He was a Director of ISPT and ISPT Grosvenor International Property Trust and has been appointed to the Board of the Australian Council of Superannuation Investors, holding the position of Financial, Risk and Audit Committee Chair (FRAC). He is also an external member of the University of Sydney's Investment Subcommittee.

Mr Livanas holds a Bachelor of Science in Engineering and an MBA from the University of Witwatersrand and a Graduate Diploma of Finance and Investments from the Financial Services Institute of Australia. He is an ASFA-accredited Investment Fiduciary and a Graduate Member of the Australian Institute of Company Directors.

#### Jag Narayan

##### Chief Risk Officer

Mr Narayan is responsible for developing and implementing the organisation's risk, compliance and internal audit strategy. The role encompasses embedding a risk culture within State Super, setting and monitoring strategic and operational risks and reporting to the Risk, Audit and Compliance Committee and the Board.

Mr Narayan has over 25 years' experience in risk management, with more than 18 years in financial services organisations. His previous employers include the Territory Insurance Office (TIO), Insurance Australia Group (IAG), Caltex Australia and Westpac Banking Corporation. Prior to his appointment in October 2015, Mr Narayan led the Audit, Risk and Compliance function and reported to the CEO and the Audit and Risk Committee/Board of the Territory Insurance Office in Darwin.

Mr Narayan is a qualified Chartered Accountant, Certified Internal Auditor and Certified Compliance and Risk Professional. He holds a Bachelor of Commerce (Accounting) from the University of Western Sydney. He is a Graduate Member of the Institute of Company Directors.

## Allan Parapuram

### General Counsel and Company Secretary

Mr Parapuram provides State Super with legal and governance counsel, overseeing the legal and governance framework and secretarial matters of the Board.

Mr Parapuram is a member of the Police Superannuation Advisory Committee which determines entitlement to medical discharge for members of the NSW Police Force under the Police Superannuation Scheme. He is a member of the State Super/Aware Super Steering Group, the central reference point for the oversight and management of the Aware Super relationship.

Mr Parapuram has held senior legal roles at State Super for the last thirteen years and was previously Head of Legal, Risk and Compliance at Qantas Superannuation. He has more than twenty years' experience in superannuation and financial services law, trustee and investment governance, audit and compliance and risk management in financial services generally. Mr Parapuram holds a current legal practising certificate, a Master of Laws, a Bachelor of Laws, and a Bachelor of Economics. He is a Fellow of the Governance Institute of Australia and is a Graduate Member of the Australian Institute of Company Directors.

## Nish Patel

### Chief Financial Officer and GM Corporate Services

Mr Patel is the Chief Financial Officer and General Manager Corporate Services, responsible for directing and managing the financial, investment and operational activities of the organisation and ensuring the implementation of the overall organisational strategy.

Mr Patel has over 25 years' senior executive experience in funds management, investment banking and financial services. Prior to joining the organisation, he was AMP Capital's Chief Financial Officer and later Chief Operating Officer, Asia. He has held senior finance, strategy and M&A roles with leading ASX 100 companies. He commenced his career with Arthur Andersen in London and has worked extensively in Europe and Asia.

Mr Patel is a qualified Chartered Accountant and holds a Bachelor of Science (Honours) degree in Economics.

## Keri Pratt

### Acting Chief Commercial Officer

Ms Pratt is responsible for ensuring that State Super meets its asset-liability management objectives in negotiation with State and Federal governments and working with the CIO and the Prime Advisor (TCorp) to develop investment strategies. Ms Pratt also oversees implementation and effectiveness of the \$35 billion investment outsourcing arrangement with TCorp, manages key stakeholder relationships, and leads State Super's actuarial function.

Ms Pratt joined State Super in 2017, and prior to that time was Head of Institutional, Australia & NZ, at global asset manager, Franklin Templeton Investments, held an equivalent role and was a partner at GMO Australia Ltd, as well as working in superannuation, product and consulting roles with NAB, MLC & Lend Lease.

Ms Pratt holds a MBA (Exec.) and a Graduate Diploma in Applied Finance & Investment, TFASFA, is a Graduate Member of the Australian Institute of Company Directors and holds a Graduate Diploma in Applied Corporate Governance & Risk Management (FGIA). She is also a Non-Executive Director of Salaam Finance Pty Ltd and the Public Trustee & Guardian ACT Investment Board and served on several industry associations and investment committees.

## Nada Siratkov

### Chief Experience Officer

Ms Siratkov is responsible for directing and managing the delivery of member services and engagement strategies. This includes setting the direction of Member Engagement and ensuring that there is an integrated approach to managing the member experience. Ms Siratkov is responsible for negotiating and managing material service contracts, including administration of the fund to maximise value to State Super and its members. In addition, Ms Siratkov is responsible for driving scheme legislative and product changes, interpretation of scheme legislation and policies and ensuring, where relevant and required, its alignment to Commonwealth superannuation legislation. Ms Siratkov has overall accountability for the services provided to all members, marketing and communications, stakeholder engagement, media, disputes and the management of State Super's profile and brand.

Ms Siratkov is responsible for the Member Services Committee, is a member of the State Super/Aware Super Steering Group and is on State Super's WHS Committee.

Prior to joining State Super, Ms Siratkov held commercial and executive leadership roles in the financial services

industry including Aon, Zurich and Westpac and has an extensive knowledge of the superannuation, insurance and banking environments.

Ms Siratkov holds a Bachelor of Arts from the University of Sydney, a Master of Business majoring in Marketing from the University of Technology and is a Graduate Member of the Australian Institute of Company Directors.

## **Charles Wu**

### **Chief Investment Officer**

Mr Wu leads State Super's internal Investment team. He is responsible for determining and executing the Fund's investment policies and objectives, determining asset allocation, and implementing and monitoring the Fund's investment arrangements. Mr Wu is acknowledged across the industry for his expertise in the use of machine learning (artificial intelligence) within pension funds and has helped bring State Super to the forefront of this exciting development.

Mr Wu joined State Super in 2015 and was previously an Investment Manager at Media Super and an analyst at Mercer. He holds a Master of Commerce and a Bachelor of Computer Engineering and is a Chartered Financial Analyst holder. In 2025 he was appointed President Council Representative of the Chartered Financial Analyst (CFA) Institute.

# Regulatory and Compliance framework

## State Super's regulatory framework

State Super is governed by the *Superannuation Administration Act 1996* (NSW) (the SA Act). The SA Act expressly provides that State Super is a trustee for the purposes of the *Trustee Act 1925* (NSW).

The State Super schemes are exempt public sector superannuation schemes for the purposes of the *Superannuation Industry Supervision Act 1993* (Cth) (the SIS Act) and are not regulated under the SIS Act. However, the SIS Act is relevant because the State of NSW is a party to HOGA with the Commonwealth Government. The HOGA contains an undertaking by the State of NSW that it will ensure that members' accrued benefits in exempt schemes are fully protected. Exempt schemes on a best endeavours basis, are required to conform to the principles of the Commonwealth's retirement income policy. These requirements are reflected in the attachment to the HOGA and from time to time in Commonwealth legislation. State Super considers that the Commonwealth legislation (and APRA Superannuation Prudential Standards made under that legislation) provide significant guidance as to the exercise of its statutory and fiduciary functions. Accordingly, State Super aspires to be compliant with Commonwealth legislation including the SIS Act (and the APRA Superannuation Prudential Standards) on a best endeavours basis.

The Treasurer of NSW has specific responsibilities under the SA Act for overseeing State Super's prudential regulation.

## Compliance framework

State Super's formal compliance framework outlines the processes adopted by the Board to ensure compliance with the regulatory obligations that apply to State Super's operations. The framework is a structured set of systems, policies, processes and people within State Super's business operations that identify, assess and manage compliance obligations. The Board receives ongoing reporting and actively participates in the monitoring process to ensure the adequacy of the plans and policies, both directly and through its Committees. Internal Audit reviewed State Super's Investment Governance Process in FY2025 and raised no material issues.

State Super's compliance processes include:

- The review and maintenance of plans and policies required by NSW legislation for public sector agencies.
- The review and maintenance of plans and policies that comply (on a best endeavours basis) with the SIS Act and the APRA Superannuation Prudential Standards.
- The review and maintenance of compliance obligation registers that identify State Super's legislative and contractual obligations.
- Ongoing self-assessment of compliance with the compliance obligations register and reporting of results to the Risk, Audit and Compliance Committee.
- Obtaining annual formal verification from State Super's outsourced service providers confirming they have complied with their contractual and legislative obligations in relation to their services to State Super.
- Periodic internal audits of compliance with relevant plans and policies.
- Regular Board appraisals to assess governance and control practices along with other key elements to support continuous improvement and performance management for the Board.

## 2. Strategy

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## State Super's 2024-25 Corporate Plan identified five key objectives for the financial year

1. **Member.** Deliver relevant and reliable member experiences.
2. **Investment.** Set and meet our risk/return objectives.
3. **Governance.** Maintain an effective governance framework.
4. **Stakeholders.** Maintain positive relationships with stakeholders.
5. **Operating Model.** Strengthen State Super's operating model and workforce.

### Overview

#### 1. Member: Deliver relevant and reliable member experiences

For the FYE 2025 we have implemented the framework and rules of engagement to ensure effective monitoring of contractual arrangements for the State Super hub in Wollongong. Currently we are looking at how we can capture the knowledge base wherever possible and where Mercer Administration Services (MAS) is willing to share. The outcome of this objective continues to be dependent on the negotiations with MAS in relation to a programme of work to mitigate STC's administration risks, and how the superannuation administration options evolve over the coming months. MAS has been in discussions with STC regarding the continuation of administration services under the current contract. STC is working through the potential options that will provide a long-term sustainable administration model.

The post-implementation review of the migration project has been finalised with the assistance of external actuarial support to test the accuracy of this year's annual member statements. This also included the oversight and finalisation of the closure report from MAS to ensure the off-system vs on system processes and controls were properly implemented and that MAS provided the necessary attestations. Additional tests were conducted on accuracy, migration of member information, calculations used to produce member benefits, such as statements, estimates or final benefit payments. Our internal audit also performed a post implementation review of the migration project, and no material issues were found.

Development of the Provision of Detail (POD) functionality for improved member detail updates has been completed and is undergoing testing. This work was on hold while the System Transition took place. The implementation of POD will allow State Super to obtain up to date member information from the ATO that will assist in contacting lost members. This is one deliverable that falls within our strategy to improve member experience.

The commercial negotiation with MAS was put on hold indefinitely due to their review of their administration business. It is now clear that MAS will not continue to provide the full-service administration to State Super beyond the existing contract expiration and is more than likely to exit within the next 12 months. As such, fee negotiations with MAS will not proceed. Furthermore, we are actively seeking alternative superannuation administration options that will mitigate the risks to member services and ensure that, as far as possible, these services will not be interrupted or compromised and that the associated risks are addressed.

Developed a Marketing Plan that expands the marketing initiatives to address our changing member needs and profile over 2 – 3 years. This was presented and endorsed by the Member Services Committee in May 2025.

#### 2. Investment: Set and meet risk/return objectives

During the fiscal year, State Super continued its close partnership with TCorp, PwC (independent scheme actuary), and Frontier (asset consultant). Oversight remained disciplined, with a focus on aligning investment strategies for defined benefit assets to the actuarial forecasts of member liabilities. Notably, the Treasurer reinforced commitment to a persistent funding strategy in FY24 by extending annual Crown contributions to 2040 (announced September 2023).

The Trustee Selection Investment Strategy has been guided by its decade-long objective to June 30, 2025. While shorter-term performance has at times lagged, the strategy remains firmly focused on delivering optimal risk-adjusted returns. Key considerations include the ageing member base, adverse cash flow dynamics, and the challenge of sequencing risk.

In Defined Contribution (DC) offerings, the Growth, Balanced, and Conservative options achieved top-quartile risk-adjusted returns versus peers with similar growth exposures. Each option has also delivered returns above the median over respective investment horizons. The purpose of the DC framework is to ensure risk-adjusted outcomes in line with industry peers, notwithstanding the additional complexity involved in managing these options.

Risk parameters and portfolio construction are reviewed continuously. With recent market fluctuations and evolving liquidity needs, vigilance remains critical. The portfolio is diversified across asset classes, risks, managers, and securities, helping moderate volatility and achieve consistent returns. Additional safeguards—

such as tail-risk mitigation and active foreign currency management—provide resilience against severe market downturns.

### 3. Governance: Maintain an effective governance framework

The Board is served by highly skilled individuals who meet the requirements of the organisation as reflected by internal and external Board Assessments. State Super maintains a skills matrix for the Board and Executive, which is published on the website along with the Board's gender diversity and tenure. This reflects a highly skilled and diverse Board that provides continuity. The internal Board annual performance assessment for FY2024 concluded that the Board continues to be a high performing Board.

State Super's governance and delegations framework enables appropriate oversight and monitoring of the organisation. This framework is regularly reviewed to make sure it is fit for purpose and reflects better practice.

State Super complies with the HOGA requirements, conforming to the prescribed Commonwealth Retirement Income principles to the best of our endeavours. These include principles around trustee governance, risk management and regulatory reporting. State Super's compliance with HOGA is assessed independently by external experts periodically. State Super is committed to achieving positive ESG outcomes within the Executive Office and operates a Sustainability Committee to support the Board and the CEO to meet sustainability and ESG goals.

The Fund and State Super schemes are audited annually by the Auditor General and the outcomes of the annual audit are contained in the Annual Accounts that are part of this Annual Report.

Staff capabilities are regularly assessed against the skills required in the organisation with appropriate training and development programs implemented.

State Super continues to focus on monitoring its outsourced arrangements with its mandated investment manager TCorp, its Scheme administrator, MAS and its custodian, JP Morgan.

### 4. Stakeholders: Maintain positive relationships with stakeholders

The 2024 Annual Member Meeting was successfully delivered in November 2024. Over 380 members attended the online event with 78% of survey respondents giving an "excellent/good" rating overall.

As part of the brand building for State Super we have increased media activity which in turn has helped us expand our media list. This year has already seen new opportunities for CEO/CIO to deliver key messages across mainstream and specialist publications.

After 3 years, we have reviewed the State Super Scholarship which was launched by the NSW State Premier in 2019 at State Supers 100<sup>th</sup> year anniversary. This resulted in a rebranded scholarship program to "State Super ESG for Impact". This has delivered a significant increase in participation with 97 enquiries and 26 completed applications received by the closing date (6 December 2024). This is the highest response rate since the scholarship was launched in 2019. The Scholarship Review Panel (consisting of representatives from academia, Treasury, Department of Education and State Super) awarded 4 scholarships.

With respect to addressing the risk and sustainability of our administration services with MAS - we are actively engaging stakeholders to evaluate our legal, contractual, and operational options. The situation is evolving rapidly and requires careful management. Treasury is being provided with regular updates.

### 5. Operating Model: Strengthen State Super's operating model and workforce

State Super's workforce strategies continue to focus on three key areas, with supporting initiatives refined during the reporting period to address evolving business requirements.

Improving workforce sustainability: State Super's workforce remained stable throughout the reporting period, with turnover rates relatively lower than those of industry peers.

Building capability and knowledge retention to enable high performance: Throughout the reporting period, State Super maintained its commitment to a blended learning and development approach, supporting staff in sustaining and strengthening organisational performance. By taking this approach, we ensure our resources are strategically invested in the right people and programs, advancing our workforce priorities and reinforcing the broader objectives of our strategic plan.

Improving workplace culture with a focus on employee wellbeing and engagement: Employee participation in the 2024 People Matter Employee Survey remains high at State Super. While there were minor declines in some areas, the overall results remain strong and continue to compare well with those of the broader public sector cluster. Employee engagement at 75 was slightly lower than the previous year (-4) but still exceeded results from Treasury Cluster (-10) and Sector (-12). Improvement actions, guided by survey insights, will continue to be embedded as part of our ongoing business operations.

We are actively developing workforce intelligence capabilities designed to track key metrics and outcomes across our organisation. While this initiative is still underway, its implementation will empower State Super to drive greater accountability, enhance transparency, and foster a culture of continuous improvement.

### Objective of controlled entity

State Super has one controlled entity – SAS Trustee Corporate Staff Agency. The principal activity and objective of the SAS Trustee Corporate Staff Agency is to provide personnel services to State Super and the Pooled Fund.

## 3. Operations and Performance

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# State Super Board update

The Board are extremely pleased to announce that once again our investment teams have delivered excellent results and achieved our financial objectives across all the investment objectives. This has been despite a challenging global economic environment.

As in prior annual reports we will focus our update on a number of major themes that received the most attention from the Board – the State Super Operating Model, Investment Model and Managing Risk.

## Investment Market Overview

2025 began with expectations of the global economy returning to a more stable condition with tentatively improving growth, and it wasn't long before a new challenge emerged.

The USA initiated an aggressive tariff strategy on a scale not seen for many decades. The disruptive effects have echoed around the globe, causing policy makers to review priorities. Despite all the confusion, it is still unclear whether the repercussions will be enduring or temporary, and cool heads and steady hands will be required to manage the turmoil and navigate responsible and stable outcomes.

Looking further ahead, there is cautious optimism that policy makers will adopt a more cooperative and conciliatory attitude to help counter the disruption in trade relations, the decline in sentiment and the nervousness in financial markets.

One of the more dramatic spin offs from the tariff war has been the reaction in global share markets, which have displayed a high level of sensitivity to successive announcements from the White House.

An important lesson from this volatile rollercoaster is just how fragile and fleeting market sentiment can be. This underscores the importance of maintaining a longer-term view and not basing investing decisions or assessments on short term fluctuations, no matter how dramatic they may be.

## State Super Operating Model

For the past 1-2 years, the Board and Executive have been reviewing significant changes in the administration market as well as the changing member profile of our closed Defined Benefit and Pension fund.

There are a number of complexities inherent in the administration of Defined Benefit schemes – including intricate benefit calculations that rely on formulas, varied eligibility conditions and the ongoing pension payments that have their own complexities attached to them.

These complexities mean that the delivery of effective superannuation administration requires highly skilled staff with deep knowledge of scheme rules and the preservation of Intellectual Property to support ongoing member services, and a specialised technology platform with supportive peripheral and critical systems.

With the expected changes to the number and nature of our members and the types of services that will be required, a forward-looking operating model is being developed to be adaptable over time and in order to meet the expectations of the future cohort of members. Meeting future member expectations and services will require us to adapt to those needs.

The Board continues to explore options for sustainable administration services that are fit-for-purpose and that will provide the necessary servicing model to our members well into the future.

## Future Investment Model

As previously mentioned, State Super have been exploring new opportunities to ensure our investment model remains effective and efficient.

Focused and specialised management of Defined Contribution assets will become increasingly important with declining FUM.

Natural attrition, driven by retirements and pension exits, will continue to reduce membership numbers.

The Board recognises that these changing demographics and consequential diminishing scale in State Super's business may require appropriate changes to the current operating model to continue delivering appropriate performance.

## Managing Risk

We are pleased to announce that we had another solid year of managing our strategic risks in line with our risk management framework to achieve best outcomes for our members. We had no major incidents or breaches in the business and there were no material issues raised by our internal or external auditors. We were also able to implement the new APRA CPS 230 regulatory standard within our business and will further work on State Super's resilience in line with this standard in the next 12 months.

As per commentary around our current and future operating model, State Super could embark on a period of considerable change going forward which may increase our strategic risks and require close oversight and mitigation of controls. We think that we

have the team and structures to appropriately manage these changes.

### **Team commitment**

Finally, the State Super team is a group of highly skilled and engaged professionals, who have again performed at the highest level during the year, and this has been central to the success of the business.

The entire board offers sincere thanks to the State Super Executive team and all members of this outstanding organisation.

Thank you.



**Catherine Bolger**  
Board Member and  
Chair, Risk, Audit and Compliance Committee  
SAS Trustee Corporation  
October 2025

## Chief Executive Officer's report

In writing this report I reflected over the last year's events and was struck again by the challenging times, with changes in governments – and particularly in the USA, the emergence and subsequent fall of inflation, and geopolitical instability. In addition, we saw the emergence of the use of new technologies such as the latest Large Language Models which make AI more accessible, of reusable rockets creating pervasive global communications, and advances in healthcare technologies continuing to improve our lifespans.

Sadly, we also saw a continuation of conflicts and the resulting unspeakable human suffering; inequality, which by many measures, continues to rise, and globally the realisation that we are unlikely to achieve our climate change targets.

And yet, in the past financial year, your investment teams achieved the funds financial objectives for both the Defined benefit funds underpinning pensions and lump sum payouts, and for member choice options in which member money is invested.

This result was possible because State Super has created and implemented strategies which support and protect the fund's investment returns, no matter the environment.

### Member Money

This year we again met our investment return objectives for members' own money. Our Member Choice funds, for those members in SASS with those options, all performed consistent with objectives. State Super credited a 10.5% return to members in Growth (after superannuation tax), a 9.3% return for Balanced and a 7.9% return for Conservative for the year to 30 June 2025. This places our performance amongst the top 25% to 50% of the funds in Australia (SuperRatings).

Over the specific time horizons for each of the funds, we again were in the top 25% to 50% of superannuation funds in Australia (SuperRatings).

### Defined Benefit Funds

Our Defined Benefit pool (Trustee Selection) had net assets of around \$30 billion as of 30 June 2025, and returned 10.5% for the year, and 7.0% when measured over 10 years (when calculated post superannuation tax).

In reality, our schemes are set up such that most tax is offset by our pension members and on a pensions tax basis the fund returned 11.9%.

Trustee Selection continues to achieve its required investment returns to support the path to achieve full funding, with the balance being supported by NSW Government. In fact, in order to achieve full funding by 2040, the majority of the contributions to meeting that target will come from NSW government contributions, rather than investment returns.

Last year, I flagged we were negotiating with Government to create a framework within which contributions could be adjusted to maintain the probability of meeting full funding. When coupled with a framework to support liquidity, these policy initiatives allow the Trustee to further optimise the investment strategy for the Pooled Fund, benefiting State Super members and NSW taxpayers.

This framework has now been ratified, and the accounts for 2024/2025 contain reference to this, providing reassurance of the Trustee's focus on full funding by 2040.

### Our Service to Members

Our members continued to evaluate our performance highly, and our member satisfaction actually increased this year!

Overall satisfaction with our services increased from 7.6 to a leading 8.5 (on a scale of 1-10), and significantly above that for other funds. Members were especially satisfied with our financial returns and being a Fund they Trust. Some comments from members included: "Helpful and informed customer service..", "stable and predictable", "My returns for my super were far beyond my expectations".

While there are always challenges in administration, your State Super team is committed to maintaining our centre of operations in Wollongong with people who know your scheme and understand our members. We are in the process of reviewing our current administration services, and as part of these negotiations, we have set ourselves the objective of continual member service improvement through recognising and retaining the skills and talent of our Wollongong based staff.

As our Board highlighted, we are currently exploring exciting new phases for State Super concerning our investments and the management of your schemes.

Our key objectives are twofold:

To maintain and enhance the intellectual capabilities and skills of our team who have provided industry-leading risk-adjusted returns.

To retain the exceptional expertise and proficiency of our staff based in Sydney and Wollongong, who possess in-depth knowledge of your schemes. They assist members by handling over 60,000 calls annually, managing nearly 20,000 written inquiries, disbursing payments to over 65,000 pensioners, and processing more than 10,000 member contributions each year.

Regarding investments, our schemes rank among the most complex in Australia. Our exceptional team has not only achieved outstanding risk-adjusted returns but also developed significant expertise in processes and leveraging machine learning. This intellectual property holds considerable value, and we are exploring exciting new opportunities.

With our commitment to members and investment returns, you can be assured that our innovative, highly skilled, and dedicated team will continue to explore and implement solutions for you. Our forward-thinking approach ensures that, as new opportunities arise, we will embark on this journey together.

Thank you!



John Livanas  
Chief Executive Officer  
October 2025

## Our People

With our very strong culture and employee engagement (we measure this annually) and our dedicated staff, we are well placed to deliver ongoing member support. We will do this by regularly assisting our staff in learning and development, and in recruiting the best and brightest with the right cultural fit and with a focus on members. Our Employee Engagement score is again amongst the highest in NSW, with a score of 75% for 2024.

Our leadership scores relating to decision making and accountability stood at 85%, and inclusion and diversity outcomes at 82%, a particularly pleasing result.

## Risk Management

Our focus remains on members' best interests, enshrined in our Member Beliefs. To continue to support this, means we will need to continue enhancing our member service delivery, our investment management capability, and our operations. As we do this, risk management is key. Our recent risk culture survey noted that 100% of respondents, felt that there is enough focus on 'Integrity, Transparency, Challenge, Accountability,' and that 'leaders effectively identify and control risks'. 96% of people felt that 'leaders consider alternative views when making decisions'.

## Member Advisory Forum

Our program of Member Advisory Forums continues – most recently with a forum for members from the Transport sector and general Public Service.

150 members registered to attend to continue discussions on the topic "Ensuring financial well-being in retirement – the view of State Super members".

We look forward to publication of a detailed White Paper on this theme in the coming months.

## Our Future

State Super has consistently been a leader in superannuation within Australia. From establishing and developing entities like Dexus and StatePlus, which evolved into billion-dollar organisations, to pioneering innovations in machine learning and responsible AI tools.

# State Super's activities

## Overview of scheme membership

The membership of the State Super schemes at 30 June 2025 is set out below.

Scheme	At 30 June 2020	At 30 June 2025	Movement % over 5 years
<b>Active members</b>			
SASS	17,009	8,647	-49%
SSS	1,741	356	-80%
PSS	649	181	-72%
<b>Total</b>	<b>19,399</b>	<b>9,184</b>	<b>-53%</b>
<b>Deferred benefit members</b>			
SASS	9,004	6,427	-29%
SSS	1,094	521	-52%
PSS	79	43	-46%
<b>Total</b>	<b>10,177</b>	<b>6,991</b>	<b>-31%</b>
<b>Pension members</b>			
SASS	4,737	5,193	10%
SSS	55,170	52,100	-6%
PSS	6,697	6,713	1%
<b>Total</b>	<b>66,604</b>	<b>64,006</b>	<b>-4%</b>
<b>Total</b>	<b>96,180</b>	<b>80,181</b>	<b>-17%</b>

The State Super schemes are closed to new members. Over the past five years, the number of active members decreased by 10,215 and pension members decreased by 2,598. Refer to page 35 for membership statistics over the past five years.

## The next five years

Over the coming five-year period to 30 June 2030, the membership of the State Super schemes will continue to fall to a projected 64,860 members, while the contributory or active membership is expected to more than halve to 3,305 members.

This rapid reduction in contributors reflects the age profile of the membership. Over the period to 2030, the deferred benefit membership is projected to fall to 2,643 members, as these members reach the age when they can claim their benefit.

The number of pension members is projected to fall from 64,006 to 58,912 in 2030. Over the longer term, pension members will be the only remaining State Super members with many having reversionary spouse pension entitlements.

## Benefits for members

State Super continues to provide a range of services to enable members to obtain timely, accurate and useful information on the schemes and their personal benefit entitlements.

### INFORMATION, EDUCATION AND ADVICE SERVICES

The trends in members' use of the services are shown in the table below.

	2022-23	2023-24	2024-25
Telephone calls	66,950	62,794	54,751
Letters	3,606	4,020	3,866
Emails	15,375	15,681	16,878
Seminar attendance	3,110	2,914	2,498
Member Service appointments	67	59	56
Financial planning advice	7,607	6,548	6,931

#### Member contact

Over 75,000 phone calls, letters and emails were managed by our external administrator MAS. State Super has an oversight framework which carefully monitors the service levels against performance of both core and critical member services that are delivered by MAS through an administration contract.

There were 166,000 users who visited the State Super website 296,000 times and spent an average 1:29 minutes per session. Our members clicked the link to login to view their account 62,731 times, clicked to call us from a mobile 3,371 times and submitted 3,025 enquiry forms. There were also 235 views of videos on the site, 1,716 clicks on calculators, 1,547 clicks on seminar information and 149 clicks on financial planning information.

#### Member Service appointments

Member Service appointments are available for current and deferred State Super members. Members are provided with general information about their scheme and superannuation rules. During 2024-25, State Super provided 56 personal interviews. Member Service appointments are conducted via video calls or in-person meetings.

#### Financial planning advice

Aware Super provides financial planning advice to members of the State Super schemes and their relatives.

State Super carefully monitors and works with Aware Super to ensure that State Super scheme members continue to have access to high quality information and advice about their scheme entitlements and financial planning. During 2024-25, Aware Super made 6,931 financial planner appointments for State Super members or relatives of State Super members. Aware provide an "advice on demand" arrangement where Aware clients see financial planners as and when their circumstances change which has reduced the financial appointment frequency. Our members continue to rate the Aware financial planning service highly in our annual member satisfaction research.

#### Education seminars

During 2024-25, Aware Super delivered a mix of webinars and in-person seminars on our behalf across the NSW metropolitan and regional areas. Seminar topics were Retirement and pre-retirement planning for SASS (active and deferred) and SSS members. There were 63 webinars, 55 SASS, 8 SSS, and 2 in-person seminars were delivered for SASS.

These were attended by 2,498 members in total. The seminar programs are presented as 60-minute sessions.

## OTHER BENEFITS FOR MEMBERS

### Salary sacrifice contributions

All members have the option of contributing their compulsory member contributions on a post or pre-tax (salary sacrifice) basis. The majority of members in all schemes make salary sacrifice contributions. The percentage of member contributions received via salary sacrifice for 30 June 2025 is shown in the following table, with a breakdown per scheme.

#### Percentage of member contributions received via salary sacrifice over the last three years

Scheme	2022-23 %	2023-24 %	2024-25 %
SASS	71	69	70
SSS	79	75	72
PSS	73	73	73

### SASS member investment choice

SASS members can choose single or multiple investment strategies for their personal account balance and future contributions.

The table below shows the allocation of member account balances by investment strategy. The account balances cover both contributory and deferred SASS members, are net of surcharge tax liabilities and include deferred SANCS benefits invested in the Growth Strategy.

	Account balances			
	30 June 2024		30 June 2025	
	\$ million	%	\$ million	%
Growth	5,216	73	5,051	73
Balanced	1,337	19	1,369	20
Conservative	404	6	377	5
Cash	143	2	155	2
<b>Total</b>	<b>7,100</b>	<b>100</b>	<b>6,952</b>	<b>100</b>

A large majority of account balances continue to be invested in the Growth Strategy (the default strategy) for member investment choice.

## Five years at a glance – to 30 June 2025

Member statistics	2021	2022	2023	2024	2025
Active members – SASS	15,269	13,447	11,763	10,056	8,647
Active members – SSS	1,260	946	674	504	356
Active members – PSS	534	394	304	235	181
<b>Total active members</b>	<b>17,063</b>	<b>14,787</b>	<b>12,741</b>	<b>10,795</b>	<b>9,184</b>
Deferred benefit members – SASS	8,688	8,347	7,802	7,125	6,427
Deferred benefit members – SSS	948	844	729	611	521
Deferred benefit members – PSS	70	64	57	50	43
<b>Total deferred benefit members</b>	<b>9,706</b>	<b>9,255</b>	<b>8,588</b>	<b>7,786</b>	<b>6,991</b>
Pension members – SASS	4,848	4,927	5,025	5,134	5,193
Pension members – SSS	54,919	54,391	53,726	52,995	52,100
Pension members – PSS	6,735	6,763	6,760	6,728	6,713
<b>Total pension members</b>	<b>66,502</b>	<b>66,081</b>	<b>65,511</b>	<b>64,857</b>	<b>64,006</b>

Gender ratios – active members	2021	2022	2023	2024	2025
Females – SASS	49%	49%	49%	50%	50%
Males – SASS	51%	51%	51%	50%	50%
Females – SSS	48%	49%	51%	51%	54%
Males – SSS	52%	51%	49%	49%	46%
Females – PSS	15%	16%	17%	15%	13%
Males – PSS	85%	84%	83%	85%	87%

Contributions – \$ million	2021	2022	2023	2024	2025
Employer contributions	451	523	398	501	521
Employee contributions	173	145	133	120	89
Crown contributions	31	0	1,198	1,650	1,733
<b>Total contributions</b>	<b>655</b>	<b>668</b>	<b>1,729</b>	<b>2,271</b>	<b>2,343</b>
Benefits paid – \$ millions	4,857	5,159	5,340	5,718	5,750
Net contributions – \$ millions	(4,202)	(4,491)	(3,611)	(3,477)	(3,407)
Investment revenue – \$ millions	5,698	(497)	3,531	3,012	4,097

Assets/liabilities*	2021	2022	2023	2024	2025
Accrued benefits – SASS	14,441	13,505	13,284	12,829	12,141
Net assets to pay benefits	12,554	11,058	10,586	10,266	9,917
<b>Over (under) funding – SASS</b>	<b>(1,887)</b>	<b>(2,447)</b>	<b>(2,698)</b>	<b>(2,563)</b>	<b>(2,224)</b>
Accrued benefits – SSS	34,644	35,511	36,979	36,910	36,049
Net assets to pay benefits	23,620	21,077	21,126	20,910	21,515
<b>Over (under) funding – SSS</b>	<b>(11,024)</b>	<b>(14,434)</b>	<b>(15,853)</b>	<b>(16,000)</b>	<b>(14,534)</b>
Accrued benefits – PSS	7,769	8,049	8,498	8,615	8,504
Net assets to pay benefits	5,257	4,702	4,770	4,864	5,073
<b>Over (under) funding – PSS</b>	<b>(2,512)</b>	<b>(3,347)</b>	<b>(3,728)</b>	<b>(3,751)</b>	<b>(3,431)</b>
Accrued benefits – SANCS	2,079	1,935	1,832	1,808	1,684
Net assets to pay benefits	1,747	1,525	1,641	1,402	1,346
<b>Over (under) funding – SANCS</b>	<b>(332)</b>	<b>(410)</b>	<b>(191)</b>	<b>(406)</b>	<b>(338)</b>
Total accrued benefits	58,933	59,000	60,593	60,162	58,378
Total net assets to pay benefits	43,178	38,362	38,123	37,442	37,851
<b>Over (under) funding – Total</b>	<b>(15,755)</b>	<b>(20,638)</b>	<b>(22,470)</b>	<b>(22,720)</b>	<b>(20,527)</b>

\*Net asset figures above exclude Employer Sponsor Receivable

Employers are required by AASB119 Employee Benefits to report accrued benefits using a risk-free discount rate. This rate differs from the assumed earning rate used by the Fund actuary to calculate the accrued benefits set out in the table above. The risk-free rate results in a higher estimate of accrued benefits.

## Land disposal

No land disposals were undertaken during the reporting period.

## Budgets

### State Super's budget for the year ended 30 June 2026 and 2025

	Budget FY 2026 \$'000	Budget FY 2025 \$'000	Actual FY 2025 \$'000
<b>Income (reimbursement)</b>			
Income (reimbursement)	69,816	49,822	37,659
<b>Expenditure</b>			
<b>Member administration costs</b>	<b>26,973</b>	<b>27,332</b>	<b>20,121</b>
<b>Overheads, Executive and Board</b>			
Board expenses	930	800	697
Staff related costs	8,500	7,484	*7,382
Accommodation/premises costs	1,860	1,800	1,850
Other administration expenses	8,367	8,334	5,101
Regulatory, Governance & Process Improvement Initiatives	**23,186	4,072	2,508
<b>Total Overheads, Executive and Board expenses</b>	<b>42,843</b>	<b>22,490</b>	<b>17,538</b>
<b>Total expenditure</b>	<b>69,816</b>	<b>49,822</b>	<b>37,659</b>
<b>Net income/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Includes Superannuation re-measurement gains or losses which is determined by the Actuary in compliance with AASB119.

\*\*Subject to on-going Board review and approval.

# State Super's investment structure, policies and strategies

## Investment management structure

TCorp is the Master Investment Manager for the Trustee Selection Strategy, which primarily invests employer funded (defined benefit) assets.

State Super retains responsibility for setting and overseeing all State Super investment strategies, including risk and return objectives, investment policies, strategic asset allocation and ranges, and portfolio risk overlay strategies.

TCorp is responsible to State Super for implementing the investment strategy for Trustee Selection in accordance with State Super's policies. TCorp's responsibilities include dynamic risk management, portfolio construction, investment risk management and investment manager selection. State Super continues to be responsible for the investment management of the four Member Investment Choice strategies (Growth, Balanced, Conservative and Cash) in which the SASS defined contribution assets are primarily invested, and the University Cash strategy in which the Universities' Employer reserves are invested.

## Investment policies and practices

### STRATEGIC ASSET ALLOCATION

State Super allocates assets into three categories: Liquid Growth, Alternatives and Liquid Defensive, to reflect the role of each type of asset within the portfolio. Liquid Growth consists of Australian and international listed equities. Liquid Defensive includes fixed interest, income, cash and other defensive strategies. Alternatives comprise property, infrastructure, alternative debt, private markets and absolute return strategies.

**Liquid Growth** is expected to contribute significantly to long-term returns; however, the market is likely to remain highly volatile. The allocation to Liquid Growth, as well as the distribution between Australian and international equities within this category, may change from time to time depending on market opportunities.

**Alternatives** serve a dual purpose. Some of the asset classes within this category are expected to generate returns that align with or exceed the return objective. Other asset classes within Alternatives aim to provide good returns while also reducing volatility, particularly during periods of equity market declines.

**Liquid Defensive** encompasses asset classes that tend to perform during turbulent or declining equity markets. These asset classes offer capital protection when most other strategies are underperforming but are not expected to make a significant contribution to long-term returns.

State Super dynamically allocates assets among different asset classes based on changes in the investment environment. In contrast, the allocation to Alternatives tends to be strategic in nature and generally illiquid, with investments held over the medium to long term.

State Super conducts annual reviews of the strategic asset allocation in collaboration with its advisers. These reviews prioritise critical areas such as defining investment risk and return objectives, considering the expected investment environment for each investment option's timeframe, and evaluating liquidity requirements for the short and medium terms to ensure timely payment of member benefits.

## MARKET RISK PROTECTION STRATEGIES

State Super is focused on mitigating the risks associated with significant drawdowns in equity markets. However, downside protection strategies typically require a premium to be paid for that protection, which may involve sacrificing some returns during strong equity market conditions. State Super carefully evaluates this trade-off in managing its downside risk.

**Downside protection** – State Super may employ a variety of investment strategies to manage downside risk, which could include a combination of derivatives for hedging and exposure management, rotation of assets and managers, centrally managed currency overlays, option strategies, and manager benchmarking focused on downside risk management.

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

## RESPONSIBLE INVESTMENT

- Over the past year, there have been international developments regarding approaches to integration of ESG in investments, highlighting the importance of clear and consistent responsible investment practices. Against this backdrop, State Super has continued to dedicate resources to:
- Net Zero: State Super remains committed to achieving net zero CO<sub>2</sub>e emissions across the Pooled Fund by 2050.
- Risk Management: Each year we undertake climate modelling with one of our investment managers and integrated the findings into our strategic asset allocation. We continue to model alternative climate scenarios to assess risks and opportunities across asset classes. Given the political complexities of global decarbonisation — including divergent national commitments and changing policy environments — scenario analysis remains a critical tool to test the resilience of our investment strategy under different pathways.
- Carbon Footprint Monitoring: This year we started a transition to a platform that will provide better capability to measure the carbon emissions, as well as transition metrics of companies and the aggregated Pooled Fund. We are working towards increasing coverage and accuracy. State Super continues to measure and monitor the carbon footprint of the listed equities portfolios within the DC Option and has implemented carbon reduction strategies for some quantitative equities' strategies. As at 30 June 2025, TCorp continue to invest with reference to a low carbon benchmark for the passively managed developed market equities portion of the DB portfolio.
- Proxy Voting: Proxy voting for DC and DB Options is undertaken by State Super and TCorp, respectively. For DC Options, voting follows a bespoke international equities policy, with the Australian Council of Superannuation Investors (ACSI) serving as our primary advisor for domestic votes. Proxy voting for Trustee Selection is delegated to TCorp. There is ongoing consultation between State Super and TCorp on priority voting companies.
- Engagement: State Super engages collectively with companies on climate and ESG issues through organisations including ACSI, Hermes EOS, the Investor Group on Climate Change, the Principles for Responsible Investment, and the Australian Sustainable Finance Institute.
- Exclusions: State Super continues to exclude investments in tobacco (GICS Code: 30203010) and controversial weapon manufacturers from the Pooled Fund, based on specific thresholds for investment which is provided by a third-party researcher. This is monitored via interim updates to the list of excluded companies, with changes provided to our investment managers via proper instruction.
- Diversity: We believe that diverse backgrounds and perspectives contribute to stronger decision-making and better outcomes for members.
- State Super continues to regard and encourage diversity as an important element of responsible investment and long-term value creation in our investments.

## **INNOVATION**

We are committed to embedding innovation and data science at the core of our investment approach. By applying advanced machine learning and artificial intelligence techniques, we process vast datasets to enhance portfolio insights, improve efficiency, and support more informed decision-making. We have introduced practical applications such as reinforcement learning models to guide asset allocation and AI tools that synthesise complex economic information into clear, actionable insights. These initiatives are governed by a robust oversight framework, ensuring responsible deployment, continuous refinement, and alignment with our long-term investment objectives while fostering a culture of improvement and innovation.

## Defined Benefit investment strategies at 30 June 2025

### 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 + 3.7%\* p.a. over rolling 10-year periods.

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

**Net assets at 30 June 2025:** \$30,539 million

#### Asset allocation at 30 June 2025:

	Strategic %	Actual %
<b>Liquid growth</b>	<b>54.0</b>	<b>54.3</b>
Australian equities	11.0	11.4
International equities	43.0	42.9
<b>Alternatives</b>	<b>35.0</b>	<b>37.3</b>
Infrastructure	12.0	17.1
Property	8.0	7.5
Alternatives - Other	15.0	12.7
<b>Liquid defensive</b>	<b>11.0</b>	<b>8.4</b>
Australian fixed interest	0.0	0.0
International fixed interest	0.0	0.0
Defensive Strategies	6.0	2.9
Cash	5.0	5.5
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

\*Net of superannuation tax and fees

### UNIVERSITY CASH STRATEGY

**Investment objective:** The 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 (standard risk measure risk band 1: less than 0.5 negative annual returns estimated over any 20-year period).

**Net assets at 30 June 2025:** \$408 million

#### Asset allocation at 30 June 2025:

	Strategic %	Actual %
<b>Liquid growth</b>	<b>0.0</b>	<b>0.0</b>
<b>Alternatives</b>	<b>0.0</b>	<b>0.0</b>
<b>Liquid defensive</b>	<b>100.0</b>	<b>100.0</b>
Australian fixed interest	0.0	0.0
International fixed interest	0.0	0.0
Cash	100.0	100.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## Member Investment Choice strategies at 30 June 2025

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

**Net assets at 30 June 2025:** \$5,292 million

**Asset allocation at 30 June 2025:**

	Strategic %	Actual %
<b>Liquid growth</b>	<b>56.5</b>	<b>55.3</b>
Australian equities	23.5	22.3
International equities	33.0	33.0
<b>Alternatives</b>	<b>32.0</b>	<b>27.1</b>
Infrastructure	2.0	2.2
Property	6.0	3.3
Alternatives - Other	24.0	21.6
<b>Liquid defensive</b>	<b>11.5</b>	<b>17.6</b>
Fixed Interest	7.5	8.7
Income	1.0	3.1
Defensive Strategies	0.25	0.2
Cash	2.75	5.6
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

\*Net of superannuation tax and fees

### 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 (standard risk measure risk band 5: from 3 to less than 4 negative annual returns estimated over any 20-year period).

**Net assets at 30 June 2025:** \$1,369 million

**Asset allocation at 30 June 2025:**

	Strategic %	Actual %
<b>Liquid growth</b>	<b>41.5</b>	<b>40.5</b>
Australian equities	15.5	14.3
International equities	26.0	26.2
<b>Alternatives</b>	<b>25.5</b>	<b>20.5</b>
Infrastructure	2.0	2.2
Property	6.0	3.3
Alternatives - Other	17.5	15.0
<b>Liquid defensive</b>	<b>33.0</b>	<b>39.0</b>
Fixed Interest	11.5	12.6
Income	12.0	21.5
Defensive Strategies	0.25	0.2
Cash	9.25	4.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

\*Net of superannuation tax and fees

## 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: Low to Medium** (standard risk measure risk band 3: from 1 to less than 2 negative annual returns estimated over any 20-year period).

**Net assets at 30 June 2025:** \$381 million

**Asset allocation at 30 June 2025:**

	Strategic %	Actual %
<b>Liquid growth</b>	<b>23.5</b>	<b>23.2</b>
Australian equities	8.0	7.9
International equities	15.5	15.3
<b>Alternatives</b>	<b>21.5</b>	<b>16.7</b>
Infrastructure	2.0	2.2
Property	6.0	3.3
Alternatives - Other	13.5	11.2
<b>Liquid defensive</b>	<b>55.0</b>	<b>60.1</b>
Fixed Interest	15.0	16.2
Income	22.5	39.4
Defensive Strategies	0.25	0.2
Cash	17.25	4.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

\*Net of superannuation tax and fees

## 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** (standard risk measure risk band 1: less than 0.5 negative annual returns estimated over any 20-year period).

**Net assets at 30 June 2025:** \$153 million

**Asset allocation at 30 June 2025:**

	Strategic %	Actual %
<b>Liquid growth</b>	<b>0.0</b>	<b>0.0</b>
<b>Alternatives</b>	<b>0.0</b>	<b>0.0</b>
<b>Liquid defensive</b>	<b>100.0</b>	<b>100.0</b>
Cash	100.0	100.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## Changes to investment strategies effective 1 July 2025

In June 2025, State Super undertook its annual detailed review of the investment strategies and objectives for each investment option of the Pooled Fund.

Investment Options	Return Objectives effective 1 July 2024	Return Objectives effective 1 July 2025
Growth Strategy	CPI + 3.0% p.a. over rolling 7-year periods	CPI + 3.0% p.a. over rolling 7-year periods
Balanced Strategy	CPI + 2.0% p.a. over rolling 7-year periods	CPI + 2.0% p.a. over rolling 7-year periods
Conservative Strategy	CPI + 1.0% p.a. over rolling 4-year periods	CPI + 1.0% p.a. over rolling 4-year periods
Cash Strategy	Cash return over rolling 3-year periods	Cash return over rolling 3-year periods
Trustee Selection Strategy	CPI + 3.7% p.a. over rolling 10-year periods	CPI + 3.7% p.a. over rolling 10-year periods

### Strategic asset allocation changes

In the 2025/26 SAA review, we made targeted adjustments across the DC Member Investment Choice options to improve diversification, reduce volatility and maintain liquidity. The key changes include:

- Shifting from equities to credit: We reduced equity exposure and increased allocations to alternative debt across all options. For DC Balanced and DC Conservative, we also lifted income allocations to take advantage of higher yields and provide more stable returns.
- Reducing property and increasing liquid alternatives: Property allocations were cut by 3% in every option to reflect planned divestments, while liquid alternatives were increased to improve flexibility and liquidity.
- Increasing foreign currency exposure: Developed market FX exposure was raised across all options to enhance diversification and reduce liquidity needs.

### Growth, Balanced and Conservative Strategy

- Growth option: Australian equities were reduced, while international equities increased. Emerging market equities remain unchanged. Alternative debt and liquid alternatives were both lifted, and property was reduced.
- Balanced and Conservative options: Both options reduced Australian equities and developed market equities, while increasing income allocations. Alternative debt and liquid alternatives were increased, and property was reduced in line with Growth.
- Defensive assets: Fixed interest was trimmed in Growth and Conservative (unchanged in Balanced), while cash positions were broadly maintained. Income allocations rose in Balanced and Conservative to strengthen defensive characteristics.

### Trustee Selection Strategy

Trustee Selection is a defined benefit scheme with a different investment time horizon to DC options. No changes were made to the Strategic Asset Allocation for the Trustee Selection strategy this year.

## STRATEGIC ASSET ALLOCATIONS FOR DEFINED BENEFIT STRATEGIES

### Trustee Selection Strategy

Effective from 1 July 2025, the strategic asset allocation for the Trustee Selection Strategy is as follows:

	Strategic asset allocation %	Asset allocation range %
<b>Liquid growth</b>	<b>59.0</b>	<b>34.0 – 84.0</b>
Australian equities	12.5	
International equities	46.5	
<b>Alternatives</b>	<b>32.0</b>	<b>7.0 – 57.0</b>
Infrastructure	12.0	
Property	7.5	
Alternatives - Other	12.5	
<b>Liquid defensive</b>	<b>9.0</b>	<b>1.0 – 29.0</b>
Australian fixed interest	0.0	
International fixed interest	0.0	
Other defensive strategies	4.0	
Cash	5.0	
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

### University Cash Strategy

Effective from 1 July 2025, the strategic asset allocation for the University Cash Strategy is as follows:

	Strategic asset allocation %
<b>Liquid growth</b>	<b>0.0</b>
<b>Alternatives</b>	<b>0.0</b>
<b>Liquid defensive</b>	<b>100.0</b>
Cash	100.0
<b>TOTAL</b>	<b>100.0</b>

*Note: 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 2025, the strategic asset allocation for the Growth Strategy is as follows:

	Strategic asset allocation %	Asset allocation range %
<b>Liquid growth</b>	<b>55.5</b>	<b>39.5 – 71.5</b>
Australian equities	20.5	
International equities	35.0	
<b>Alternatives</b>	<b>34.0</b>	<b>22.0 – 46.0</b>
Infrastructure	2.0	
Property	3.0	
Alternatives - Other	29.0	
<b>Liquid defensive</b>	<b>10.5</b>	<b>1.0 – 20.5</b>
Fixed Interest	7.0	
Income	1.0	
Defensive strategies	0.25	
Cash	2.25	
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

### Balanced Strategy

Effective from 1 July 2025, the strategic asset allocation for the Balanced Strategy is as follows:

	Strategic asset allocation %	Asset Allocation range %
<b>Liquid growth</b>	<b>38.0</b>	<b>28 – 48</b>
Australian equities	12.5	
International equities	25.5	
<b>Alternatives</b>	<b>27.0</b>	<b>15 – 39</b>
Infrastructure	2.0	
Property	3.0	
Alternatives - Other	22.0	
<b>Liquid defensive</b>	<b>35.0</b>	<b>25 – 45</b>
Fixed Interest	11.5	
Income	14.0	
Defensive strategies	0.2	
Cash	9.3	
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## Conservative Strategy

Effective from 1 July 2025, the strategic asset allocation for the Conservative Strategy is as follows:

	Strategic asset allocation %	Asset allocation range %
<b>Liquid growth</b>	<b>20.0</b>	<b>12.0 – 28.0</b>
Australian equities	6.5	
International equities	13.5	
<b>Alternatives</b>	<b>21.5</b>	<b>9.5 – 33.5</b>
Infrastructure	2.0	
Property	3.0	
Alternatives – Other	16.5	
<b>Liquid defensive</b>	<b>58.5</b>	<b>48.5 - 68.5</b>
Fixed Interest	14.5	
Income	26.5	
Defensive strategies	0.15	
Cash	17.35	
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## Cash Strategy

Effective from 1 July 2025, the strategic asset allocation for the Cash Strategy is as follows:

	Strategic asset allocation %
<b>Liquid growth</b>	<b>0.0</b>
Australian equities	0.0
International equities	0.0
<b>Alternatives</b>	<b>0.0</b>
<b>Liquid defensive</b>	<b>100.0</b>
Cash	100.0
<b>TOTAL</b>	<b>100.0</b>

*Note: Asset allocation ranges are not used in the Cash Strategy.*

# Investment Performance

This section provides an overview of State Super's investment performance and activities during 2024-25.

## Investment market overview

### Year in review – Financial Year ending 30 June 2025

The financial year ending 30 June 2025 delivered exceptional returns across our diversified portfolio. DC Growth achieved an outstanding 10.5% return, driven by strong performance across multiple asset classes. Both Australian and international equities performed exceptionally well, each delivering impressive 16.3% returns that significantly contributed to overall portfolio performance.

Australian equities demonstrated remarkable resilience, supported by broad-based sector strength and robust domestic economic fundamentals. International equities matched this performance, benefiting from global market recovery and strong corporate earnings growth. Emerging markets delivered even stronger gains of 18.1%, while alternative investments also contributed meaningfully with infrastructure assets returning 12.6% and private markets returning 13.2%.

Defensive assets provided steady contributions, with Australian fixed income returning 7.0% and cash investments yielding 4.5%, demonstrating the value of a balanced approach during a year of continued market volatility. The strong performance occurred against a backdrop of evolving monetary policy settings and persistent geopolitical uncertainties.

The financial year's gains were achieved despite growing policy uncertainty and increasing equity market concentration risks, particularly in technology sectors. The shift toward US isolationism and broader geopolitical fragmentation created periods of volatility, highlighting the importance of maintaining diversified exposures across regions and asset classes in an increasingly complex investment landscape.

### The year ahead – Financial Year 2026

Looking ahead to FY2026, markets face a period of structural transformation as the global economy navigates persistent inflationary pressures and evolving monetary policy. Investment sentiment will likely be influenced by central banks pivoting toward more dovish stances and rate cutting cycles, creating uncertainty around the timing and magnitude of policy adjustments across major economies.

A critical dynamic to monitor in the upcoming year is the shift toward US isolationism and broader geopolitical fragmentation. The movement away from unfettered globalisation toward economic regionalisation and strategic competition will create significant market implications, including supply chain reconfiguration, nearshoring opportunities, and potential trade disruptions. This political risk environment may intensify market volatility as investors assess the impact on global commerce and cross-border investment flows.

The artificial intelligence revolution presents both opportunities and risks for FY2026, with markets already pricing significant AI benefits while ongoing productivity gains create investment opportunities across semiconductors, cloud infrastructure, and AI-enabled services. However, concentration risk in mega-cap technology stocks and elevated valuations may limit traditional equity return potential.

Currency dynamics present both opportunities and risks for FY2026, particularly around the US dollar's evolving role amid shifting global economic dynamics. The dollar's dominance faces gradual pressure from fiscal sustainability concerns and central bank diversification efforts, creating potential volatility in currency markets. This environment may require active currency management strategies as exchange rate fluctuations could significantly impact international investment returns.

The outlook for FY2026 suggests that as traditional asset class correlations continue to shift amid evolving market dynamics, maintaining robust portfolio diversification will be crucial for managing volatility and capturing opportunities across different market environments.

## Investment performance for 2024/25

### 2024-25 performance

The 2024-25 annual crediting rates for the various investment options were as follows:

Strategy	Crediting rate p.a.* %
<b>Defined Benefit</b>	
Trustee Selection	10.5**
University Cash	4.4
<b>Member Investment Choice</b>	
Growth	10.5
Balanced	9.3
Conservative	7.9
Cash	4.3

\*Net of fees and taxes

\*\*This excludes the benefit of the ECPI, please refer to the table on page 51 for the inclusion of ECPI returns.

In the financial year 2025, all investment selections saw outstanding performance. In particular, the Member Investment Choice options, which include DC, Balanced, and Conservative, surpassed their SuperRatings groups, showing excellent relative results for the 12 months ending on June 30, 2025.

The main contributor to these returns was the strong performance of liquid growth assets, which benefited from robust equity market conditions across both Australian and international markets, despite volatility within markets. Alternative investments also contributed positively to overall returns, with infrastructure and private market exposures adding meaningful value. However, currency hedging strategies modestly dampened these gains. Liquid defensive assets including fixed income delivered positive contributions, while real assets such as property and infrastructure investments provided modest positive returns during the period. Our equity hedges also had a slight positive return, which took advantage of downturns in markets throughout the volatility this year.

## Long-term performance

Meeting long-term goals requires investments to be actively managed to capture the returns offered for taking on risk, whilst controlling the impact of losses in more turbulent market conditions. Given the Fund's negative cash flow and different investment horizons for different investment options, State Super (either directly or via TCorp for Trustee Selection) will reallocate assets as it deems necessary to increase the probability of all investment strategies achieving their respective investment objectives and ensuring appropriate liquidity levels.

Crediting rates for the period ended 30 June 2025 against investment objectives for each of the State Super strategies are provided in the table below.

Strategy	Objective (at 30 June 2025)	Objective Period	Average annual compound crediting rate p.a. %*	Objective p.a. %
<b>Defined Benefit</b>				
Trustee Selection	CPI + 3.7%	10 years	7.0	7.3
University Cash	Cash	3 years	3.6	3.8
<b>Member Investment Choice</b>				
Growth	CPI + 3.0%	7 years	7.2	6.4
Balanced	CPI + 2.0%	7 years	6.0	5.3
Conservative	CPI + 1.0%	4 years	5.5	5.5
Cash	Cash	3 years	3.8	3.8

\*Net of superannuation tax and fees

The Trustee Selection's performance slightly underperformed its long-term goal. The DC Options yielded returns surpassing their longevity objectives. TCorp has adjusted the portfolio to be more conservative, resulting in slightly diminished gains during a robust stock market.

State Super administers its investment approaches via investment managers, with TCorp responsible for selecting these managers. Throughout the fiscal year, the performances of investment managers across different strategies were evaluated and modifications were executed to align the risk-return profiles of each strategy with their designated objectives. State Super consistently upholds rigorous liquidity standards to meet its obligations, and prioritising liquidity management is essential for the investment team.

Regular reviews are conducted on the Fund's risk profile and asset allocation. The investment strategies are diversified across various asset classes, generating risk premiums, and spread among distinct investment managers and securities. The objective is to achieve returns with significantly less volatility. Risk management is an integral component of maintaining this approach.

## Crediting rates for defined benefit reserves

The crediting rates provided in the following tables for defined benefit reserves are prior to adjustments for the varying rates of exempt current pension income (ECPI) tax. As a result of the ECPI tax adjustment, each of the defined benefit reserves (including those relating to Crown and other Government enterprises with pension members) is credited with an additional amount over and above that shown below.

### Trustee Selection Strategy

### University Cash Strategy

Year ending	Crediting rate to employer reserves (p.a.) %	Year ending	Crediting rate to employer reserves (p.a.) %
30 June 2025	10.5	30 June 2025	4.4
30 June 2024	7.3	30 June 2024	4.0
30 June 2023	8.8	30 June 2023	2.5
30 June 2022	-0.6	30 June 2022	0.1
30 June 2021	13.1	30 June 2021	0.1
<b>Average annual compound crediting rate (p.a.)</b>		<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	8.9	Over 3 years	3.6
Over 5 years	7.7	Over 5 years	2.2
Over 10 years	7.0	Over 10 years	1.9

Trustee Selection returns for Crown employers after the benefit of ECPI tax	Crediting rate including ECPI *effect on employer reserves (p.a.) %
30 June 2025	11.9
30 June 2024	8.3
30 June 2023	10.0
30 June 2022	-1.1
30 June 2021	14.9
<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	10.0
Over 5 years	8.8
Over 10 years	7.9

\*Tax effect arising from Exempt Current Pension Income

## Crediting rates for member investment choice strategies

SASS is a hybrid scheme, with the member-financed benefit component being an accumulation of member contributions with investment earnings and the employer-financed benefit component being a defined benefit. On deferral, both the member and employer-financed components are accumulated with investment earnings from the investment strategy or strategies selected by the member.

SASS members have a choice of four investment strategies – Growth, Balanced, Conservative and Cash. The Growth Strategy is the default strategy that applies if a member does not make an investment choice. For deferred benefit members the default strategy is the Growth Strategy for members under 60 years of age, and the Balanced Strategy for those over 60.

The crediting rates for the four investment strategies are shown below. Given as an annual rate and rounded to one decimal point, they are credited to members' accounts at the end of the financial year. Actual crediting rates are declared monthly to four decimal places. The annual rate is the compounded monthly rates.

### Growth Strategy

Year ending	Crediting rate to members (p.a.) %
30 June 2025	10.5
30 June 2024	9.1
30 June 2023	9.9
30 June 2022	-1.7
30 June 2021	14.3
<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	9.9
Over 5 years	8.3
Over 10 years	7.4

### Conservative Strategy

Year ending	Crediting rate to members (p.a.) %
30 June 2025	7.9
30 June 2024	7.1
30 June 2023	6.1
30 June 2022	1.1
30 June 2021	5.6
<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	7.0
Over 5 years	5.5
Over 10 years	4.9

### Balanced Strategy

Year ending	Crediting rate to members (p.a.) %
30 June 2025	9.3
30 June 2024	8.3
30 June 2023	8.0
30 June 2022	-0.9
30 June 2021	8.9
<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	8.5
Over 5 years	6.7
Over 10 years	6.1

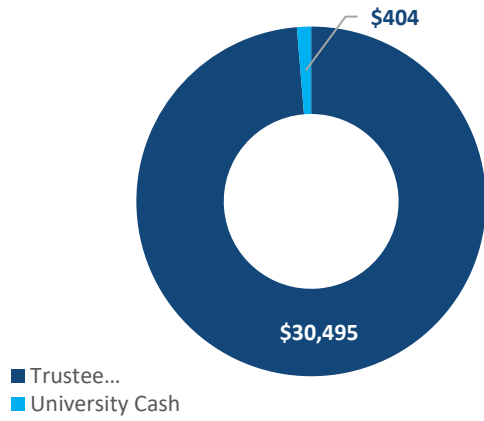
### Cash Strategy

Year ending	Crediting rate to members (p.a.) %
30 June 2025	4.3
30 June 2024	4.4
30 June 2023	2.7
30 June 2022	0.1
30 June 2021	0.1
<b>Average annual compound crediting rate (p.a.)</b>	
Over 3 years	3.8
Over 5 years	2.3
Over 10 years	2.0

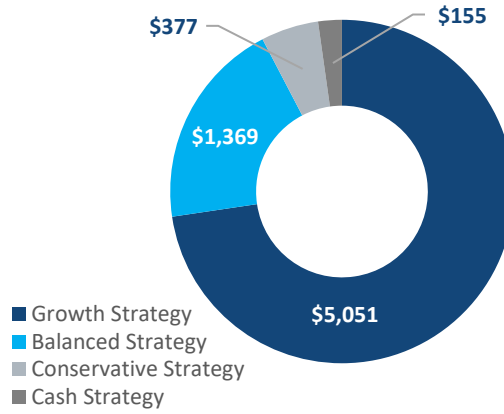
## Funds under management (FUM)

FUM per investment strategy at 30 June 2025 (\$ millions) \*

### DEFINED BENEFIT STRATEGIES



### MEMBER INVESTMENT CHOICE STRATEGIES



\*Excludes Employer Sponsor Receivable

## Investment managers at 30 June 2025

	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
<b>Australian Equities</b>			
Alphinity Investment Management Pty Ltd	✓	–	–
Ausbil Investment Management Limited	✓	–	–
BlackRock Asset Management Australia Limited	✓	–	–
Citigroup Global Markets Australia Pty Ltd	–	✓	–
Ellerston Capital Limited	–	✓	–
Macquarie Securities (Australia) Limited	–	✓	–
Macquarie Investment Management Limited	✓	–	–
Martin Currie Investment Management Ltd	–	✓	–
Northcape Capital Pty Ltd	✓	–	–
Pendal Institutional Limited	✓	✓	–
Plato Investment Management Limited	–	✓	–
Platypus Asset Management Pty Ltd	✓	–	–
State Street Bank & Trust Company	–	✓	–
State Street Global Advisors Australia Limited	–	✓	–
UBS Securities Australia Limited	–	✓	–
<b>International Equities</b>			
AQR Capital Management LLC	–	✓	–
BlackRock Asset Management Australia Limited	✓	–	–
Citigroup Global Markets Australia Pty Ltd	✓	✓	–
C Worldwide Asset Management	–	✓	–
MFS International Australia Pty Ltd –	✓	–	–
Ninety-One UK Limited	✓	✓	–
Northcape Capital Pty Ltd	✓	–	–
Northern Trust Asset Management Australia Pty Ltd	✓	–	–
NSW Treasury Corporation	✓	–	–
Robeco Hong Kong Limited	✓	–	–
State Street Bank & Trust Company	–	✓	–
State Street Global Advisors Australia Limited	–	✓	–
QIC Limited	✓	–	–
Schroders Investment Management Australia Limited	✓	–	–
Macquarie Securities (Australia) Limited	–	✓	–
<b>Property</b>			
AEW Capital Management, LP (via Equity Trustees Ltd)	–	✓	–
Brookfield Premier Real Estate Partners L.P	✓	–	–
EG Funds Management Pty Ltd	✓	–	–

	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
<b>Property con't</b>			
Franklin Templeton Investments Australia Limited	✓	–	–
Invesco Real Estate (via Equity Trustees Ltd)	–	✓	–
Investa Commercial Property Group	–	✓	–
ISPT Pty Ltd	–	✓	–
LaSalle Investment Management (via Equity Trustees Ltd)	–	✓	–
LendLease Investment Management (AFSL) Pty Limited	✓	–	–
NSW Treasury Corporation	✓	–	–
<b>Australian Fixed Interest &amp; Cash</b>			
Macquarie Investment Management Global Limited	–	✓	–
Macquarie Investment Management Limited	✓	–	–
Macquarie Securities (Australia) Limited	–	✓	–
NSW Treasury Corporation	✓	–	–
State Street Global Advisors Australia Limited	✓	✓	✓
<b>Alternative Assets</b>			
Bentham Asset Management Pty Limited	–	✓	–
Fulcrum Asset Management LLP	–	✓	–
HarbourVest Partners, LLC	–	✓	–
Kohlberg Kravis Roberts & Co.	–	✓	–
Neuberger Berman Australia Pty Ltd	–	✓	–
NSW Treasury Corporation	✓	–	–
Pendal Institutional Limited	–	✓	–
PineBridge Investments LLC	–	✓	–
Siguler Guff Distressed Opportunities Fund IV (F) LP	✓	–	–
Fidera Vecta Limited	–	✓	–
Resolution Life Australia Pty Ltd	✓	–	–
<b>Currency &amp; Overlay</b>			
Challenger Investment Solutions Management Pty Ltd	–	✓	–
Citigroup Global Markets Australia Pty Ltd	✓	–	–
Macquarie Investment Management Limited	✓	–	–
Macquarie Securities (Australia) Limited	–	✓	–
Mesirow Financial Investment Management, Inc.	–	✓	–
NSW Treasury Corporation	✓	–	–
PIMCO Australia Pty Ltd	✓	–	–
QIC Limited	✓	–	–
Long Tail Alpha, LLC	–	✓	–

	Trustee Selection Strategy	Member Investment Choice Strategies	University Strategies
<b>High Yield/Bank</b>			
Brigade Capital Management LP	✓	–	–
KKR Australia Investment Management Pty Limited	✓	–	–
NSW Treasury Corporation	✓	–	–
<b>Infrastructure</b>			
Macquarie Investment Management Limited	✓	–	–
NSW Treasury Corporation	✓	–	–
QIC Limited	–	✓	–

## 4. Management and Accountability

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# Human resource management

## Numbers and remuneration of senior executives

The table below shows remuneration levels and the number of senior executive staff by remuneration band and gender at 30 June 2025.

In FY 2025, 24.3% of State Super's employee-related expenditure related to senior executives, compared to 29.1% in FY 2024. The variance is driven by an increase in headcount of non-executive staff.

Band and Remuneration range  2024-25 SOORT determination	2024				2025			
	Men	Women	Total	Average Remuneration	Men	Women	Total	Average Remuneration
Band 4 (Secretary) >\$509,251	1	0	1	\$594,105 <sup>(1)</sup>	1	0	1	\$594,105 <sup>(2)</sup>
Band 3 (Deputy Secretary) \$361,301 - \$509,250	1	0	1	\$428,655	1	0	1	\$428,655
Band 2 (Executive Director) \$287,201 - \$361,300	2	0	2	\$337,327	3	1	4	\$352,825
Band 1 (Director) \$201,350 - \$287,200	2	2	4	\$278,992	0	1	1	\$287,200
	<b>6</b>	<b>2</b>	<b>8</b>		<b>5</b>	<b>2</b>	<b>7</b>	

<sup>(1)</sup> 2023-24 An additional performance bonus of \$191,665 was paid.

<sup>(2)</sup> 2024-25 An additional performance bonus of \$193,994 was paid.

## Numbers and remuneration of non-executive employees

The table below shows remuneration levels and numbers of non-executive employees by gender and employment classification as at 30 June 2025.

The remuneration ranges for 2025 are before any increase effective at 1 July 2025.

Employment Classification	2024				2025			
	Men	Women	Total staff	Remuneration range	Men	Women	Total staff	Remuneration range
Administration	0	3	3	\$75,259 - \$106,617	0	1	1	\$95,752– \$111,415
Analyst/Advisor	0	2	2	\$106,618 - \$135,425	1	2	3	\$113,133 – \$141,520
Senior Analyst/Advisor	0	2	2	\$135,427 - \$149,845	1	4	5	\$141,522 – \$156,589
Senior Specialist/Manager	5	7	12	\$149,848 - \$175,550	6	6	12	\$156,592– \$183,450
Senior Manager	15	8	23	\$175,551 - \$206,181	16	8	24	\$183,451 – \$215,460
	<b>20</b>	<b>22</b>	<b>42</b>		<b>24</b>	<b>21</b>	<b>45</b>	
	<b>48%</b>	<b>52%</b>			<b>53%</b>	<b>47%</b>		

## Remuneration movement

The State Super Enterprise Agreement 2024-2027 (“2024-2027 EA”) was approved by the NSW Industrial Relations Commission (IRC) on 7 November 2024, in accordance with s. 35 of the *Industrial Relations Act 1996* (NSW). The 2024-2027 EA will remain in force until 30 June 2027 and, after its approval, replaced the State Super Enterprise Agreement 2020-2022 as the instrument governing the employment terms for the organisation’s non-executive employees. The 2024-2027 EA was negotiated with the employees during 2023/24 and into 2024/25 and was approved by the employees in a secret ballot conducted in July 2024.

The 2024-2027 EA provided for a 4.0% increase, including 0.5% superannuation, to the remuneration of non-executive employees backdated to 1 July 2024. That increase was processed for the employees in November 2024.

However, just after the 2024-2027 EA was approved by the IRC, the IRC also approved the *Crown Employees (Public Sector – Salaries) Award*, which provided for a 4.5% increase to remuneration, including 0.5% superannuation, from 1 July 2024 for many NSW public sector employees. A provision had been included in the 2024-2027 EA to the effect that if the NSW Government agreed to sector-wide pay increases at rates that are higher than the rates of increase in that EA, then the higher rates will be passed on in full to all employees covered by the EA.

The Director of the NSW Public Sector Industrial Relations (PSIR) provided approval, in February 2025, for State Super to apply to the IRC for the making of a variation to the 2024-2027 EA to pass on to State Super’s non-executive employees the higher sector-wide pay increases approved by the IRC.

A variation to the 2024-2027 EA (the “varied EA”) that provided for an additional increase of 0.5% of salary backdated to 1 July 2024 was proposed to State Super’s non-executive employees in March 2025. The employees voted in favour of the varied EA in a secret ballot held early in May 2025 and an application for the IRC to approve the variation was made later that month. Although the IRC’s formal approval of the varied EA did not occur until after the end of the 2024/25 year (the approval was made in a judgment of Taylor P in the IRC on 18 July 2025), PSIR approved the administrative application by State Super of the 0.5% increase in salary backdated to 1 July 2024 provided for in the varied EA before the formal approval was made. Pursuant to this, State Super applied the 0.5% increase backdated to 1 July 2024, as well as the further 3.5% increase in remuneration (including 0.5% superannuation), allowed for from 1 July 2025 under the 2024-2027 EA, in the July 2025 pay-run for non-executive employees.

There was no mandated increase to the remuneration for senior executives in 2024-2025.

## Payments to consultants

### Payments to consultants in accordance with TPG 23-03

Area	Project	Consultant	Total Cost \$
Investment	Investment Operating Model*	PwC Consulting (Australia) Pty Ltd	\$369,831
Member Engagement	Business Case development and due diligence of potential administration provider**	KPMG	\$257,492
<b>Consultancies equal to or more than \$50,000</b>			<b>\$627,323</b>
<b>Consultancies less than \$50,000</b>			<b>Nil</b>

\*Subject to procurement process including probity auditor advisor

\*\*Subject to competitive quote process

## Promotion

### Overseas visits

No overseas visits travel expenditure was incurred for the 2024/2025 financial year period.

## Legal change

### Relevant legislative changes

There were only minor changes to State Super's constituent legislation and the legislation governing its schemes during the 2024-25 year (the relevant pieces of legislation and a brief description of any change are set out below).

#### Changes to Acts governing the State Super schemes

Principal Act	Description
<i>Superannuation Administration Act 1996</i> (NSW)	No changes during the year.
<i>Police Regulation (Superannuation) Act 1906</i> (NSW)	A minor change made during the year.
<i>Police Association Employees (Superannuation) Act 1969</i> (NSW)	No changes during the year.
<i>State Authorities Superannuation Act 1987</i> (NSW)	A minor change made during the year.
<i>State Authorities Non-contributory Superannuation Act 1987</i> (NSW)	A minor change made during the year.
<i>Superannuation Act 1916</i> (NSW)	A minor change made during the year.

## Changes to regulations made under Acts governing the schemes

Regulations have been made under some of the Acts listed above.

There was a minor change to the following regulation during the 2024-25 year.

State Authorities Superannuation Regulation 2020.

The other regulations made under some of the Acts listed above were not amended during the year.

## Significant judicial decisions or cases

In the 2024-25 year, there were no significant judicial decisions in cases involving State Super.

## Disputes and appeals

The legislation governing the superannuation schemes administered by State Super provides a scheme member or beneficiary with a two-stage system of review of a decision made by a delegate of State Super, if they wish to dispute such a decision. The first stage is State Super's Member Services Committee, and the second stage is an appeal to the NSW Industrial Relations Commission in Court Session (prior to 1 July 2024, the right of appeal was to the Supreme Court of NSW). It should be noted that decisions in certain matters relating to PSS can be appealed directly to the District Court of NSW (see *District Court* section below).

There was 1 dispute treated as accepted during the 2024 – 2025 financial year.

<b>Disputes on hand at 1 July 2024</b>	0
<b>Disputes accepted in 2024-25</b>	1
<b>Disputes determined in 2024-25</b>	
Confirmation of State Super delegate's decision	0
Delegate's decision set aside and new decision made	0
Settled	0
Disputes withdrawn or discontinued in <b>2024-25</b>	0
<b>Disputes on hand at 30 June 2025</b>	<b>1</b>

## Appeals to the Industrial Relations Commission in Court Session

There were no appeals made to the Industrial Relations Commission in Court Session during the 2024-25 year from any determination of a dispute by the Member Services Committee.

## District Court

The *Police Regulation (Superannuation) Act 1906* (NSW) (the PRS Act) provides for a right to apply directly to the District Court of NSW (with no requirement to first lodge a dispute with State Super) from decisions of:

- The Police Superannuation Advisory Committee (PSAC) as the delegate of State Super, concerning applications by PSS hurt on duty (HOD) pensioners for increases to their pensions and/or changes to the commencement dates of their pensions.
- PSAC or the CEO of State Super, as the delegate of State Super, concerning applications by current or former members of the Police Force who are in PSS for a certificate of incapacity under s.10B of the PRS Act.
- PSAC as the delegate of State Super, concerning applications for benefits upon the HOD death of any current or former member of the Police Force who was in PSS.
- The CEO of State Super as the delegate of State Super, concerning whether an application for a certificate of incapacity under s.10B of the PRS Act or for an increase to a HOD pension which was received outside of

the legislatively prescribed timeframe should be accepted.

- Allianz Insurance Australia Limited as the delegate of State Super, concerning applications by current or former members of the Police Force who are in PSS for lump sum payments for HOD-related permanent impairments or for reimbursement of HOD-related medical expenses.

Applications to the District Court against a decision of State Super or its delegates resulted in outcomes in 2024-25 year as set out below:

	PSAC/CEO as delegate	Allianz as delegate
Decided in favour of State Super	1	-
Decided in favour of the member/beneficiaries	-	-
Withdrawn or discontinued	1	-
Settled	9	-
<b>Total</b>	<b>11</b>	<b>-</b>

As at 30 June 2025, there were nine (9) applications to the District Court in matters involving State Super where the legal proceedings were still ongoing. Two (2) of these matters involved a decision made by Allianz as a delegate for State Super.

There was one matter involving State Super on foot in the Supreme Court of NSW at the end of 2024-25. This matter involves an application to the District Court against State Super by a former scheme member – that application has been adjourned whilst the former member seeks an order in the Supreme Court for mandamus (an order requiring the making of a decision by an administrative decision-maker) against State Super.

In the 2024-25 year, there were no matters involving State Super that were decided by the Court of Appeal of NSW and at 30 June 2025, there were no appeals on foot to the Court of Appeal from a decision of the District Court in a matter involving State Super. In one matter which resulted in a decision from the Court of Appeal in State Super’s favour in 2023-24, the scheme member involved sought special leave to appeal against the decision to the High Court. However, the member’s application for special leave was refused with costs during 2024-25.

There was one matter in the 2024-25 year which involved a complaint by a scheme member against State Super under the *Anti-Discrimination Act 1977* (NSW). After receiving submissions from both parties, Anti-Discrimination NSW (ADNSW) referred the matter to the NSW Civil and Administration Tribunal (NCAT). At the end of 2024-25, this matter was still on foot.

## Access to information

State Super is, for the purposes of the *Government Information (Public Access) Act 2009* (NSW) (the GIPA Act), an agency and as such must release “government information” unless there is an overriding public interest against disclosure. Government information is anything contained in a record held by an agency or held on behalf of an agency by a private sector entity, to which the agency has right of access.

State Super holds (either itself or via a service provider) information that is classed as “government information” about:

- itself as a corporation – such as information relating to its business operations, financial situation and dealings, staff and structure and property and equipment and
- the superannuation schemes that it is trustee of, including a superannuation membership file for each of the members of the schemes.

Information about the investment functions performed by State Super is excluded for the purposes of the GIPA Act.

### Open access information about State Super

The GIPA Act obliges agencies to release “open access information” (as defined in the GIPA Act) and State Super’s “open access information” is set out on the website [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au) (under “About Us” and then “Access to Information”).

State Super reviews annually the types of government information it holds for the purpose of determining what government information should be made publicly available. The result of the review in 2024-25 was that State Super believes that it has made publicly available all the government information it holds that should, in the public interest, be available and that can be made available without imposing unreasonable costs on itself.

### Access to information about State Super

Information about State Super, including its open access information, is available from the website [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au) (under “About Us” and then “Access to Information”). The website also contains State Super’s Agency Information Guide, which amongst other things describes the types of government information held by State Super, the types of information that is available to the public and how to access that information.

Access to some government information about State Super may be able to be released after an informal application for the information, and such an application can be made by contacting State Super’s Information Access Officer on 02 9238 5906. However, State Super may impose reasonable conditions on the release of information informally, or it may require an applicant to make a formal application for access under the GIPA Act.

A formal application under the GIPA Act may be required where the requested information is of a type that is costly to make available or where the decision about access may have to be formally made because of the nature of the information sought. A formal application can be made using the form available from the website [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au) (under “About Us” and then “Access to Information”). The completed form should be addressed to State Super at:

Information Access Officer

SAS Trustee Corporation

PO Box N259

Grosvenor Place NSW 1220

A formal application under the GIPA Act requires an application fee of \$30 and State Super also has the right to charge a processing fee of \$30 per hour in addition to the application fee. Processing charges may be reduced by 50% for a pensioner holding a health care card, a full-time student or where an applicant is suffering financial hardship.

All but one of the formal valid applications for access to information under the GIPA Act received by State Super in the 2024-25 year were received on behalf of State Super by MAS. The statistics for the applications for access to information received by or on behalf of State Super in the 2024-25 year are set out in Appendix 1 to this Annual Report.

## **Member access to their superannuation file**

State Super members can apply for access under the GIPA Act for part or all the information held in the superannuation membership file that the scheme administrator MAS maintains, on behalf of State Super, in relation to their scheme membership.

MAS is contractually obliged to State Super to process these applications and has responsibility for handling the processing of certain functions of State Super relating to applications for access to information made by members of the State Super schemes. MAS processes these applications as authorised delegate for and on behalf of State Super, which is the owner of the government information held by MAS that comprises the members' superannuation files.

A formal application under the GIPA Act is required for a member of a State Super scheme to access part or all the information in their superannuation membership file held by MAS. The forms for such an application are available on the State Super website under "About Us" and then "Access to Information" or by calling a MAS Information Access Officer on 1800 779 068. The applications are made to MAS, who process them as a delegate for and on behalf of State Super. An application fee of \$30 must be paid to MAS and processing fees of \$30 an hour may apply (although the first 20 hours of processing is free of charge). Processing charges may be reduced by 50% for a pensioner holding a health care card, a full-time student or where an applicant is suffering financial hardship.

A formal application, once completed on the appropriate form, should be addressed to MAS at:

Information Access Co-ordinator

Mercer Administration Services (MAS)

GPO Box 2181

Melbourne VIC 3001

## **Applications to State Super (either directly or via MAS) under the GIPA Act for access to information**

During the 2024-25 year, there were:

- 146 formal applications for information (under the GIPA Act) received by or on behalf of State Super, (including withdrawn applications, but excluding invalid applications).
- 153 applications processed (including 3 which were withdrawn).
- 27 applications refused, in whole or in part, because the application was for information for which there is a conclusive presumption of overriding public interest against disclosure (categories referred to in Schedule 1 of the GIPA Act). Of those 27 applications, all were only refused in part.
- There were 8 applications still in progress as at 30 June 2025 (there had been 15 applications in progress at 1 July 2024).

Refer to Appendix 1 for statistical information about applications to State Super (either directly or via MAS) under the GIPA Act for access to information in the 2024-25 year.

# Risk management

## Risk management and insurance

State Super has established and maintains a risk management framework appropriate to the size, business mix and complexity of the State Super schemes. This enables it to effectively manage the material risks presented by its environment and objectives.

The Risk, Audit and Compliance Committee (RACC) of State Super monitors and reviews the risk management framework holding regular meetings attended by members of the Executive, Internal Audit and representatives of the NSW Audit Office (External Audit). Material outsourced providers, including the Administrator, Custodian and Master Investment Manager, also attend RACC meetings when required.

### Risk Management Framework and associated documents

State Super's Risk Management Framework sets out the Board's approach to risk management. It represents the systems, structures, policies, processes and people within State Super's business operations that identify, assess, manage, and mitigate risks. This includes the monitoring of internal and external sources of risk that could have a material impact on State Super's business operations or the interests of beneficiaries.

State Super's Risk Management Framework has been developed having regard to the APRA Superannuation Prudential Standard SPS220 Risk Management and includes the following:

- Risk Appetite Statement (including Risk Tolerances)
- Risk Management Strategy
- Other supporting risk management policies, procedures and controls to identify, assess, monitor, report on, mitigate and manage material risks
- Clearly defined and documented roles, responsibilities and formal reporting structures for the management of material risks throughout State Super's business operations
- A designated risk management function
- A review, monitoring, and reporting process to ensure that the risk management framework remains effective

The Risk Appetite Statement articulates the Board's acceptable risk limits within which staff and consultants, whether internal or external, and at all levels of State Super business operations, must operate; while material risks, control methods and ongoing monitoring procedures are set out in State Super's Risk Management Strategy. State Super's Risk Management Framework details:

- Risks that have been identified by the Board as material
- Methods adopted to minimise and/or mitigate material risks
- A methodology for monitoring and reporting material risks on an ongoing basis.

In addition to the Risk Management Framework, State Super has procedures in relation to:

- The management and monitoring of adequate human, technical and financial resources to enable State Super to carry out its obligations effectively
- The management and control of fraud and corruption
- Insurance cover in the event of an unexpected occurrence affecting its operations or resources.

State Super also has policies to deal with conduct risk, including State Super's Code of Conduct and Ethics and Public Interest Disclosure Policy as well as risk and compliance training to encourage proactive risk management and regulatory compliance.

State Super arranges an independent review of its Risk Management Framework every three years. The most recent review was carried out by the Internal Auditor in March 2023 and found our framework to be relatively mature, balancing the challenges of a large fund with high member base and a highly outsourced business model.

In 2024-25, Internal Audit reviewed State Super control frameworks in relation to Defined Benefits Investment Governance framework, tax governance, Unit pricing, Post Migration of the Administration system, Fund Accounting, and Payroll. No major issues were raised.

### Insurance

During the 2024-25 financial year, insurance for State Super was maintained with the NSW Government self-insurance scheme called the Treasury Managed Fund (TMF), which covers the NSW Government's insurable risks. TMF provides cover for the following classes of risk:

- Workers Compensation
- Property (full replacement, new for old, including consequential loss)
- Liability (including, but not limited to, professional indemnity and directors' and officers' liability)
- Miscellaneous (e.g. personal accident).

**Internal Audit and Risk Management Attestation Statement  
for the 2024-25 Financial Year for the SAS Trustee Corporation**

**Internal Audit and Risk Management Attestation Statement for the 2024 - 2025  
Financial Year for SAS Trustee Corporation**

The Board of SAS Trustee Corporation (STC) is of the opinion that STC and its controlled entity, the SAS Trustee Corporate Staff Agency has internal audit and risk management processes in operation that are compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector TPP 20-08*, specifically:

**Core Requirements**

- |     |  |           |
|-----|--|-----------|
| 1.1 | The STC Board is ultimately responsible and accountable for risk management in STC and its controlled agency.                                      | COMPLIANT |
| 1.2 | A risk management framework that is appropriate to STC has been established and maintained and the framework is consistent with AS ISO 31000:2018. | COMPLIANT |

**Internal Audit Function**


- |     |   |           |
|-----|---|-----------|
| 2.1 | STC has established and maintained an internal audit function that is appropriate and fit for purpose.  | COMPLIANT |
| 2.2 | The operation of the internal audit function for STC is consistent with the International Standards for the Professional Practice of Internal Auditing. | COMPLIANT |
| 2.3 | STC has an Internal Audit Charter that is consistent with the content of the 'model charter' in line with TPP 20-08.                                    | COMPLIANT |

**Audit and Risk Committee**


- |     |  |           |
|-----|--|-----------|
| 3.1 | STC has established and maintained efficient and effective arrangements for an independent Risk, Audit and Compliance Committee. The Committee provides advice and guidance to the STC Board, based on its oversight of STC's governance processes, risk management and control frameworks, and external accountability obligations. | COMPLIANT |
| 3.2 | The STC Risk, Audit and Compliance Committee has a Charter that is consistent with the content of the 'model charter' in line with TPP 20-08.  | COMPLIANT |

This ATTESTATION was executed on 10 September 2025, following a resolution of the STC Board on 10 September 2025.

The COMMON SEAL of the SAS Trustee Corporation was hereto affixed in the presence

  
.....  
Signature of John Livanas





.....  
Signature of Allan Parapuram

John Livanas  
Chief Executive Officer

Allan Parapuram  
General Counsel

## Privacy and use of member information

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

State Super has a Privacy Management Plan that is administered with the assistance of MAS. State Super has also developed 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 the 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](http://www.statesuper.nsw.gov.au).

## Public interest disclosures

State Super has a Public Interest Disclosures (PID) Policy which ensures that State Super's processes are compliant with the *Public Interest Disclosures Act 2022* (NSW) (the PID Act). That Act replaced the previous PID legislation effective 1 October 2023. State Super's PID Policy was amended in accordance with the new PID Act in the 2023-24 year. State Super facilitates staff awareness of its PID Policy and the relevant protections under the PID Act in a number of ways, including providing staff access to the Policy and conducting staff awareness training.

There were no public interest disclosures made to State Super during the 2024-25 year.

## Credit card use

State Super's policy for the use of corporate credit cards by Executive staff is in accordance with the Treasury Policy and Guidelines Paper TPP 21-02. No irregularities in the use of corporate credit cards were recorded during the year.

## Annual report production details

The production of this report, including its writing, editing, typesetting and printing, was undertaken internally and no external costs were incurred. This report is available online at [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au) in PDF format. Hard copies can be provided upon request.

## 5. Sustainability

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## Modern Slavery

- State Super engages with investment managers regarding modern slavery risks. State Super sends out questionnaires annually as part of the annual risk assessment seeking information from our investment managers on what is being done with regard to modern slavery risk mitigation in procurement.
- State Super's Risk Management Framework has been updated to capture modern slavery risk.
- State Super's material suppliers in investments, administration and custody are mandated by NSW Government or are contractually required to adhere to modern slavery principles.
- State Super continues to review its Procurement Policy and processes to comply with NSW requirements. State Super relies on the NSW Procurement Board Directions and the pre-qualification schemes relating to procurement.
- State Super also actively engages with investee companies regarding their approach to modern slavery.

## Compliance with Modern Slavery legislation

State Super continues to engage with its service providers, including its investment managers, to have the respective service provider or investment management agreements amended, or the process for amendment commenced, to provide to the effect that each service provider:

- warrants and represents to State Super that it does not, and will not, engage in any activity that constitutes or involves Modern Slavery (as defined in the relevant legislation);
- warrants and represents to State Super that it has not been convicted of any Modern Slavery offence or has not been, and is not currently, the subject of any investigation or proceedings relating to Modern Slavery;
- will regularly and upon request provide information to State Super about its reporting in accordance with Modern Slavery legislation and to enable State Super to comply with any requirements it has under Modern Slavery legislation.

State Super has a legal obligation to take all reasonable steps necessary to ensure that goods and services procured by and for them are not the product of modern slavery. State Super ensures that its material service providers and in particular its agreements with investment managers have provisions contained in their contracts to cover modern slavery.

State Super regularly liaises with its service providers on its modern slavery reporting requirements. State Super also conducts annual compliance training to ensure that all staff understand the importance of ensuring that no services procured by or for it were the product of Modern Slavery.

### State Super's approach to Modern Slavery legislation

There are additional reporting obligations on NSW Government Sector Finance agencies under the *NSW Anti-Slavery Commissioner's Guidance on Reasonable Steps to Manage Modern Slavery Risks in Operations and Supply-Chains* which State Super has complied with. NSW Treasury agencies are also required to report annually in their annual report on the steps they are taking to ensure that goods and services they are producing or procured for them are not the product of modern slavery which State Super has done.

### State Super's approach to Modern Slavery and risk assessments

State Super has taken a proactive and risk-based approach to comply with the NSW Government's modern slavery obligations. While modern slavery has been assessed as a non-material risk to the Trustee entity due to the nature of our operations, State Super conducted a gap analysis and organisation-wide risk assessment. Key actions arising from this gap analysis include enhancing State Super's Procurement Policy, integrating modern slavery risks into our Risk Management Framework, reviewing supplier contracts, and strengthening the due diligence process. These steps reflect State Super's commitment to continuous improvement and responsible governance relating to modern slavery with further enhancements planned for the next reporting period.

## Work health and safety

In 2024-25, State Super staff continued to utilise flexible work arrangements, splitting their time between the office and home throughout the week. Staff are encouraged to spend at least three days a week in either of the two State Super offices: one in the Sydney CBD and one in Wollongong. To maintain a safe working environment, State Super has implemented Working from Home Guidelines, a Flexible Work Policy and a safety checklist, and it requires staff to make an annual attestation about the safety of their home office environment.

During the year, State Super also continued to offer annual on-site flu vaccinations, with the aim of reducing the risk of cold and flu symptoms in the workplace. The vaccinations were well attended.

In early 2025, State Super engaged a specialist compliance training organisation called Safetrac to implement online training for staff on work health and safety and related matters. The training modules included training on the Prevention of Sexual Harassment at Workplace policy, training for both employees and managers on safety at work and a specific 'respect at work' module. It is planned to carry out the training in the second half of 2025.

Under the *Work Health and Safety Act 2011*, State Super has to regularly consult with its staff about how work, health and safety issues are managed in the workplace. In February 2025, State Super management commenced a period of consultation with its staff and then in March 2025 staff voted overwhelmingly to continue with the current consultation arrangements (a Work Health and Safety committee and other 'Agreed Arrangements').

During the reporting period, State Super had no work-related injuries, illnesses or prosecutions under the *Work Health and Safety Act 2011*.

## Workforce Diversity

Diversity and Inclusion are key components of State Super's corporate planning process. The focus of the Diversity and Inclusion Policy and Plan is on embedding a culture of inclusivity and respect through awareness programs and clear behavioural expectations; data collection, analysis and reporting; identifying and removing barriers to merit based recruitment, professional development and career progression.

**Table A: Trends in the representation of workforce diversity groups<sup>1</sup>**

Workforce diversity group	% of total staff <sup>2</sup>			
	Benchmark or target	2023	2024	2025
Women	50%	52%	48%	47%
Aboriginal people and Torres Strait Islanders	2.6%	0%	0%	0%
People whose first language is not English	19%	31%	34%	35%
People with a disability	N/A <sup>3</sup>	2%	2%	2%
People with a disability requiring work-related adjustment	N/A	0%	0%	0%

**Table B: Trends in the distribution of workforce diversity**

Workforce diversity group	Distribution Index <sup>4</sup>			
	Benchmark or target	2023	2024	2025
Women	100	84	74	97
Aboriginal and Torres Strait Islander people	100	N/A	N/A	N/A
People whose first language was not English	100	95	97	96
People with a disability	100	99	97	96
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

Our leadership team is fully committed to integrating diversity and inclusion strategies into our people programs. Our recruitment advertisements highlight our commitment to inclusivity, and we maintain balanced gender representation in our interview panels to ensure fairness.

With strong backing from our Board of Directors and Executive team, we've encouraged the development of our female employees, enabling their professional growth through both formal education and attending conferences.

We acknowledge existing gaps and aim to continually address them.

<sup>1</sup> Staff numbers at 30 June 2025.

<sup>2</sup> Excludes casual employees.

<sup>3</sup> Per cent employment levels are reported but a benchmark level has not been set.

<sup>4</sup> A distribution index of 100 indicates that the centre of the distribution of the workforce diversity group across salary levels is equivalent to that of other staff. Values of less than 100 mean that the workforce diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating that the workforce diversity group is less concentrated at lower salary levels. The distribution index is not calculated where the workforce diversity group or non-workforce diversity group numbers are less than 20.

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## **6. Financial statements of the SAS Trustee Corporation**

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## INDEPENDENT AUDITOR'S REPORT

### SAS Trustee Corporation

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of SAS Trustee Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policies, and other explanatory information of the Corporation and the consolidated entity. The consolidated entity comprises the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2024* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Corporation and the consolidated entity.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## The Trustee Board's Responsibilities for the Financial Statements

The Trustee Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Trustee Board's responsibility also includes such internal control as the Trustee Board determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee Board is responsible for assessing the Corporation and consolidated entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/media/apzlw0y/ar3\\_2024.pdf](http://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation and the consolidated entity carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Somaiya Ahmed  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

12 September 2025  
SYDNEY

**SAS TRUSTEE CORPORATION**

ABN 29 239 066 746

**Statement by the Accountable Authority  
for the year ended 30 June 2025**

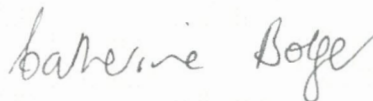
Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* and in accordance with a resolution of the Board of the SAS Trustee Corporation, we state that in our opinion the financial statements:

1. present fairly the financial position of the SAS Trustee Corporation as at 30 June 2025, the financial performance and cash flows for the year then ended, and
2. have been prepared in accordance with the Australian Accounting Standards including Australian Accounting Interpretations, and other mandatory and statutory reporting requirements, including the applicable requirements of the *Government Sector Finance Act 2018*, the Government Sector Finance Regulation 2024 and the Treasurer's Directions.

Signed at Sydney this 10<sup>th</sup> day of September 2025.



Board Member  
SAS Trustee Corporation



Board Member  
SAS Trustee Corporation

**SAS TRUSTEE CORPORATION**

<b>Consolidated Statement of Comprehensive Income for the year ended 30 June 2025</b>	<b>Note</b>	<b>Economic Entity 2025 \$'000</b>	<b>Economic Entity 2024 \$'000</b>	<b>Parent Entity 2025 \$'000</b>	<b>Parent Entity 2024 \$'000</b>
<b>Continuing Operations</b>					
<b>Revenue</b>					
Revenue	3	<b>42,354</b>	40,083	<b>37,659</b>	35,944
<b>Expenses</b>					
Operating Expenses	3	<b>(42,256)</b>	(39,702)	<b>(37,290)</b>	(35,554)
Finance Costs	3	<b>(369)</b>	(390)	<b>(369)</b>	(390)
<b>Net Result</b>		<b>(271)</b>	(9)	-	-
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified into Net Result in subsequent periods:</b>					
Net superannuation actuarial re-measurement gains	12	<b>271</b>	9	-	-
<b>Total Other Comprehensive Income</b>		<b>271</b>	9	-	-
<b>Total Comprehensive Income</b>		-	-	-	-

The accompanying notes form an integral part of the above Consolidated Statement of Comprehensive Income

**SAS TRUSTEE CORPORATION**

<b>Consolidated Statement of Financial Position as at 30 June 2025</b>	<b>Note</b>	<b>Economic Entity 2025 \$'000</b>	<b>Economic Entity 2024 \$'000</b>	<b>Parent Entity 2025 \$'000</b>	<b>Parent Entity 2024 \$'000</b>
<b>Current Assets</b>					
Cash and Cash Equivalents		5,583	4,462	5,583	4,462
Receivables	4	4,617	4,875	4,617	4,875
Other Current Assets		867	1,221	867	1,221
<b>Total Current Assets</b>		<b>11,067</b>	<b>10,558</b>	<b>11,067</b>	<b>10,558</b>
<b>Non-Current Assets</b>					
Right-of-Use Assets	5	6,713	8,563	6,713	8,563
Plant and Equipment		344	560	344	560
<b>Total Non-Current Assets</b>		<b>7,057</b>	<b>9,123</b>	<b>7,057</b>	<b>9,123</b>
<b>Total Assets</b>		<b>18,124</b>	<b>19,681</b>	<b>18,124</b>	<b>19,681</b>
<b>Current Liabilities</b>					
Payables	6	6,343	6,060	7,523	7,388
Lease Liabilities	7	1,917	1,846	1,917	1,846
Provisions	8	3,928	3,952	2,998	3,137
<b>Total Current Liabilities</b>		<b>12,188</b>	<b>11,858</b>	<b>12,438</b>	<b>12,371</b>
<b>Non-Current Liabilities</b>					
Lease Liabilities	7	5,623	7,246	5,623	7,246
Provisions	8	313	577	63	64
<b>Total Non-Current Liabilities</b>		<b>5,936</b>	<b>7,823</b>	<b>5,686</b>	<b>7,310</b>
<b>Total Liabilities</b>		<b>18,124</b>	<b>19,681</b>	<b>18,124</b>	<b>19,681</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity</b>					
<b>Accumulated Funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes form an integral part of the above Consolidated Statement of Financial Position

**SAS TRUSTEE CORPORATION**

<b>Consolidated Statement of Changes in Equity for the year ended 30 June 2025</b>	<b>Note</b>	<b>Economic Entity 2025 \$'000</b>	<b>Economic Entity 2024 \$'000</b>	<b>Parent Entity 2025 \$'000</b>	<b>Parent Entity 2024 \$'000</b>
<b>Balance as at 1 July</b>		-	-	-	-
Net Result for the year		<b>(271)</b>	(9)	-	-
<b>Other Comprehensive Income</b>					
Net superannuation actuarial re-measurement gains	12	<b>271</b>	9	-	-
<b>Total Other Comprehensive Income</b>		<b>271</b>	9	-	-
<b>Total Comprehensive Income for the year</b>		-	-	-	-
<b>Balance as at 30 June</b>		-	-	-	-

The accompanying notes form an integral part of the above Consolidated Statement of Changes in Equity

**SAS TRUSTEE CORPORATION**

<b>Consolidated Statement of Cash Flows for the year ended 30 June 2025</b>	<b>Note</b>	<b>Economic Entity 2025 \$'000</b>	<b>Economic Entity 2024 \$'000</b>	<b>Parent Entity 2025 \$'000</b>	<b>Parent Entity 2024 \$'000</b>
<b>Cash Flows from Operating Activities</b>					
Receipts from SAS Trustee Corporation Pooled Fund		<b>42,476</b>	40,288	<b>37,781</b>	36,149
Interest Received		<b>297</b>	323	<b>297</b>	323
Payments to Suppliers and Employees		<b>(39,928)</b>	(42,469)	<b>(35,233)</b>	(38,330)
<b>Net Cash Flows from/ (to) Operating Activities</b>	13	<b>2,845</b>	(1,858)	<b>2,845</b>	(1,858)
<b>Cash Flows from Investing Activities</b>					
Purchases of plant and equipment		<b>(34)</b>	(378)	<b>(34)</b>	(378)
<b>Net Cash Flows for Investing Activities</b>		<b>(34)</b>	(378)	<b>(34)</b>	(378)
<b>Cash Flows from Financing Activities</b>					
Payments of the principal portion of Lease Liabilities		<b>(1,690)</b>	(1,597)	<b>(1,690)</b>	(1,597)
<b>Net Cash Flows for Financing Activities</b>		<b>(1,690)</b>	(1,597)	<b>(1,690)</b>	(1,597)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>1,121</b>	(3,833)	<b>1,121</b>	(3,833)
Opening Cash & Cash Equivalents		<b>4,462</b>	8,295	<b>4,462</b>	8,295
<b>Closing Cash &amp; Cash Equivalents</b>		<b>5,583</b>	4,462	<b>5,583</b>	4,462

The accompanying notes form an integral part of the above Consolidated Statement of Cash Flows

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 1. OPERATIONS

Under the terms of the *Superannuation Administration Act 1996* (the Act), the SAS Trustee Corporation (STC) is trustee for all assets of the SAS Trustee Corporation Pooled Fund ("the Pooled Fund"). STC is economically dependent on the Pooled Fund. STC is a statutory body and a NSW Government Agency domiciled and incorporated in NSW Australia. Its registered address is Level 21, 83 Clarence Street, Sydney, NSW, 2000.

Scheme administration services for the Pooled Fund are carried out by Mercer Administration Services (Mercer Administration). Mercer Administration charges fees for the services it provides.

The Pooled Fund is a separate reporting entity for accounting and taxation purposes.

The STC Staff Agency provides personnel services to STC and the Pooled Fund and is wholly owned by STC. The STC Economic Entity includes all transactions of STC and the STC Staff Agency. The principles of consolidation are described in note 2(b) below. STC is consolidated as part of the NSW Total State Sector Accounts.

#### 2. STATEMENT OF MATERIAL ACCOUNTING POLICIES

##### a) Statement of Compliance and Basis of Preparation

The financial statements are general purpose financial statements and are prepared in accordance with;

- the *Government Sector Finance Act 2018*
- the *Government Sector Finance Regulation 2024*
- the Treasurer's Directions issued under the GSF Act, and
- Australian Accounting Standards and Interpretations.

Both the Economic Entity and the Parent Entity are not-for-profit entities.

The financial statements are prepared using the accrual basis of accounting.

The financial statements items are prepared in accordance with the historical cost convention, except where specified otherwise.

The accounting policies adopted in preparing the financial statements have been consistently applied during the year, unless otherwise stated. All amounts are expressed in Australian dollars and rounded to the nearest thousand dollars.

The financial statements are prepared on the basis that the economic entity will continue to operate as a going concern.

The financial statements were authorised for issue by the Trustee Board on 10<sup>th</sup> September 2025.

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 2. STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

##### b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and the operating results of the Parent Entity (STC) and its controlled entity, the STC Staff Agency.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The Parent Entity and its controlled entity are referred to in these financial statements as the "Economic Entity". The STC Staff Agency is exempted from preparing separate financial statements under the Government Sector Finance Regulation 2024.

##### c) Revenue Recognition

In accordance with AASB 15 *Revenue from Contracts with Customers*, revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

##### d) Cost Recoupments

Cost recoupments are the reimbursement from the Pooled Fund for all costs relating to scheme administration and management incurred by STC and comprise of the direct expenses of the Parent Entity and administration fees from Mercer Administration. Under the terms of the *Superannuation Administration Act 1996*, STC must recover the costs it incurs from the Pooled Fund.

##### e) Financial Instruments

Financial instruments give rise to positions that are financial assets or liabilities. The instruments include cash at bank, receivables and payables. All classes of instruments are initially recorded at cost and receivables and payables are subsequently measured at amortised cost. As such, inputs for valuing the receivables and payables are not based on observable market data. Such measurement provides a reliable estimate of the instrument.

##### f) Income Tax

STC is exempt from income tax under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 2. STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

##### g) Leases

The Trustee assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment on an annual basis.

The entity applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

##### h) Plant and equipment

Plant and equipment comprising leasehold improvements, office furniture and equipment and computer hardware are stated at cost less accumulated depreciation and impairment which approximates fair value.

Depreciation is calculated on a straight-line-basis, from the date the assets are commissioned, over their estimated useful lives as follows:

- Leasehold improvements – the shorter of the contractual term of the lease or economic useful life of the assets.
- Furniture and Equipment - two years.

##### i) New Accounting standards and interpretations

Australian Accounting Standards and Interpretations that became effective for the first time for the Trustee for the annual reporting period ended 30 June 2025 and their impact on the financial statements is outlined below.

##### AASB 2020-1 Amendments to Australian Accounting Standards – Standards – Classification of Liabilities as Current or Non-current

The standard is effective for the year ended 30 June 2025. The standard amends AASB 101 Presentation of Financial Statements to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. There were no material changes to these financial statements

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 2. STATEMENT OF MATERIAL ACCOUNTING POLICIES (Continued)

##### j) Accounting standards issued but not yet effective

###### AASB S2 Climate-related Disclosures

The standard is effective for the year ending 30 June 2027. The standard covers the climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, financial position and financial performance. Disclosure requirements cover governance, strategy, risk management, metrics and targets. No material changes to these financial statements are expected (refer to note 15).

###### AASB 18 Presentation and Disclosure in Financial Statements

The standard is effective for the year ended 30 June 2028. AASB 18 will replace AASB 101 Presentation of Financial Statements. AASB 18 will impact the presentation and disclosure of the financial statements. The key presentation and disclosure requirements established by AASB 18 that will impact the financial reporting requirements are to classify income and expenses into operating, investing, and financing categories in the statement of comprehensive income as well as enhanced requirements for grouping of information. No material changes to these financial statements are expected.

Also to note that STC has not early adopted any new accounting standards, amendments, and interpretations in compliance with NSW Treasury Policy and Guidelines 25-02 "Mandates of options and major policy decisions under Australian Accounting Standards".

##### k) Comparative Figures

Where there have been changes in presentation in the current financial year, the comparatives have been restated to improve the presentation.

##### l) Use of Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements for the year ended 30 June 2025. The defined benefit superannuation liabilities have been actuarially determined. The key assumptions are disclosed in note 12.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

<b>3. OPERATING RESULT</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
<b>Revenue</b>				
Cost recoupments from the Pooled Fund	<b>41,082</b>	38,959	<b>36,387</b>	34,820
Interest revenue	<b>297</b>	323	<b>297</b>	323
Other revenue	<b>975</b>	801	<b>975</b>	801
<b>Total Revenue</b>	<b>42,354</b>	40,083	<b>37,659</b>	35,944
<b>Overheads, Executive and Board Expenses</b>				
Employee Related Expenses	<b>10,317</b>	9,778		
Superannuation	<b>1,109</b>	993		
Total Employee Expenses	<b>11,426</b>	10,771	<b>6,460</b>	6,623
Depreciation Expenses	<b>2,101</b>	1,808	<b>2,101</b>	1,808
Other Overhead Expenses	<b>3,057</b>	2,821	<b>3,057</b>	2,821
Board Expenses	<b>697</b>	698	<b>697</b>	698
<b>Total Overheads, Executive and Board Expenses</b>	<b>17,281</b>	16,098	<b>12,315</b>	11,950
<b>Fund Expenses</b>				
Scheme Administration Fees	<b>19,516</b>	19,327	<b>19,516</b>	19,327
Regulatory, Governance & Process Improvement Initiatives	<b>2,508</b>	963	<b>2,508</b>	963
Professional Fees*	<b>2,246</b>	2,624	<b>2,246</b>	2,624
Other Administration Fees	<b>705</b>	690	<b>705</b>	690
<b>Total Fund Expenses</b>	<b>24,975</b>	23,604	<b>24,975</b>	23,604
<b>Total Operating Expenses</b>	<b>42,256</b>	39,702	<b>37,290</b>	35,554
<b>Finance Costs</b>				
Interest expense on Lease Liabilities	<b>369</b>	390	<b>369</b>	390
<b>Total Finance Costs</b>	<b>369</b>	390	<b>369</b>	390
<b>Net Result</b>	<b>(271)</b>	(9)	-	-

\* External audit fees of \$34,600 (2024: \$27,550) in relation to the audit of the financial statements for STC is included in the Professional Fees.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

<b>4. RECEIVABLES</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
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**Current**

Receivables from Pooled Fund	<b>2,931</b>	2,576	<b>2,931</b>	2,576
Reimbursement of Investment Expenses	<b>1,312</b>	2,067	<b>1,312</b>	2,067
GST Receivables	<b>374</b>	232	<b>374</b>	232
	<b>4,617</b>	4,875	<b>4,617</b>	4,875

<b>5. RIGHT-OF-USE ASSETS</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
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**Non-current**

Office Leases	<b>6,713</b>	8,563	<b>6,713</b>	8,563
	<b>6,713</b>	8,563	<b>6,713</b>	8,563

The entity has recognised right-of-use assets and associated lease liabilities (note 7) for its business premises. The discount rate in the range of 3.7% to 4.1% (FY 2024: 3.7% to 4.1%) were adopted as published by NSW Treasury for agencies that do not borrow from the market. The rates are updated bi-annually on 1 January and 1 July, for new leases (including replacement leases), applicable lease liability re-assessment and lease modifications. No impairment of right-of-use assets has been recognised during the year and the comparative year.

<b>Right-of-Use Assets</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
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**Office Leases**

As at 1 July	<b>8,563</b>	2,564	<b>8,563</b>	2,564
Addition	-	8,293	-	8,293
Lease surrender	-	(675)	-	(675)
Depreciation expense	<b>(1,850)</b>	(1,619)	<b>(1,850)</b>	(1,619)
<b>As at 30 June</b>	<b>6,713</b>	8,563	<b>6,713</b>	8,563

<b>6. PAYABLES</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
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**Current**

Administration Fees Payables	<b>1,651</b>	1,645	<b>1,651</b>	1,645
Investment Expenses Payables	<b>3,552</b>	3,482	<b>3,552</b>	3,482
Trustee Related Expenses Payables	<b>1,140</b>	933	<b>1,140</b>	933
Intercompany Payable – STC Staff Agency	-	-	<b>1,180</b>	1,328
	<b>6,343</b>	6,060	<b>7,523</b>	7,388

All payables are non-interest bearing and generally short-term in nature.

SAS TRUSTEE CORPORATION

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

7. LEASE LIABILITIES	Economic Entity 2025 \$'000	Economic Entity 2024 \$'000	Parent Entity 2025 \$'000	Parent Entity 2024 \$'000
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Current

Office Leases	1,917	1,846	1,917	1,846
	<b>1,917</b>	<b>1,846</b>	<b>1,917</b>	<b>1,846</b>

Non-current

Office Leases	5,623	7,246	5,623	7,246
	<b>5,623</b>	<b>7,246</b>	<b>5,623</b>	<b>7,246</b>

Lease Liabilities	Economic Entity 2025 \$'000	Economic Entity 2024 \$'000	Parent Entity 2025 \$'000	Parent Entity 2024 \$'000
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Office Leases

As at 1 July	9,092	2,866	9,092	2,866
Addition	-	8,293	-	8,293
Other movement	(231)	(860)	(231)	(860)
Interest expense	369	390	369	390
Lease Payments	(1,690)	(1,597)	(1,690)	(1,597)
<b>As at 30 June</b>	<b>7,540</b>	<b>9,092</b>	<b>7,540</b>	<b>9,092</b>

Future Lease Payments	Economic Entity 2025 \$'000	Economic Entity 2024 \$'000	Parent Entity 2025 \$'000	Parent Entity 2024 \$'000
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Office Leases

Within one year	1,995	1,921	1,995	1,921
Later than one year and not later than five years	6,328	8,323	6,328	8,323
<b>Total</b>	<b>8,323</b>	<b>10,244</b>	<b>8,323</b>	<b>10,244</b>

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

<b>8. PROVISIONS</b>	<b>Economic Entity 2025 \$'000</b>	Economic Entity 2024 \$'000	<b>Parent Entity 2025 \$'000</b>	Parent Entity 2024 \$'000
<b>Current</b>				
Trustee Related Expenses Provisions	<b>910</b>	1,228	<b>910</b>	1,228
Employee Benefits				
- Annual Leave	<b>1,510</b>	1,400	<b>970</b>	901
- Long Service Leave	<b>1,508</b>	1,324	<b>1,118</b>	1,008
	<b>3,928</b>	3,952	<b>2,998</b>	3,137
<b>Non-current</b>				
Employee Benefits				
- Long Service Leave	<b>131</b>	143	<b>63</b>	64
Defined Benefit Superannuation Fund (refer Note 12)				
- State Superannuation Scheme (SSS)	<b>182</b>	434	-	-
	<b>313</b>	577	<b>63</b>	64

<b>Movement in Provisions</b>	<b>Economic and Parent Entity</b>	<b>Economic Entity</b>	<b>Parent Entity</b>	<b>Economic Entity</b>
	<b>Trustee Related Expenses</b>	<b>Employee Benefits</b>		<b>DB Superannuation Fund</b>
	<b>2025 \$'000</b>			
Carrying amount at the beginning of the period	<b>1,228</b>	<b>2,867</b>	<b>1,973</b>	<b>434</b>
Additions	-	<b>958</b>	<b>603</b>	-
Amount used	<b>(318)</b>	<b>(676)</b>	<b>(425)</b>	<b>(252)</b>
Carrying amount at the end of the period	<b>910</b>	<b>3,149</b>	<b>2,151</b>	<b>182</b>

Employee Benefits and related on-costs

**Long service leave**

The unconditional entitlements to long service leave (where employees have completed the required period of service or where employees are entitled to pro-rata payments in certain circumstances) are presented as current liabilities. The entity does not have an unconditional right to defer settlement for any of these obligations. However, based on experience, the entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The liability for employee benefits relating to long service leave is measured at their discounted value using the risk-free rate mandated by NSW Treasury. Such measurement provides a reliable estimate of the liability.

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 8. PROVISIONS (Continued)

##### Employee Benefits and related on-costs (Continued)

##### **Superannuation**

The Economic Entity participates in the State Superannuation Scheme (SSS) closed defined benefit superannuation scheme for some of its past employees. For the purposes of determining the level of funding of the defined benefits superannuation liability, *AASB 119 Employee Benefits* requires the amount of accrued liabilities to be determined based on the present value of expected future payments which arise from membership of the Fund up to the measurement date. This is determined by the application of the Government Bond Rate (provided by NSW Treasury) as the discount rate, and other relevant actuarial assumptions (refer to note 12).

Any unfunded superannuation liability is recognised as a liability in the Statement of Financial Position and amounts representing pre-paid superannuation contributions are recognised as an asset. For the year ended 30 June 2025 the *AASB119 Employee Benefits* unfunded liability was \$182,000.

In compliance with *AASB 119 Employee Benefits* requirements, any actuarial gains and losses arising from changes to demographic assumptions, financial assumptions, and liability experience, are recognised in comprehensive income in the year in which the gain or loss occurs (refer to note 12).

Contributions made to superannuation funds are charged against the operating result.

#### 9. FAIR VALUE AND FINANCIAL RISKS

STC is exposed to minimal financial risk as its governing legislation permits STC to recover all its costs from the Pooled Fund.

#### 10. KEY MANAGEMENT PERSONNEL AND KEY MANAGEMENT PERSONNEL COMPENSATION

The following were key management personnel of the STC Economic Entity during the year and the comparative year.

##### *Non-executive Trustees*

Ms C Austin (term completed 27 June 2025)  
 Ms C Bolger  
 Mr A Claassens (term completed 4 November 2024)  
 Mr T Costa  
 Mr N Johnson - Chair (term completed 25 June 2025)  
 Ms F Li (term commenced 17 March 2025)  
 Mr R Mason  
 Mr T O'Grady  
 Ms L Rasmussen (term completed 11 March 2024, and re-appointed 3 May 2024)  
 Ms C Yuncken (term completed 25 May 2025)

##### *Executive Officers*

Mr J Hazell (until 31 January 2025)  
 Mr J Livanas – Chief Executive Officer  
 Mr J Narayan – Chief Risk Officer  
 Mr A Parapuram – General Counsel and Company Secretary  
 Mr N Patel – Chief Financial Officer  
 Ms K Pratt – General Manager, Defined Benefits, Assets & Liabilities  
 Ms N Siratkov – Chief Experience Officer  
 Mr C Wu – Chief Investment Officer

##### **The key management personnel compensation in relation to services to STC is as follows**

	<b>Economic Entity 2025</b>	Economic Entity 2024
	<b>\$'000</b>	\$'000
Board member compensation	592	557
Short-term employee benefits	3,039	3,157
Other long-term employee benefits	-	6
	<b>3,631</b>	<b>3,720</b>

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 11. RELATED PARTY INFORMATION

- a) The following Board Member was a member of the Fund schemes during the reporting period or up to the date of the financial statements (including comparative year): A Claassens. His membership terms and conditions were the same as those applied to other members of the Fund schemes.
- b) For other related party transactions, STC has receivables from SAS Trustee Corporation Pooled Fund of \$2,931,000 (2024: \$2,576,000) refer to note 4 and payables to STC Staff Agency of \$1,180,000 (2024: \$1,328,000) refer to note 6.
- c) STC leases office space at 83 Clarence Street, Sydney on normal commercial terms from the Fund which owns the building. Refer to note 7 outlining lease payments made during the year which were fully reimbursed by the Fund.
- d) Directors are required to advise the Board on an ongoing basis of any interest they believe could conflict with State Super's interests. If a potential conflict does arise, either the director concerned may choose not to, or the Board may decide that he or she should not, receive documents or take part in Board discussions while the matter is being considered. Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the Board at each Board meeting.

#### 12. SUPERANNUATION

The Economic Entity participates in the State Superannuation Scheme (SSS) closed defined benefit superannuation scheme for some of its past employees.

The scheme is a defined benefit scheme, whereby the benefit on retirement is directly related to a members' unit entitlement as dictated by their final salary. Members receive a pension on retirement and disablement. Upon death, there is provision for a reversionary pension benefit to an eligible spouse. If a member elects payment of a withdrawal benefit, this is paid as a lump sum and there is no further benefit payable.

The SSS scheme is closed to new members.

##### Description of risks

There are a number of risks to which the Fund exposes STC as a participating employer. The more significant risks relating to the defined benefits are;

- investment risk - The risk that investment returns will be lower than assumed and the participating employer will need to increase contributions to offset this shortfall
- longevity risk – The risk that pensioners live longer than assumed, increasing future pensions
- salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional contributions from the participating employer
- CPI risk – The risk that CPI will be higher than assumed, increasing CPI related pension payments
- legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

##### Description of significant events

There were no Fund amendments, curtailments or settlements during the year.

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 12. SUPERANNUATION (Continued)

##### Net defined benefit liability movement

The Employer and the Scheme actuaries calculate the defined benefit obligations based on two separate methodologies, an Accounting basis and the Funding basis:

- Under the Accounting basis *AASB 119* (used for financial reporting purposes), the Employer's actuary determines the present value of the defined benefit obligations by discounting the future benefits payable to members at the yield on high quality government bonds of a similar maturity at the end of the reporting period.
- Under the Funding basis *AASB 1056*, the Scheme's actuary determines the value of the accrued benefits as the value of future benefits payable to members (allowing for future salary increases), discounted using the expected rate of return on the assets to fund the benefits.

The Funding basis is used to determine the level of employer contributions needed to be provided by each employer to meet the defined benefit obligations. For the year ended 30 June 2025, in accordance with *AASB 1056* the economic entity as a participating employer has met in full its funding contribution rates for its past employees as determined by the Fund Trustee.

The *AASB 1056* surplus will be higher than the *AASB 119* net defined benefit asset recognised in the Statement of Financial Position, because the expected after-tax rate of return on Fund assets is typically higher than the long-term government bond rate.

The following information has been prepared by the Employer actuary under the Accounting basis ***AASB 119 Employee Benefits***.

##### *Reconciliation of the Net Defined Benefit Liability/(Asset)*

<b>STATE SUPERANNUATION SCHEME</b>	<b>Economic Entity</b>	Economic Entity
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b><i>Net Defined Benefit Liability/(Asset) at start of year</i></b>	<b>434</b>	426
Current service cost	-	-
Net interest on the net defined benefit liability/(asset)	<b>19</b>	17
Past service cost	-	-
(Gains)/losses arising from settlements	-	-
Actual returns on Fund assets less interest income	<b>(294)</b>	(174)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	286
Actuarial (gains)/losses arising from changes in financial assumptions	<b>73</b>	(102)
Actuarial (gains)/losses arising from liability experience	<b>(50)</b>	(19)
Adjustment for effect of asset ceiling	-	-
Employer contributions	-	-
<b><i>Net Defined Benefit Liability/(Asset) at end of year</i></b>	<b>182</b>	434

The Superannuation actuarial total re-measurement gain of \$271,000 (2024 gain of \$9,000) comprises of actuarial gains/losses arising from changes to actual returns on Fund assets, financial assumptions and liability experience.

This amount is disclosed under Other Comprehensive Income in compliance with *AASB119* requirements.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

**12. SUPERANNUATION (Continued)**

*Reconciliation of the fair value of Fund assets*

<b>STATE SUPERANNUATION SCHEME</b>	<b>Economic Entity</b>	<b>Economic Entity</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Fair value of Fund assets at beginning of the year</i>	<b>5,576</b>	5,551
Interest income	<b>234</b>	218
Actual return on Fund assets less interest income	<b>294</b>	174
Employer contributions	-	-
Contributions by participants	-	-
Benefits paid	<b>(414)</b>	(397)
Taxes, premiums and expenses paid	<b>20</b>	30
Transfers in	-	-
Contributions to accumulation section	-	-
Settlements	-	-
Exchange rate changes	-	-
<i>Fair value of Fund assets at end of the year</i>	<b>5,710</b>	5,576

*Reconciliation of the Defined Benefit Obligation*

<b>STATE SUPERANNUATION SCHEME</b>	<b>Economic Entity</b>	<b>Economic Entity</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Present value of defined benefit obligation at beginning of the year</i>	<b>6,010</b>	5,978
Current service cost	-	-
Interest cost	<b>253</b>	234
Contributions by participants	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	286
Actuarial (gains)/losses arising from changes in financial assumptions	<b>73</b>	(102)
Actuarial (gains)/losses arising from liability experience	<b>(50)</b>	(19)
Benefits paid	<b>(414)</b>	(397)
Taxes, premiums and expenses paid	<b>20</b>	30
Transfers in	-	-
Contributions to accumulation section	-	-
Past service cost	-	-
Settlements	-	-
Exchange rate changes	-	-
<i>Present value of defined benefit obligation at end of the year</i>	<b>5,892</b>	6,010

SAS TRUSTEE CORPORATION

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

12. SUPERANNUATION (Continued)

Reconciliation for the effect of the asset ceiling

STATE SUPERANNUATION SCHEME	Economic Entity	Economic Entity
	2025 \$'000	2024 \$'000
<i>Adjustment for effect of asset ceiling at beginning of the year</i>	-	-
Change in the effect of asset ceiling	-	-
<i>Adjustment for effect of asset ceiling at end of the year</i>	-	-

Fair value of Fund assets

All of the Fund's assets are invested by STC (in its capacity as the Trustee Board) at arm's length through independent fund managers and assets are not separately invested for each participating employer. As such, the following disclosures relate to the Pooled Fund's total assets.

Year ended 30 June 2025	%	Total (\$m)	Level 1 (\$m)	Level 2 (\$m)	Level 3 (\$m)
<b>Asset category</b>					
Short term securities	6%	2,550	2,550	-	-
Australian fixed interest	2%	891	-	891	-
International fixed interest	1%	259	5	247	7
Australian equities	12%	4,415	4,328	87	-
International equities	39%	14,710	14,703	-	7
Property	8%	2,893	451	-	2,442
Alternatives	32%	12,069	135	4,332	7,602
<b>Total</b>	<b>100%</b>	<b>37,787</b>	<b>22,172</b>	<b>5,557</b>	<b>10,058</b>
<b>Year ended 30 June 2024</b>					
<b>Asset category</b>					
Short term securities	7%	2,493	2,285	208	-
Australian fixed interest	0%	92	-	92	-
International fixed interest	3%	1,027	-	1,015	12
Australian equities	16%	6,036	4,491	1,545	-
International equities	40%	14,849	14,705	141	3
Property	6%	2,101	-	-	2,101
Alternatives	28%	10,460	3	2,864	7,593
<b>Total</b>	<b>100%</b>	<b>37,058</b>	<b>21,484</b>	<b>5,865</b>	<b>9,709</b>

Note

- Level 1 refers to assets and liabilities for which there are quoted prices in active markets for identical assets and liabilities. The assets in this level are short term securities; listed shares; listed unit trusts.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

**12. SUPERANNUATION (Continued)**

Note (Continued)

- Level 2 refers to assets and liabilities that have significant valuation inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets and liabilities in this level are notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are not available in active markets for identical assets or liabilities.
- Level 3 refers to assets and liabilities that are not based on observable market data. The assets and liabilities in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

The Fund does not hold any financial instruments issued by STC.

*Significant actuarial assumptions as at 30 June AASB 119 Employee Benefits*

	2025*	2024*
Discount rate per annum	4.21%	4.36%
Salary increase rate (excluding promotional increases)	<b>3.47% 25/26; 3.56% 26/27; 3.58% 27/28; 3.50% pa thereafter</b>	4.56% 24/25; 3.80% 25/26; 3.78% 26/27; 3.80% 27/28; 3.70% pa thereafter
Rate of CPI increase	<b>2.50% 24/25; 3.00% 25/26; 2.60% for 26/27; 2.50% pa thereafter</b>	4.25% 23/24; 3.00% 24/25; 2.75% 25/26; 2.50% pa thereafter
Pensioner mortality	as per the 2024 Actuarial investigation of the Pooled Fund	as per the 2024 Actuarial investigation of the Pooled Fund

\* All assumptions are long-term in nature, for the duration of the Fund life, and may differ from short-term variations.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

**12. SUPERANNUATION (Continued)**

*Sensitivity analysis AASB 119 Employee Benefits*

In accordance with AASB 119, the total defined benefit obligation as at 30 June 2025 under several scenarios is presented below. Scenarios A to F relate to the sensitivity of the total defined benefit obligation to economic assumptions. Scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A Change in Discount rate	Scenario B Change in Discount rate
Discount rate		-0.5%	+0.5%
Defined benefit obligation (\$'000)	5,892	6,188	5,614

---

	Base Case	Scenario C Change in Rate of CPI increase	Scenario D Change in Rate of CPI increase
Rate of CPI increase		+0.5%	-0.5%
Defined benefit obligation (\$'000)	5,892	6,201	5,600

---

	Base Case	Scenario E Change in Salary increase rate	Scenario F Change in Salary increase rate
Salary increase rate		+0.5%	-0.5%
Defined benefit obligation (\$'000)	5,892	5,892	5,892

---

	Base Case	Scenario G *Lower Pensioner mortality rates	Scenario H *Higher Pensioner mortality rates
Defined benefit obligation (\$'000)	5,892	6,180	5,562

\* The higher/lower pensioner mortality rates relate to using mortality rates 1 year older or younger than the member's actual age

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

**12. SUPERANNUATION (Continued)**

***Funding arrangements for the Economic Entity under AASB 1056 Superannuation Entities***

The funding arrangements for the purposes of determining contribution levels for past employees of the defined benefits scheme are reviewed based on *AASB 1056 Superannuation Entities* requirements. The amount of accrued benefits for *AASB 1056* purposes is based on the present value of expected future payments which arise from membership of the Fund up to the measurement date. This is determined by the application of a market-based, risk-adjusted discount rate and other relevant actuarial assumptions.

For the year ended 30 June 2025, in accordance with *AASB 1056* the economic entity as a participating employer has met in full its funding contribution rates for its past employees as determined by the Fund Trustee.

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between STC in its capacity as trustee of the Scheme and NSW Treasury. STC in its capacity of trustee of the scheme reviews funding positions annually and contributions may be adjusted in response to the review.

***Surplus/deficit AASB 1056 Superannuation Entities***

The following is a summary of the 30 June financial position of the scheme calculated in accordance with *AASB 1056*.

<b>STATE SUPERANNUATION SCHEME</b>	<b>Economic Entity 2025 \$'000</b>	<b>Economic Entity 2024 \$'000</b>
Accrued benefits*	<b>4,648</b>	4,726
Net market fair value of Fund assets	<b>(5,710)</b>	(5,576)
<b><i>Net (surplus)/deficit</i></b>	<b>(1,062)</b>	(850)

\* For the economic entity all liabilities relate to pensioners and so the accrued benefits are equivalent to the vested benefits".

***Funding arrangements for employer contributions – Recommended contribution rates***

<b>STATE SUPERANNUATION SCHEME</b>	<b>Economic Entity 2025 Multiple of member contributions</b>	<b>Economic Entity 2024 Multiple of member contributions</b>
	-	-

**SAS TRUSTEE CORPORATION**

**Notes to the Financial Statements  
for the year ended 30 June 2025**

**12. SUPERANNUATION (Continued)**

*Additional notes*

In light of the current environment, there is increased volatility in terms of expected outcomes especially in the short to medium term. The sensitivity analysis information on page 20 provides a guide to how this could affect the defined benefit obligation.

The assumptions for CPI, Salary and demographics are broadly the same under both reporting standards. While the underlying liability amounts for AASB 1056 are lower than for AASB 119, the sensitivity of results under AASB 119 gives an indication to the directional and proportional impact of the changes in these assumptions.

In accordance with AASB 1056, scenarios A and B relate to sensitivity of the total accrued benefits as presented below.

**30 June 2025**

	<b>Base Case*</b>	<b>Scenario A -0.5% change in Discount rate</b>	<b>Scenario B +0.5% change in Discount rate</b>
Expected rate of return on Fund assets backing current pension liabilities (discount rate per annum)	<b>7.0%</b>	<b>6.5%</b>	<b>7.5%</b>
Expected rate of return on Fund assets backing other liabilities (discount rate per annum)	<b>6.2%</b>	<b>5.7%</b>	<b>6.7%</b>
Rate of CPI increase	<b>1.90%</b>	<b>as base case</b>	<b>as base case</b>
Salary inflation rate	<b>3.47%</b>	<b>as base case</b>	<b>as base case</b>
Accrued benefits (\$,000)	<b>4,648</b>	<b>4,822</b>	<b>4,483</b>

**30 June 2024**

	<b>Base Case*</b>	<b>Scenario A -0.5% change in Discount rate</b>	<b>Scenario B +0.5% change in Discount rate</b>
Expected rate of return on Fund assets backing current pension liabilities (discount rate pa)	7.0%	6.5%	7.5%
Expected rate of return on Fund assets backing other liabilities (discount rate pa)	6.2%	5.7%	6.7%
Rate of CPI increase	3.70%	as base case	as base case
Salary inflation rate	4.56%	as base case	as base case
Accrued benefits (\$'000)	4,726	4,911	4,553

\* Apart from the short-term assumptions to be applied to specific financial years as noted in the table above, all assumptions are long-term in nature, for the duration of the Fund life, and may differ from short-term variations.

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 12. SUPERANNUATION (Continued)

*Funding arrangements for employer contributions – Economic Assumptions AASB 1056 Superannuation Entities*

Weighted average assumptions*	2025 and following	2024 and following
Expected rate of return on Fund assets backing current pension liabilities	<b>7.0%</b>	7.0%
Expected rate of return on Fund assets backing other liabilities	<b>6.2%</b>	6.2%
Expected salary increase rate	<b>3.47% 25/26; 3.56% 26/27; 3.58% 27/28; 3.50% pa thereafter</b>	4.56% 24/25; 3.80% 25/26; 3.78% 26/27; 3.80% 27/28; 3.70% pa thereafter
Expected rate of CPI increase	<b>1.90% for 24/25; 2.50% pa thereafter</b>	3.70% for 23/24; 2.50% pa thereafter

\* All assumptions are long-term in nature, for the duration of the Fund life, and may differ from short-term variations.

*Funding arrangements for employer contributions AASB 1056 – Nature of asset/liability:*

If a surplus exists in the Economic Entity's interest in the Fund, the Economic Entity may be able to take advantage of it in the form of a reduction in required contribution rate. STC in its capacity as the schemes' trustee and NSW Treasury must approve such a reduction. If a deficiency exists, the Economic Entity recoups any difference between its share of scheme assets and the defined benefit obligation from the Pooled Fund.

The weighted average duration of the defined benefit obligation is 8.4 years (2024: 8.6) years.

*Expected contributions*

STATE SUPERANNUATION SCHEME	Economic Entity 2025	Economic Entity 2024
<b>Expected Employer Contributions</b>	-	-

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 13. CASH FLOW INFORMATION

##### Reconciliation of the Net Result to Net Cash Used in Operating Activities

	<b>Economic Entity 2025 \$'000 Inflows/ (Outflows)</b>	<b>Economic Entity 2024 \$'000 Inflows/ (Outflows)</b>	<b>Parent Entity 2025 \$'000 Inflows/ (Outflows)</b>	<b>Parent Entity 2024 \$'000 Inflows/ (Outflows)</b>
<b>Net Result</b>	-	-	-	-
<b>Changes in Assets and Liabilities:</b>				
<b><u>(Increase)/Decrease in Assets</u></b>				
Other Current Assets	354	(779)	354	(779)
Receivables				
- Pooled Fund	(355)	468	(355)	468
- Right-of-Use Asset/Lease Liability	1,988	1,824	1,988	1,824
- Other	608	(336)	608	(336)
<b><u>Increase/(Decrease) in Liabilities</u></b>				
Payables				
- Mercer Administration	6	(3,572)	6	(3,572)
- Other	281	(40)	310	399
Provisions	(37)	577	(66)	138
<b>Net Cash From/(Used) in Operating Activities</b>	<b>2,845</b>	<b>(1,858)</b>	<b>2,845</b>	<b>(1,858)</b>

#### 14. CONTINGENT LIABILITIES

Broadly, two classes of contingent liabilities potentially exist in relation to either STC in its capacity as Trustee of the Pooled Fund, or the Fund itself:

- (i) Legal costs and related future benefit payments, if any, in relation to member benefit entitlement disputes, notified, but not resolved.
- (ii) Legal costs and damages arising from claims relating to the ownership and operation of physical assets.

In both cases, there are no material exposures relating to these potential contingent liabilities at 30 June 2025 to the best of the economic entity's knowledge.

The Trustee is indemnified out of the assets of the Fund, and in the case of Police Superannuation Scheme (PSS), by the legislation of the scheme which allows the Trustee to make a call on NSW Government Consolidated Revenues.

Effective 1 January 2022, changes to Federal superannuation legislation narrowed the circumstances in which the Trustee can seek indemnity out of the assets of the Fund to exclude any liabilities imposed by a Federal regulator or under a Federal law. As this Federal legislative policy change was not intended to apply to these NSW closed defined benefit schemes, NSW Treasury have indicated in writing that such penalties up to a maximum of \$10,000 that would otherwise have been indemnified out of the assets of the Fund will be indemnified out of Consolidated Revenue and any other amount that exceeds the value of \$10,000 will be determined on a case-by-case basis.

## SAS TRUSTEE CORPORATION

### Notes to the Financial Statements for the year ended 30 June 2025

#### 15. CLIMATE-RELATED DISCLOSURES

NSW Treasury guidance “TPG24-33 Reporting framework for first year climate-related financial disclosures” is applicable to SAS Trustee Corporation. On review of TPG24-33 it was determined that climate risk is an immaterial risk to the Trustee entity and therefore the Trustee entity is not required to report on the basis that:

- Climate-related risks are not expected to affect the entity’s prospects or objectives.
- The Trustee entity does not have the capacity to own assets or generate income. Its functions are performed solely on behalf of the Pooled Fund and are purely administrative in nature.
- Omitting any climate-related information would not impact the users view/decision making.

#### 16. EVENTS AFTER THE REPORTING DATE

There have been no events between 30 June 2025 and the date of approval of these financial statements that would significantly impact the financial statements.

**End of Audited Financial Statements**



## 6. Financial statements of the SAS Trustee Corporation Pooled Fund

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## INDEPENDENT AUDITOR'S REPORT

### SAS Trustee Corporation Pooled Fund

To the Treasurer and Members of the Trustee Board

#### Opinion

I have audited the accompanying financial statements of SAS Trustee Corporation Pooled Fund (the Fund), which comprise the Statement by Members of the Trustee Board, the Statement of Financial Position as at 30 June 2025, the Income Statement, the Statement of Changes in Member Benefits, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30 June 2025, and notes to the financial statements, including Material Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards
- present fairly the Fund's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Fund in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Key Audit Matters

Key audit matters are those that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2025. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
<p><b>Valuation of unlisted investment assets</b></p> <p>At 30 June 2025, the Fund reported \$15.5 billion (\$15.4 billion at 30 June 2024) of unlisted investments valued without reference to market quoted prices. Of this total, \$9.9 billion (\$9.8 billion at 30 June 2024) were categorised within Level 3 of the fair value hierarchy under Australian Accounting Standards.</p> <p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>• high level of judgement and estimation involved in the valuation approach, including determination of future cash flows, discount rates and other assumptions, with limited comparable market information available</li> <li>• complexities in applying the requirements of AASB 13 'Fair Value Measurement'</li> <li>• financial significance of the assets valued, which are a key driver of the Fund's net asset value and total return.</li> </ul> <p>A description of the valuation techniques, inputs and assumptions is disclosed in Note 18 'Fair Value Disclosures'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the Fund's processes, policies and methodologies, including the use of industry specific measures for valuing unlisted investments</li> <li>• obtained independent valuation reports and compared assumptions applied to ranges for comparable infrastructure and property investments</li> <li>• tested the mathematical accuracy of the valuation models and consistency with the Fund's documented methodology and assumptions</li> <li>• engaged valuation specialists, for those investments with higher risk characteristics, to: <ul style="list-style-type: none"> <li>– assess the reasonableness of management's judgements and valuation inputs against industry information/indices of comparable market transactions</li> <li>– determine whether the methodologies used to value the investments were consistent with methods commonly used by market participants for those types of investments</li> <li>– assess the competence, qualifications and objectivity of the external valuation experts used by the Trustee</li> </ul> </li> <li>• obtained valuation statements provided by external investment managers in respect of unit trusts and assessed the reliability of the information received</li> <li>• obtained independent assurance reports prepared for the existence and valuation of certain unitised investments</li> <li>• assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul>

## Key Audit Matter

## How my audit addressed the matter

### Valuation of defined benefit member liabilities

At 30 June 2025, the Fund reported total defined benefit member liabilities of \$58.4 billion (\$60.2 billion at 30 June 2024).

I considered this to be a key audit matter because of the:

- high level of judgement and estimation involved in the valuation approach, including determination of discount rates, Consumer Price Index, salary inflation, mortality and other assumptions
- financial significance of the member liabilities, which impact the estimate of required future contributions and investment returns to fund future outflows
- sensitivity of the defined benefit member liabilities balance to small changes in the valuation inputs.

A description of the measurement, key assumptions and sensitivity analysis of these liabilities are disclosed in Note 7 'Defined Benefit Member Liabilities'.

With the assistance of audit actuarial specialists, key audit procedures included the following:

- assessed the effectiveness of key controls and processes over the:
  - accuracy and completeness of member data used in the valuation model
  - mathematical accuracy of the valuation model
- assessed the reasonableness of the methodology, assumptions and judgements used by the Fund's independent actuary in valuing the defined benefit member liabilities, including comparison against accepted industry benchmarks and practices, and accounting standards
- evaluated the competence of the Fund's actuary by confirming they are appropriately qualified, experienced and registered with the Institute of Actuaries
- assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

## The Trustee Board's Responsibilities for the Financial Statements

The Trustee Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and for such internal control as the Trustee Board determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar6.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar6.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Fund carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'Somaiya', written over a faint, light-colored watermark or background.

Somaiya Ahmed  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

12 September 2025  
SYDNEY

**SAS TRUSTEE CORPORATION POOLED FUND**

**ABN 29 239 066 746**

**Statement by Members of the Trustee Board**

**For the year ended 30 June 2025**

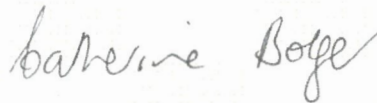
In accordance with a resolution of the Board of the SAS Trustee Corporation, we state that in our opinion the financial statements:

1. present fairly the SAS Trustee Corporation Pooled Fund's financial position as at 30 June 2025 and income statement, statement of changes in member benefits, statement of changes in equity and statement of cash flows for the year ended 30 June 2025, and
2. have been prepared in accordance with the Australian Accounting Standards and Interpretations.

Signed at Sydney this 10<sup>th</sup> day of September 2025.



*Board Member  
SAS Trustee Corporation*



*Board Member  
SAS Trustee Corporation*

## SAS TRUSTEE CORPORATION POOLED FUND

Statement of Financial Position as at 30 June 2025	Note	2025 \$m	2024 \$m
<b>Assets</b>			
Cash and cash equivalents		14	60
Receivables	3	603	259
Short term securities		2,464	2,692
Australian fixed interest		1,392	676
Australian equities		4,771	4,579
International equities		15,070	14,870
Property investments		2,442	2,617
Infrastructure and other alternatives		11,797	12,082
Derivatives	6	298	55
Employer sponsor receivable	4	3,431	3,751
<b>Total assets</b>		<b>42,282</b>	<b>41,641</b>
<b>Liabilities</b>			
Payables	5	704	158
Derivatives	6	12	46
Income tax payable		273	241
Deferred tax liability	12(b)	11	3
<b>Total liabilities excluding member benefits</b>		<b>1,000</b>	<b>448</b>
<b>Net assets available for member benefits</b>		<b>41,282</b>	<b>41,193</b>
<b>Member liabilities</b>			
Defined benefit member liabilities	7	(58,378)	(60,162)
<b>Total member liabilities</b>		<b>(58,378)</b>	<b>(60,162)</b>
<b>Total net liabilities</b>		<b>(17,096)</b>	<b>(18,969)</b>
<b>Equity</b>			
Defined benefit deficit	7	(17,096)	(18,969)
<b>Total deficit</b>		<b>(17,096)</b>	<b>(18,969)</b>

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

**SAS TRUSTEE CORPORATION POOLED FUND**

<b>Income Statement for the year ended 30 June 2025</b>	<b>Note</b>	<b>2025 \$m</b>	<b>2024 \$m</b>
<b>Investment income</b>			
Interest revenue		<b>132</b>	201
Dividend revenue		<b>474</b>	574
Distribution revenue from unit trusts		<b>802</b>	658
Other revenue		<b>24</b>	24
Change in fair value of investments	10	<b>2,810</b>	1,701
<b>Total revenue</b>		<b>4,242</b>	3,158
<b>Expenses</b>			
Direct investment expenses		<b>(109)</b>	(106)
Administration expenses	11	<b>(36)</b>	(40)
<b>Total expenses</b>		<b>(145)</b>	(146)
<b>Operating result</b>		<b>4,097</b>	3,012
Net change in defined benefit member benefits		<b>(2,276)</b>	(3,311)
<b>Operating result before income tax expense</b>		<b>1,821</b>	(299)
Income tax benefit	12(a)	<b>52</b>	72
<b>Operating result after income tax</b>		<b>1,873</b>	(227)

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

**SAS TRUSTEE CORPORATION POOLED FUND**

<b>Statement of Changes in Member Benefits for the year ended 30 June 2025</b>	<b>Note</b>	<b>2025 \$m</b>	<b>2024 \$m</b>
<b>Opening balance at 1 July</b>		<b>60,162</b>	60,593
Employer contributions	9	<b>2,254</b>	2,151
Member contributions	9	<b>89</b>	120
Income tax on contributions		<b>(333)</b>	(318)
<b>Net after tax contributions</b>		<b>2,010</b>	1,953
Benefits paid to members		<b>(5,750)</b>	(5,718)
Net change in employer sponsor receivable	4	<b>(320)</b>	23
Net change in defined benefit member benefits		<b>2,276</b>	3,311
<b>Closing balance at 30 June</b>	<b>7</b>	<b>58,378</b>	60,162

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

**SAS TRUSTEE CORPORATION POOLED FUND**

<b>Statement of Changes in Equity for the year ended 30 June 2025</b>	<b>2025 \$m Defined benefit deficit</b>	<b>2024 \$m Defined benefit deficit</b>
<b>Opening balance at 1 July</b>	<b>(18,969)</b>	<b>(18,742)</b>
Operating result after income tax	<b>1,873</b>	<b>(227)</b>
<b>Closing balance at 30 June</b>	<b>(17,096)</b>	<b>(18,969)</b>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.*

**SAS TRUSTEE CORPORATION POOLED FUND**

<b>Statement of Cash Flows for the year ended 30 June 2025</b>	<b>Note</b>	<b>2025 \$m</b>	<b>2024 \$m</b>
<b>Cash flows from operating activities</b>			
Interest received		<b>146</b>	204
Dividend and distribution income received		<b>789</b>	1,241
Other receipts		<b>16</b>	25
Direct investment expenses paid		<b>(93)</b>	(108)
Trustee administration expenses paid		<b>(37)</b>	(35)
Income tax refund		<b>68</b>	77
<b>Net cash inflows/(outflows) from operating activities</b>	20	<b>889</b>	1,404
<b>Cash flows from investing activities</b>			
Purchase of investments		<b>(23,902)</b>	(21,203)
Proceeds from sale of investments		<b>26,657</b>	23,413
<b>Net cash inflows/(outflows) from investing activities</b>		<b>2,755</b>	2,210
<b>Cash flows from financing activities</b>			
Employer contributions received		<b>2,215</b>	2,074
Member contributions received		<b>131</b>	196
Benefits paid to members		<b>(5,728)</b>	(5,694)
Income tax paid on contributions		<b>(308)</b>	(232)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>(3,690)</b>	(3,656)
<b>Net increase/(decrease) in cash and equivalents</b>		<b>(46)</b>	(42)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>60</b>	102
<b>Cash and cash equivalents at the end of the year</b>		<b>14</b>	60

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

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 1. THE POOLED FUND

The SAS Trustee Corporation Pooled Fund (the Fund) was established under the *Superannuation Administration Act 1996* (the Act) and is governed by various Acts of the New South Wales Parliament. The schemes of the Fund comprise the State Authorities Non-contributory Superannuation Scheme (SANCS), the State Superannuation Scheme (SSS) and the Police Superannuation Scheme (PSS), which are defined benefit plans, and the State Authorities Superannuation Scheme (SASS), which has defined benefit members with some defined contribution components. All schemes in the Fund were closed by 1992.

These financial statements are general purpose financial statements of the Fund as a reporting entity. SAS Trustee Corporation (STC) is the trustee and holds in trust all assets of the Fund.

STC is responsible for the administration of the schemes and outsources the administration to Mercer Administration Services (Australia) Pty Ltd.

NSW Treasury Corporation (TCorp) is the mandated investment manager and provides funds management services in relation to the Trustee Selection Option investment strategy. The Trustee has engaged investment managers to manage the Fund's remaining investments in accordance with the provisions set out in Investment Management Agreements.

JPMorgan Chase Bank NA is the Fund's custodian for investments and related cash.

The Fund is domiciled and incorporated in NSW Australia with a registered address at Level 21, 83 Clarence Street, Sydney, NSW, 2000. The Trustee Board has determined that the Fund is a not-for-profit entity for financial reporting purposes.

The financial statements were authorised for issue by the Trustee Board on 2<sup>nd</sup> September 2025.

#### 2. MATERIAL ACCOUNTING POLICIES

##### a) Basis of preparation

The financial statements are general purpose financial statements and are prepared in accordance with:

- the requirements of Australian Accounting Standard AASB 1056 *Superannuation Entities* (AASB 1056)
- the requirements of other Australian Accounting Standards and Interpretations

All assets and liabilities are measured and recorded at fair value or an amount that approximates fair value except for the following:

- employer sponsor receivable which is measured at its intrinsic value as per AASB 1056. The intrinsic value is the difference between the defined benefit member liabilities and the amount of assets held to meet these liabilities
- defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at a reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due, and
- income tax balances which are in accordance with AASB 112.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 2. MATERIAL ACCOUNTING POLICIES (Continued)

The Fund has multiple investments it controls, as shown in Note 21. The Fund has determined that it is an investment entity under the definition in AASB 10 *Consolidated Financial Statements* as it meets the following criteria:

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

Therefore, these investments are not required to be consolidated and are valued at fair value with changes in the fair value recognised in the income statement.

The accounting policies adopted in preparing the financial statements are consistently applied in both the current and comparative year. For transactional accounting, financial instruments are recorded at the trade date. Assets and liabilities are recognised when STC becomes party to the instrument's contractual provisions.

Assets are derecognised when the contractual rights to cash flows from the asset expire or the risks and rewards are transferred to another party. Liabilities are derecognised when the contractual obligation relating to the liability is discharged, cancelled, or expires.

The financial statements are prepared on the basis that the Fund will continue to operate as a going concern. Refer to Note 7 for additional disclosure on the Fund's funding arrangements.

##### b) Employer Sponsor Receivable

An employer sponsor receivable (ESR) is recognised for the difference between the defined benefit member liabilities and the fair value of the assets available to meet the liabilities, provided the receivable meets the definition and recognition criteria of an asset (refer Note 4).

This would require specific contractual or statutory obligations between the superannuation fund and the relevant employer sponsor in relation to the funding of the defined benefit member liabilities. The asset is measured at its intrinsic value, being the difference between the defined benefit member liabilities and the amount of the recognised assets held to meet those liabilities.

##### c) Foreign Currency Transactions

Foreign currency transactions during the year are converted to Australian dollars at the rate of exchange applicable at the date of the transaction. Monetary assets and liabilities in foreign currencies at balance date are converted at the rates of exchange ruling at that date. Resulting exchange differences are recognised in the Income Statement in the period in which they arise. The functional and presentation currency of the Fund is Australian Dollars.

##### d) Use of Judgements and Estimates

The preparation of the Fund's financial statements requires management to make judgments, estimates, and assumptions that affect the amounts recognised in the financial statements.

Uncertainty in these estimates and assumptions may result in outcomes that necessitate an adjustment to the carrying value of the affected asset or liability in the future.

When valuing assets without an observable market, STC follows the appropriate valuation techniques outlined in its Valuation Policy and AASB 13 – *Fair Value Measurement*. These policies involve and rely on the expert judgment of independent valuers (refer to Note 18).

In valuing deferred tax balances, STC applies the principles in AASB 112 – *Income Taxes* (refer Note 2e).

The amount of accrued and vested benefits/liabilities has been determined actuarially (refer to Notes 7 and 8).

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 2. MATERIAL ACCOUNTING POLICIES (Continued)

##### e) Income Tax

The Fund is an exempt Public Sector superannuation fund and as such is treated as a complying superannuation fund for the purposes of the *Income Tax Assessment Act 1997 (Cth)*. Accordingly, the concessional tax rate of 15% has been applied. Income tax on the net profit for the year comprises current and deferred tax.

Current tax is the expected tax payable or recoverable on the taxable income for the year using the concessional tax rate of 15% and the adjustment to tax payable in respect of exempt pension income. Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax provided uses the tax rate expected to apply when the benefit or liability is realised.

AASB 1056 *Superannuation Entities* requires that member related transactions are reflected separately from the Income Statement and are included in the Statement of Changes in Member Benefits. Income tax on contributions is therefore included in the Statement of Changes in Member Benefits with income tax on investment income included in the Income Statement.

##### f) Management Expenses

Management expenses charged to the Fund comprise:

**Direct Investment Expenses:** Investment manager and custody fee expenses are recognised on an accrual basis.

**Scheme Administration Expenses:** Expenses are allocated in accordance with Trustee policy and are based on the member numbers for each scheme and the level of scheme complexity.

##### g) Rounding

All values reported in the financial statements have been rounded to the nearest million dollars, except where otherwise stated.

##### h) Comparative Figures

Where there have been changes in presentation in the current financial year, the comparative figures for the previous year have been restated to improve the presentation.

##### i) Revenue Recognition and Measurement

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must also be met before revenue is recognised.

###### Interest Revenue

Interest is recognised on an accrual basis when a right to receive exists.

###### Dividend Revenue

Dividends are recognised on the date the shares are quoted ex-dividend, and if not received at reporting date are recognised as a receivable in the Statement of Financial Position at fair value.

###### Distributions from unit trusts

Distributions from unit trusts are recognised on the date the unit values are quoted ex-distribution, and if not received at reporting date are recognised as a receivable in the Statement of Financial Position at fair value.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 2. MATERIAL ACCOUNTING POLICIES (Continued)

##### j) Benefit Payments

Benefit payments are recognised when the payment becomes due under scheme legislation and a benefit application has been received.

##### k) Superannuation Contributions

Superannuation contributions are recognised when the Fund obtains the right to receive the contribution or when the Fund receives cash and are recorded in the period to which they relate.

##### l) Defined benefit member liabilities

Member liabilities are measured at the amount of accrued benefits. Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at a reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

##### m) New Accounting Standards and interpretations

Australian Accounting Standards and Interpretations that became effective for the first time for the Fund for the annual reporting period ended 30 June 2025 and their impact on the financial statements is outlined below.

###### AASB 2023-5 Amendments to Australian Accounting Standards: Lack of Exchangeability

The standard is effective for the year ended 30 June 2025. The amendments add a requirement which helps entities to assess whether a currency is exchangeable into another currency and determine the spot exchange rate to use when exchangeability is lacking. There were no material changes to these financial statements.

##### n) Standards issued applicable but not yet effective

###### AASB 2024-2 Amendments to Australian Accounting Standards: Classification and Measurement of Financial Instruments

The standard is effective for the year ended 30 June 2026. The amendments address feedback from the Post-implementation Review of AASB 9's classification and measurement requirements and the related aspects of AASB 7. No material changes to these financial statements are expected.

###### AASB S2 Climate-related Disclosures - mandatory

The standard is effective for the year ending 30 June 2027. The standard covers the climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, financial position and financial performance. Disclosure requirements cover governance, strategy, risk management, metrics and targets. The standard applies to climate-related risks to which the entity is exposed to, being climate related physical and transitional risks. The standard will impact the presentation and disclosure of the financial statements.

###### AASB 18 Presentation and Disclosure in Financial Statements

The standard is effective for the year ending 30 June 2028. The standard will impact the presentation and disclosure of the financial statements. The key presentation and disclosure requirements established by AASB 18 that will impact the financial reporting requirements are to classify income and expenses into operating, investing and financing categories in the income statement as well as enhanced requirements for grouping information. The standard will impact the presentation and disclosure of the financial statements.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 2. MATERIAL ACCOUNTING POLICIES (Continued)

##### o) Derivatives

Derivatives are recorded at fair value using quoted prices or valuation formulas. Movements in fair value of derivatives are recognised in the income statement in the periods in which they occur. Derivative assets and liabilities are offset, and the net amount is reported in the statement of financial position if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle or realise the assets and liabilities simultaneously.

#### 3. RECEIVABLES

Receivables	2025 \$m	2024 \$m
Accrued income	552	59
Contributions receivable	11	22
Margin call deposits	19	19
Due from brokers – receivable for securities sold	21	159
<b>Total</b>	<b>603</b>	<b>259</b>

Due from brokers – receivable for securities sold are recognised on trade date and normally settled within three business days. Accrued income if not received at reporting date is reflected in the statement of financial position as a receivable (refer to Note 2).

#### 4. EMPLOYER SPONSOR RECEIVABLE

Employer Sponsor Receivable	2025 \$m	2024 \$m
Employer Sponsor Receivable - PSS	3,431	3,751

The Employer Sponsor Receivable (ESR) recognised in the financial statements relates to the deficiency in the Police Superannuation Scheme (refer to Note 7). This employer has a statutory obligation to meet the shortfall when the defined benefit member liabilities exceed the fair value of the scheme's assets.

#### 5. PAYABLES

Payables	2025 \$m	2024 \$m
Superannuation benefits to members	71	41
Due to brokers – payable for securities purchased	603	71
Other creditors	18	32
Contribution surcharge	9	11
Payable to SAS Trustee Corporation	3	3
<b>Total</b>	<b>704</b>	<b>158</b>

All payables are non-interest bearing and generally short-term in nature. The due to brokers – payable for securities purchased are recognised on trade date and normally settled within three business days.

**SAS TRUSTEE CORPORATION POOLED FUND**

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

**6. DERIVATIVES – ASSETS AND LIABILITIES**

Derivatives	2025			2024		
	Derivative Assets \$m	Derivative Liabilities \$m	Net Derivatives \$m	Derivative Assets \$m	Derivative Liabilities \$m	Net Derivatives \$m
Foreign Exchange Forward Contracts	260	(2)	258	30	(30)	-
Futures	1	(1)	-	3	-	3
Options	35	(4)	31	21	(4)	17
Swaps	2	(5)	(3)	1	(12)	(11)
<b>Total</b>	<b>298</b>	<b>(12)</b>	<b>286</b>	<b>55</b>	<b>(46)</b>	<b>9</b>

Refer to Note 2 for the derivatives accounting policy.

**7. DEFINED BENEFIT MEMBER LIABILITIES**

**Liability for Accrued Benefits**

The Fund engages actuaries on an annual basis to measure the defined benefit members liabilities in each of the defined benefit schemes. In addition, a triennial actuarial valuation was also performed by the Scheme Actuary as at 30 June 2024. Assumptions have been updated to reflect the experience adjustments from this valuation.

The amount of accrued benefits has been determined based on the present value of expected future payments which arise from membership of the Fund up to the measurement date. The figure reported has been determined by reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions. The valuation of accrued benefits was undertaken by the independent scheme actuary. The financial assumptions applied for the calculations were:

Valuation Assumptions*	2025 p.a. %	2024 p.a. %
Investment Return Rate		
- Pensioner	7.0	7.0
- Non pensioner	6.2	6.2
CPI Increase Rate – (FY2024 applied to pensions in Oct 2024)	-	3.7
CPI Increase Rate – (FY2025 applied to pensions in Oct 2025)	1.9	2.5
CPI Increase Rate – (applied thereafter)	2.5	2.5
Salary Increase Rates		
FY2025	N/A	4.6
FY2026	3.5	3.8
FY2027	3.6	3.8
FY2028	3.6	3.8
FY2029 and thereafter	3.5	3.7

\* Apart from the short-term assumptions to be applied to specific financial years as noted in the table above, all assumptions are long-term in nature, for the duration of the fund life, and may differ from short-term variations.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 7. DEFINED BENEFIT MEMBER LIABILITIES (Continued)

The actuarial valuation estimate at the reporting date shows accrued liabilities of \$58,378 million and an unfunded liability of \$20,527 million (before inclusion of ESR). The key assumptions and sensitivity analysis to 30 June 2025 estimates are provided below.

#### Sensitivity Analysis for 30 June 2025

Key Assumption*	Assumed at 30 June 2025	Sensitivity Change	(Increase)/Decrease in Liability for Accrued Benefits \$m
Investment return/ discount rate	7.0% p.a. for all pensioners, 6.2% p.a. other members	+1.0% p.a.	3,919
		-1.0% p.a.	(4,540)
CPI increases	1.9% for FY 2024 and 2.5% p.a. thereafter	+1.0% p.a.	(4,617)
		-1.0% p.a.	4,023
Inflationary salary increases	3.5% for FY2026, 3.6% for FY2027, 3.6% for FY2028 and 3.5% p.a. thereafter	+1.0% p.a.	(200)
		-1.0% p.a.	189
Pensioner mortality**	Consistent with a life expectancy of 90.3 for a 65-year-old	+1.9 years	(2,799)
		-1.5 years	2,174

\* Apart from the short-term assumptions to be applied to specific financial years as noted in the table above, all assumptions are long-term in nature, for the duration of the fund life, and may differ from short-term variations.

\*\* Assumes a 25% increase/decrease in the base mortality assumption and applies mortality improvement factors for all future years in line with 2024 experience review.

**SAS TRUSTEE CORPORATION POOLED FUND**

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

**7. DEFINED BENEFIT MEMBER LIABILITIES (Continued)**

**Sensitivity Analysis for 30 June 2024**

Key Assumption*	Assumed at 30 June 2024	Sensitivity Change	(Increase)/Decrease in Liability for Accrued Benefits \$m
Investment return/ discount rate	7.0% p.a. for all pensioners, 6.2% p.a. other members	+1.0% p.a.	4,100
		-1.0% p.a.	(4,761)
CPI increases	3.7% p.a. for FY2024 and 2.5% p.a. thereafter	+1.0% p.a.	(4,797)
		-1.0% p.a.	4,167
Inflationary salary increases	4.6% for FY2025, 3.8% for FY2026, 3.8% for FY2027, 3.8% for FY2028 and 3.7% p.a. thereafter	+1.0% p.a.	(243)
		-1.0% p.a.	229
Pensioner mortality**	Consistent with a life expectancy of 90.2 for a 65-year-old	+1.9 years	(2,737)
		-1.5 years	2,132

\* Apart from the short-term assumptions to be applied to specific financial years as noted in the table above all assumptions are long-term in nature, for the duration of the fund life, and may differ from short-term variations.

\*\* Assumes a 25% increase/decrease in the base mortality assumption and applies mortality improvement factors for all future years in line with 2024 experience review.

## SAS TRUSTEE CORPORATION POOLED FUND

Notes to and forming part of the financial statements  
For the year ended 30 June 2025

### 7. DEFINED BENEFIT MEMBER LIABILITIES (Continued)

	2025			2024		
	Accrued Benefits \$m	Net Assets Available to Pay Benefits \$m	Over/ (under) funded \$m	Accrued Benefits \$m	Net Assets Available to Pay Benefits \$m	Over/ (under) funded \$m
State Authorities Superannuation Scheme (SASS)	12,141	9,917	(2,224)	12,829	10,266	(2,563)
State Authorities Non-contributory Superannuation Scheme (SANCS)	1,684	1,346	(338)	1,808	1,402	(406)
State Superannuation Scheme (SSS)	36,049	21,515	(14,534)	36,910	20,910	(16,000)
Police Superannuation Scheme (PSS)	8,504	5,073	(3,431)	8,615	4,864	(3,751)
<b>Actuarial estimates of under-funded benefits at 30 June</b>	<b>58,378</b>	<b>37,851</b>	<b>(20,527)</b>	60,162	37,442	(22,720)
Employer Sponsor Receivable for PSS, in accordance with AASB 1056	-	3,431	3,431	-	3,751	3,751
<b>Under-funded benefits AASB 1056</b>	<b>58,378</b>	<b>41,282</b>	<b>(17,096)</b>	60,162	41,193	(18,969)

STC continues to work with the NSW Treasury to facilitate the Government's objective to fully fund the superannuation liabilities of the General Government Sector (excluding Universities).

STC has established a Sustainable Funding Framework (SFF) with the NSW Government to ensure that, at the close of each financial year, the Crown Contribution Plan is forecast, within a Threshold Range, to be sufficient to achieve 'full funding'<sup>1</sup> by 2040, of STC's General Government Sector defined benefit superannuation liabilities.

The Threshold Range is the present value of the forecast funding position at 30 June 2040 (based on the AASB 1056 methodology) that is between:

- i. an underfunded position of \$4 billion, and
- ii. an overfunded position of \$2 billion.

Treasury will review this framework and the threshold range in consultation with STC during STC's next triennial actuarial review, with the first review proposed for the end of 2026 calendar year.

#### Liquidity risk management

STC's overall strategy to liquidity risk management is outlined in its Liquidity Policy. The Fund's liquidity risk exposures are managed in conjunction with the Fund's investment strategies. STC has set a number of minimum liquidity requirements which are tested at least annually.

<sup>1</sup> 'Full funding' in this context means the situation where the projected funding ratio (assets/liabilities) for the Schemes is equal to (or greater than) 100% at 30 June 2040.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 7. DEFINED BENEFIT MEMBER LIABILITIES (Continued)

These include maintaining a sufficient liquid asset buffer to meet two years' worth of projected benefit payments and an exposure of no less than 40% of assets invested in liquid asset classes at all times. STC continuously monitors forecast and actual cash flows, including amounts required to fund its scheme and investment transactions and amounts expected from the NSW Government.

#### 8. VESTED DEFINED BENEFIT MEMBER LIABILITIES

Vested benefits are benefits which 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 Fund membership at the reporting date. This is for disclosure purposes only.

	2025			2024		
	Vested Benefits \$m	Net Assets Available to Pay Benefits \$m	Over/(under) funded \$m	Vested Benefits \$m	Net Assets Available to Pay Benefits \$m	Over/(under) funded \$m
State Authorities Superannuation Scheme (SASS)	12,495	9,917	(2,578)	13,096	10,266	(2,830)
State Authorities Non-contributory Superannuation Scheme (SANCS)	1,777	1,346	(431)	1,884	1,402	(482)
State Superannuation Scheme (SSS)	36,070	21,515	(14,555)	36,929	20,910	(16,019)
Police Superannuation Scheme (PSS)	8,461	5,073	(3,388)	8,550	4,864	(3,686)
<b>Actuarial estimates of under-funded benefits at 30 June</b>	<b>58,803</b>	<b>37,851</b>	<b>(20,952)</b>	<b>60,459</b>	<b>37,442</b>	<b>(23,017)</b>
Employer Sponsor Receivable for PSS, in accordance with AASB 1056	-	3,431	3,431	-	3,751	3,751
<b>Under-funded benefits AASB 1056</b>	<b>58,803</b>	<b>41,282</b>	<b>(17,521)</b>	<b>60,459</b>	<b>41,193</b>	<b>(19,266)</b>

## SAS TRUSTEE CORPORATION POOLED FUND

Notes to and forming part of the financial statements  
For the year ended 30 June 2025

### 9. EMPLOYER AND MEMBER CONTRIBUTIONS

	2025				Total \$m
	SASS \$m	SANCS \$m	SSS \$m	PSS \$m	
Employer Contributions	249	91	1,589	325	2,254
Member Contributions	78	-	8	3	89
<b>Total Contributions</b>	<b>327</b>	<b>91</b>	<b>1,597</b>	<b>328</b>	<b>2,343</b>

	2024				Total \$m
	SASS \$m	SANCS \$m	SSS \$m	PSS \$m	
Employer Contributions	266	124	1,442	319	2,151
Member Contributions	107	-	10	3	120
<b>Total Contributions</b>	<b>373</b>	<b>124</b>	<b>1,452</b>	<b>322</b>	<b>2,271</b>

### 10. CHANGE IN FAIR VALUE OF INVESTMENTS

Asset class	2025 \$m	2024 \$m
Short term securities	14	5
Australian fixed interest	37	9
Australian equities	498	398
International equities	2,264	2,311
Property - indirect	-	(282)
Investment properties - direct	-	(7)
Infrastructure and other alternatives	(3)	(733)
<b>Total</b>	<b>2,810</b>	<b>1,701</b>

Changes in 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 year).

From the above \$2,810 million total gains for 2025, \$2,857 million relates to unrealised gains and (\$47) million relates to realised losses.

From the above \$1,701 million total gains for 2024, \$2,291 relates to unrealised gains and (\$590) million relates to realised losses.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 11. SCHEME ADMINISTRATION EXPENSES

The *Superannuation Administration Act 1996* requires that STC recover its administration expenses from the Fund. Payments to STC totalled \$36 million (2024: \$35 million).

Included in administration expenses are the following items:

	2025 \$m	2024 \$m
Actuarial Fees	0.7	0.5
Audit Fees – The Audit Office of New South Wales	0.5	0.8
Scheme Administration Fees	18.4	18.3

#### 12. INCOME TAX

Income tax expenses and assets and liabilities arising from the levying of income tax (including capital gains tax) on the Fund have been determined in accordance with the provisions of Australian Accounting Standard AASB 112 *Income Taxes*.

a) Income Tax recognised in the Income Statement	2025 \$m	2024 \$m
<b>Current tax benefit</b>		
Current income tax benefit	(56)	(72)
Under/(Over) provision of tax in prior years	3	(1)
	(53)	(73)
<b>Deferred tax liability</b>		
Decrease in deferred tax liabilities	1	1
<b>Total income tax (benefit) in Income Statement</b>	<b>(52)</b>	<b>(72)</b>
<b>Reconciliation between operating results before income tax and tax (benefit)</b>		
<b>Operating results before income tax</b>	<b>1,820</b>	<b>(299)</b>
Income tax expense (benefit) using the superannuation fund tax rate of 15%	273	(45)
<b>Change in tax expense/(benefit) due to:</b>		
- Non assessable investment income	(299)	(252)
- Exempt pension related investment income	(314)	(197)
- Tax credits	(56)	(73)
- Net change in defined benefit member liabilities	341	496
- (Over) provision of tax benefit in prior years	3	(1)
<b>Income tax (benefit) in Income Statement</b>	<b>(52)</b>	<b>(72)</b>
<b>b) Deferred Tax Asset/(Liability)</b>	<b>2025 \$m</b>	<b>2024 \$m</b>
(Contributions tax payable)/unrealised franking credits	(11)	(3)
<b>Deferred Tax Asset/(Liability)</b>	<b>(11)</b>	<b>(3)</b>

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 13. KEY MANAGEMENT PERSONNEL AND KEY MANAGEMENT PERSONNEL COMPENSATION

The Trustee of the Fund is STC. The names of the STC Board members and STC executive officers in office during the year ended 30 June 2025 and the comparative year are as follows:

##### *Non-executive Trustees*

Ms C Austin (term completed 27 June 2025)  
 Ms C Bolger  
 Mr A Claassens (term completed 4 November 2024)  
 Mr T Costa  
 Ms F Li (term commenced 17 March 2025)  
 Mr N Johnson - Chair (term completed 25 June 2025)  
 Mr R Mason  
 Mr T O'Grady  
 Ms L Rasmussen (term completed 11 March 2024, and re-appointed 3 May 2024)  
 Ms C Yuncken (term completed 25 May 2025)

##### *Executive Officers*

Mr J Hazell (until 31 January 2025)  
 Mr J Livanas – Chief Executive Officer  
 Mr J Narayan – Chief Risk Officer  
 Mr A Parapuram – General Counsel and Company Secretary  
 Mr N Patel – Chief Financial Officer  
 Ms K Pratt – General Manager, Defined Benefits, Assets & Liabilities  
 Ms N Siratkov – Chief Experience Officer  
 Mr C Wu – Chief Investment Officer

The key management personnel compensation in relation to services to STC is as follows	2025 \$'000	2024 \$'000
Board member compensation	592	557
Short-term employee benefits	3,039	3,157
Other long-term employee benefits	-	6
<b>Total</b>	<b>3,631</b>	<b>3,720</b>

#### 14. RELATED PARTY INFORMATION

- a) The following Board Member was a member of a Fund scheme during the reporting period or up to the date of the financial statements (including the comparative year): A Claassens. The membership terms and conditions were the same as those applied to other members of the Fund's schemes.
- b) The Fund reimbursed STC \$36 million (2024: \$35 million) for operating expenses including key management personnel compensation costs. The amount payable to STC at 30 June 2025 is disclosed in note 5.
- c) The Fund has an investment in a commercial office building at 83 Clarence Street, Sydney. Part of this building is leased on normal commercial terms to STC.
- d) Directors are required to advise the Board on an ongoing basis of any interest they believe could conflict with State Super's interests. If a potential conflict does arise, either the director concerned may choose not to, or the Board may decide that he or she should not, receive documents or take part in Board discussions while the matter is being considered. Conflicts of interest, including related party transactions, are a standing agenda item and are considered by the Board at each Board meeting.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 15. CONTINGENT LIABILITIES

Contingent liabilities potentially exist in relation to either STC in its capacity as Trustee of the Fund, or the Fund itself. Classes of contingent liabilities may include:

- a) Legal costs and related future benefit payments, if any, in relation to member benefit entitlement disputes, notified, but not resolved.
- b) Legal costs and damages arising from claims relating to the ownership and operation of physical assets.

In both cases, there are no material exposures relating to these potential contingent liabilities at 30 June 2025 to the best of STC's knowledge. STC is indemnified out of the assets of the Fund, and in the case of contingent liabilities arising from PSS, by the legislation of the scheme which allows the Trustee to make a call on NSW Government Consolidated Revenues.

Effective 1 January 2022, changes to Federal superannuation legislation narrowed the circumstances in which the Trustee can seek indemnity out of the assets of the Fund to exclude any liabilities imposed by a Federal regulator or under a Federal law. As this Federal legislative policy change was not intended to apply to these NSW closed defined benefit schemes, NSW Treasury have indicated in writing that such penalties up to a maximum of \$10,000 that would otherwise have been indemnified out of the assets of the Fund will be indemnified out of Consolidated Revenue and any other amount that exceeds the value of \$10,000 will be determined on a case-by-case basis.

#### 16. SECURITIES LENDING PROGRAM

The Fund participates in an indemnified Securities Lending Program managed by the custodian. The Fund received \$3.7 million (2024: \$3.2 million) fee income from this program, which adds to the Fund's overall yearly return.

At 30 June, the total value of the loaned securities was \$2 billion (2024: \$1.25 billion) while the total value of the collateral was \$1.6 billion (2024: \$1.4 billion). The lent securities represented 3.9% of the lendable assets (2024: 3.3%) and is within the Fund's allowable limit of 20% of the lendable assets.

The collateral comprised of non-cash sovereign securities of \$1.6 billion (2024: \$1.3 billion) and cash of \$37 million (2024: \$55 million). The collateral is invested in a fund managed by the custodian.

The custodian's indemnification of the program covers any shortfalls in securities collateral.

#### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risk factors as a result of its investment activities. These risks include:

- (a) market risk (including currency risk; interest rate risk; and price risk)
- (b) credit risk
- (c) liquidity risk

The Fund's risk management and investment policies are designed to minimise the potential adverse effects of these risks on the Fund's financial performance. STC maintains a Risk Management Framework (RMF) and an anti-money laundering and counter terrorism financing program (AML/CTF program). These systems address material risks, both financial and non-financial that could potentially be faced by the Fund.

The Fund's assets are invested in accordance with the Fund's investment strategy. STC regularly reviews the investment strategy to ensure the strategy's continued relevance to the Fund's objectives given prevailing investment markets. An objective of the investment strategy is to avoid undue concentrations of risk.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

STC ensures that the portfolio is diversified across and within asset classes, across investment managers, countries, individual asset types and risk factors. As required by its governing legislation, the investments of the Fund are managed by specialist fund managers. The activities of the fund managers are governed by investment instructions and investment constraints as set out in documented agreements with the fund managers or, in the case of a unit trust, a trust deed.

STC and TCorp (as the mandated investment manager for the Trustee Selection assets), constantly monitor the investment managers to ensure compliance with investment instructions and investment constraints. For the purpose of these financial statements, a financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments include both primary instruments (such as receivables but excluding ESR) and derivative instruments (such as financial options, foreign exchange transactions, forward rate agreements and interest rate and currency swaps). Such derivative instruments are only used for hedging purposes and to efficiently implement asset allocation changes.

#### Accounting Policies

Assets and liabilities of the Fund are predominantly valued at reporting date at fair values in accordance with AASB13 *Fair Value Measurement*. Fair value comprises of market value but excludes estimated costs of disposal. Changes in fair values, representing gains or losses, are recognised in the Income Statement in the period in which they occur.

Accounting policies and valuation methods for each financial instrument are as follows:

Financial instruments	Accounting policies/valuation methods
1. Receivables	Receivables include income receivable and unsettled sales of securities.
2. Futures	Futures are stated at market value using the daily closing price.
3. Managed Trusts/Managed Property Trusts	The fair value of Managed Trusts is determined on the basis of the withdrawal or net asset value unit prices as advised by the relevant fund manager.
4. Unlisted Equity Interests	Unlisted Equity Interests are carried at fair value as determined by independent expert valuers. Valuations are done on a semi-annual basis and as required.
5. Listed Shares	Listed shares and trusts are carried at fair value. The basis for valuation of listed securities is the last bid price quoted at close of business on the last day of the period on the relevant securities exchange. Dividend income is recognised the ex-date.
6. Bills of exchange and other discount securities	Carried at fair value using market rates as at 30 June.
7. Bank Deposits	Stated at fair value. Interest income is recognised in the Income Statement when earned.
8. Government Bonds	Carried at fair value based on trade prices.
9. Semi Government Bonds	Carried at fair value based on trade prices.
10. Domestic Bonds	Carried at fair value based on trade prices.
11. International Bonds	Carried at fair value based on trade prices.
12. Options	Options are stated at market value using the daily closing price.
13. Investment Purchases	Liabilities are recognised for amounts to be paid for under investment commitments.
14. Foreign Exchange Forward Contracts	Foreign exchange forward contracts are undertaken to hedge against adverse foreign exchange movements. Gains or losses on these contracts are recognised through the translation of underlying transactions and/or instruments into Australian Dollars at the hedge rates.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

##### Accounting Policies (continued)

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Changes in the fair value of the financial assets and liabilities are recognised from that date.

The Fund derecognises a financial asset or a financial liability when the rights or obligation under the asset or liability is discharged, transferred, cancelled or expires.

##### a) Market Risk

Market risk is the risk that changes in factors such as foreign currency exchange rates (currency risk), interest rates (interest rate risk) and equity prices (price risk) will affect the Fund's income or the value of its financial instruments. Through its management of market risk, STC seeks to manage and control its market risk exposures to within acceptable parameters while optimising risk adjusted returns.

In managing market risk, STC's fund managers trade in derivatives and securities. The fund managers also incur liabilities in the ordinary course of business. All such transactions are within the investment management mandates granted by STC to its managers.

For the purposes of these financial statements, the sensitivity factors applied to illustrate the extent of risk from possible changes in currency, interest rates and price risk were developed by the Fund's Asset Consultant. The Asset Consultant's recommended volatility factors have been determined after considering historical data series and are calculated by considering what is 'reasonably possible'. The analysis is calculated on the same basis for 2025 and 2024.

##### a.i) Currency Risk

Foreign Currency risk is the risk that the net market value of offshore assets and future cash flows derived from existing offshore financial instruments will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to foreign currency risk on financial instruments, receivables and liabilities that are denominated in currencies other than Australian Dollars. The main currencies to which the Fund is exposed are:

- US Dollar (USD)
- Japanese Yen (JPY)
- Euro (EUR)
- British Pound (GBP)

The Fund's foreign currency risk is managed in accordance with strict parameters as set out in its investment policy. Under the policy, investments are hedged as follows:

- international equities – developed market equities are hedged from 0% to 100% in Australian dollars
- international equities – emerging market equities are unhedged
- international property, infrastructure and alternative assets are hedged from 0% to 100% in Australian dollars

STC's currency overlay manager uses a range of counterparties. If a counterparty failed to satisfy its contractual obligation to deliver on a currency hedging contract, the Fund would remain exposed to the foreign currency risk.

The hedging strategy is continually reviewed and refined for the management of risk factors faced by the Fund through foreign currency risk.

**SAS TRUSTEE CORPORATION POOLED FUND**

Notes to and forming part of the financial statements  
For the year ended 30 June 2025

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)**

**a.i) Currency Risk (continued)**

The Fund's total net exposure to fluctuations in foreign currency exchange rates as at the financial year end is as follows:

YEAR ENDED 30 JUNE 2025 FAIR VALUE							
	USD AUD\$m	JPY AUD\$m	EUR AUD\$m	GBP AUD\$m	AUD AUD\$m	Other AUD\$m	TOTAL AUD\$m
<b>Financial assets and liabilities at fair value through the income statement</b>	11,540	754	1,277	992	20,420	3,239	38,222
<b>Cash</b>	-	-	-	-	14	-	14
<b>Payables</b>	(102)	(1)	(7)	(2)	(588)	(4)	(704)

YEAR ENDED 30 JUNE 2024 FAIR VALUE							
	USD AUD\$m	JPY AUD\$m	EUR AUD\$m	GBP AUD\$m	AUD AUD\$m	Other AUD\$m	TOTAL AUD\$m
<b>Financial assets and liabilities at fair value through the income statement</b>	11,522	745	1,216	931	19,800	3,311	37,525
<b>Cash</b>	-	-	-	-	60	-	60
<b>Payables</b>	(39)	(1)	(4)	(2)	(93)	(19)	(158)

## SAS TRUSTEE CORPORATION POOLED FUND

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (Continued)

#### a.i) Currency Risk (continued)

The currency risk disclosure reflects the Fund's assets that are subject to active currency management. These assets comprise both directly held investments and most of the assets held indirectly through unit trusts.

Assuming no hedging of international exposures, a reasonably possible 17% (2024: 16%) strengthening of the Australian Dollar against the following currencies at financial year end would have decreased the monetary assets (i.e. assets that are units of currency or assets that are to be received in a fixed or determinable number of units of currency) within the Fund's Income Statement by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. In practice, STC partially hedges against the adverse effects of currency movements. The analysis is calculated on the same basis for 2025 and 2024.

All amounts are in Australian Dollars	Change in Net Assets 2025 \$m	Change in Net Assets 2024 \$m
USD	(49)	(109)
JPY	(1)	(1)
EUR	(4)	(11)
GBP	(2)	(12)
Other	(50)	(62)
<b>Total</b>	<b>(106)</b>	<b>(195)</b>

Assuming no hedging of international exposures, a reasonably possible 17% (2024: 16%) weakening of the Australian Dollar against the above currencies at financial year end would have the equal but opposite effect on the above currencies to the amounts shown above, assuming that all other variables remain constant.

#### a.ii) Interest Rate Risk

The Fund's investments in debt and short-term money market instruments are subject to interest rate risk and the return on these investments will fluctuate in accordance with movements in the interest rates.

The Fund's exposure to interest rate risk, including contractual repricing or maturity dates (whichever dates are earlier) associated with these financial instruments as at 30 June, are shown in the tables below.

**SAS TRUSTEE CORPORATION POOLED FUND**

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**a.ii) Interest Rate Risk (continued)**

**YEAR ENDED 30 JUNE 2025 – INTEREST RATE RISK DISCLOSURE**

	Floating Interest \$m	Fixed Interest \$m	Non- Interest- Bearing \$m	Total (per Statement of Financial Position) \$m
<b>Assets</b>				
Short Term Securities	314	2,164	-	2,478
Australian Fixed Interest	125	1,267	-	1,392
Australian Equities	-	-	4,771	4,771
International Equities	-	-	15,070	15,070
Property investments	-	-	2,442	2,442
Infrastructure and other alternatives	64	-	11,733	11,733
Derivatives assets	-	-	298	298
<b>Total Assets</b>	<b>503</b>	<b>3,431</b>	<b>34,314</b>	<b>38,248</b>
<b>Liabilities</b>				
Payables	-	-	704	704
Derivatives liabilities	-	-	12	12
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>716</b>
<b>Net Assets</b>	<b>503</b>	<b>3,431</b>	<b>33,598</b>	<b>37,532</b>

**YEAR ENDED 30 JUNE 2024 – INTEREST RATE RISK DISCLOSURE**

	Floating Interest \$m	Fixed Interest \$m	Non- Interest- Bearing \$m	Total (per Statement of Financial Position) \$m
<b>Assets</b>				
Short Term Securities	106	2,646	-	2,752
Australian Fixed Interest	-	676	-	676
Australian Equities	-	-	4,579	4,579
International Equities	-	-	14,870	14,870
Property - indirect	-	-	2,560	2,560
Investment Properties - direct	-	-	57	57
Infrastructure and other alternatives	-	-	12,082	12,082
Derivatives assets	-	-	55	55
<b>Total Assets</b>	<b>106</b>	<b>3,322</b>	<b>34,203</b>	<b>37,631</b>
<b>Liabilities</b>				
Payables	-	-	158	158
Derivatives liabilities	-	-	46	46
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>204</b>
<b>Net Assets</b>	<b>106</b>	<b>3,322</b>	<b>33,999</b>	<b>37,427</b>

**SAS TRUSTEE CORPORATION POOLED FUND**

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**a.ii) Interest Rate Risk (continued)**

The following tables illustrate the effect from possible changes in interest rates and price risk that were reasonably possible based on the risk to which the Fund was exposed.

The effect of a reasonably possible 140 basis point increase in variable rates and 140 basis point increase in fixed rates (2024: 150-basis point for variable rates and 150-basis point for fixed rates) securities is as follows. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is calculated on the same basis for 2025 and 2024 and takes into consideration portfolio duration.

<b>All amounts are in Australian Dollars</b>	<b>Change in Net Assets 2025 \$m</b>	<b>Change in Net Assets 2024 \$m</b>
Fixed Interest	<b>(69)</b>	(55)
Floating Interest	<b>7</b>	2
<b>Total</b>	<b>(62)</b>	<b>(53)</b>

A reasonably possible 140 basis point (2024: 150-basis points) decrease in variable rates and a 140-basis point decrease in interest rates (2024: 150-basis points) at financial year end would have the equal but opposite effect on the amounts shown above, assuming that all other variables remain constant.

**a.iii) Price Risk**

Price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment and/or its issuer or all factors affecting all instruments traded in the market. As the majority of the Fund's financial instruments are carried at fair value in the Statement of Financial Position and all changes in fair value are recognised in the Income Statement, all changes in market conditions will directly affect net assets available for member benefits and operating results.

Price risk is mitigated by the Fund having a formal investment strategy which diversifies the Fund's investments across various sectors, managers, risk factors, asset classes and countries.

## SAS TRUSTEE CORPORATION POOLED FUND

Notes to and forming part of the financial statements  
For the year ended 30 June 2025

### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a.iii) Price Risk (continued)

The following tables illustrate the effect from possible changes in market prices that were reasonably possible (based on a 1.7 standard deviation range) on the risk to which the Fund was exposed

All amounts are in Australian Dollars	Change in Price Risk Variable	Change in Operating Results 2025 \$m	Change in Operating Results 2024 \$m
Australian Equities	+33%	1,560	1,534
International Equities	+28%	4,169	4,337
<b>Total</b>		<b>5,729</b>	<b>5,871</b>

All amounts are in Australian Dollars	Change in Price Risk Variable	Change in Operating Results 2025 \$m	Change in Operating Results 2024 \$m
Australian Equities	-18%	(868)	(797)
International Equities	-16%	(2,341)	(2,082)
<b>Total</b>		<b>(3,209)</b>	<b>(2,879)</b>

#### b) Credit Risk

Credit (or counterparty) risk is the risk that a counterparty will fail to perform contractual obligations to a financial instrument and cause the Fund to incur a financial loss. Counterparty risk is governed by the Exposure and Counterparty Limit Policy. The Fund primarily invests in debt securities which are rated by a known rating agency. The Fund manages its exposure to credit risk by setting minimum grade ratings by investment type and a minimum overall weighted average credit rating in its investment mandates.

The Fund is exposed to credit risk in the following areas:

- the holding of currency hedging contracts, derivatives, short term securities, Australian fixed interest securities and international fixed interest securities
- contributions receivable
- accrued income
- margin call deposits
- unsettled investment sales
- securities lending (refer to Note 16)

The Fund's maximum exposure to credit risk at balance date in relation to each of the above listed items is the carrying amount of those assets as stated in the Statement of Financial Position.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### b) Credit Risk (continued)

For short term securities, Australian fixed interest securities, international fixed interest securities and cash, STC controls credit risk by explicitly setting out in its investment instructions the assets that fund managers may invest in. The restrictions are based around rating agency assessments and/or the securities that make up the relevant industry benchmark for the sector being invested in. For forward foreign exchange contracts, investment managers must deal only with counterparties that have greater than nominated rating agency assessment and are also limited to relative dollar limits with any particular counterparty to ensure that credit risk is well diversified.

Credit risk associated with contributions receivable, margin call deposits and investment sales are minimal as all have a short settlement period and:

- contributions receivable comprises mainly Government Agency employer sponsors, hence risk is mitigated.
- for margin call deposits, STC transacts only with counterparties rated as credit worthy by credit rating agencies, and
- for investment sales, in line with market practice the Fund's custodian does not release the sold assets until full payment has been received from the purchaser.

The Fund does not have significant concentrations of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The net exposure of the Fund to a group of related entities has not been greater than ten percent of the Fund's net assets during the years ended 30 June 2025 or 30 June 2024. Also, STC ensures that in its hedging activities it diversifies its exposure to individual counterparties.

##### c) Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due.

The relevant statutes require that all benefits be paid in full when they fall due.

In managing liquidity risk STC continuously monitors forecast and actual cash flows, including amounts required to fund its scheme and investment transactions and amounts expected from the Crown. Forecast Fund cash flows are based around the triennial actuarial assessment of the Fund, adjusted for actual cash flows. STC is able to estimate benefit outflows because most members cannot roll out of the Fund at will but rather must satisfy a condition of release. The Fund maintains funding facilities adequate to allow the payment of its obligations as they fall due (also refer Note 7).

The Fund's strategic asset allocations at 30 June 2025 targeted the following allocations to cash and short-term securities:

- DC Growth Option 3%
- DC Balanced Option 9%
- DC Conservative Option 17%
- Trustee Selection 5%

## SAS TRUSTEE CORPORATION POOLED FUND

Notes to and forming part of the financial statements  
For the year ended 30 June 2025

### 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### c) Liquidity Risk (continued)

The following tables summarise the maturity profile of the Fund's financial liabilities. These maturities are contractual in nature using undiscounted cash flows.

2025 Financial liabilities	Less than 1 month \$m	1 – 12 months \$m	1+ years \$m	Fair Value \$m
Trade and other payables	696	9	-	705
Current tax liabilities	-	273	-	273
<b>Total financial liabilities (excluding derivatives)</b>	<b>696</b>	<b>282</b>	<b>-</b>	<b>978</b>
Net settled derivatives				
Forward foreign exchange contracts	258	-	-	258
Futures	-	-	-	-
Swaps	-	1	(4)	(3)
Options	(3)	34	-	31
<b>Total derivatives inflow/(outflow)</b>	<b>255</b>	<b>35</b>	<b>(4)</b>	<b>286</b>

2024 Financial liabilities	Less than 1 month \$m	1 – 12 months \$m	1+ years \$m	Fair Value \$m
Trade and other payables	147	11	-	158
Current tax liabilities	-	241	-	241
<b>Total financial liabilities (excluding derivatives)</b>	<b>147</b>	<b>252</b>	<b>-</b>	<b>399</b>
Net settled derivatives				
Forward foreign exchange contracts	(43)	43	-	-
Futures	-	3	-	3
Swaps	(1)	16	2	17
Options	-	(4)	(7)	(11)
<b>Total derivatives inflow/(outflow)</b>	<b>(44)</b>	<b>58</b>	<b>(5)</b>	<b>9</b>

### 18. FAIR VALUE DISCLOSURES

The Statement of Financial Position is prepared in accordance with AASB 1056 *Superannuation Entities*. All investment assets are valued at fair values at 30 June.

#### Assets and Liabilities by Measurement Hierarchy

For financial reporting, fair value measurements are categorised into Level 1, 2 or 3 based on whether inputs in determining fair value are observable and the significance to the measurement. The levels are described as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are short term securities; listed shares; listed unit trusts.
- Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are loan notes, government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.
- Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; and unlisted infrastructure.

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 18. FAIR VALUE DISCLOSURES (Continued)

STC has a valuation policy that sets out how all the Fund's assets are to be valued to ensure that valuations are materially accurate, fair and equitable. The Policy reflects the requirements of APRA Prudential Practice Guide SPG 531 – *Valuation* and AASB 13 *Fair Value Measurement*.

The fair value of direct infrastructure and property assets are based on valuations performed by independent valuers. Each independent valuer is appointed in line with the valuation policy. The valuation models used are designed in accordance with the International Valuation Standards Committee's recommendations.

#### Valuation techniques and significant unobservable inputs

The unobservable inputs into the valuation of the Fund's level 3 assets are determined on the best information available. Examples of unobservable inputs include discount rates, cash flow forecasts and rental forecasts.

Investments held at fair value through profit and loss for which there is no active market are valued making as much use of available and supportable market data as possible whilst keeping judgemental inputs to a minimum.

The following summarises the quantitative information regarding the significant unobservable inputs used in the Fund's level 3 fair value valuation methodologies, and include where applicable:

- Discounted cash-flow methods – which estimate fair value by discounting future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. These cash flows are based on management's best estimates. The discount rate used to equate the future cash flows to their net present value reflects the risk adjusted rate of return demanded by a hypothetical investor for the assets being valued. Selecting an appropriate discount rate is a matter of judgement having regard to relevant available market data and the risks and circumstances specific to the asset being valued
- Asset based methods – to reflect fair value recorded at the redemption value per unit reported by the investment managers of such funds

The analysis below indicates the effect on the income statement and statement of financial position arising from reasonably possible changes of the noted unobservable inputs to level 3 assets.

Asset Description	Unobservable inputs used in analysis	Sensitivity used	Effect on fair value 2025 \$m	Effect on fair value 2024 \$m	Relationship to fair value
Infrastructure	Discount rate	+/- 50bp	(269)/305	(309)/297	an increase in the discount rate will reduce fair value, a decrease in the discount rate will increase fair value
Investment Property	Discount rate	+/- 25bp	(42)/43	(31)/31	an increase in the discount rate will reduce fair value, a decrease in the discount rate will increase fair value
Investment Property	Capitalisation rate	+/- 25bp	(63)/66	(64)/70	an increase in the capitalisation rate will reduce fair value, a decrease in the capitalisation rate will increase fair value
Unlisted Unit Trusts	Unit price	+/- 5%	156/(156)	151/(151)	an increase in the unit price will increase fair value, a decrease in the unit price will decrease fair value

**SAS TRUSTEE CORPORATION POOLED FUND**

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

**18. FAIR VALUE DISCLOSURES (Continued)**

The following tables categorise the Fund's assets using the above valuation hierarchy. All disclosures are at fair value and excludes cash balances of approximately \$534 million (2024: \$553 million) which are embedded within the asset class portfolios, as cash is not subject to fair value considerations. The asset classes in the valuation hierarchy contain directly and indirectly held assets.

Year ended 30 June 2025	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Assets</b>				
Short Term Securities	2,602	-	-	2,602
Australian Fixed Interest	-	839	-	839
International Fixed Interest	-	245	4	249
Australian Equities	4,415	220	52	4,687
International Equities	14,699	-	8	14,707
Property Investments	452	-	2,232	2,684
Infrastructure and other alternatives	-	4,252	7,651	11,903
<b>Total</b>	<b>22,168</b>	<b>5,556</b>	<b>9,947</b>	<b>37,671</b>

Year ended 30 June 2024	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Assets</b>				
Short Term Securities	2,325	168	-	2,493
Australian Fixed Interest	-	92	-	92
International Fixed Interest	-	1,013	9	1,022
Australian Equities	4,491	1,515	28	6,034
International Equities	14,702	-	148	14,850
Property Investments	-	-	2,035	2,035
Infrastructure and other alternatives	3	2,833	7,589	10,425
<b>Total</b>	<b>21,521</b>	<b>5,621</b>	<b>9,809</b>	<b>36,951</b>

Reconciliation of level 3 fair value measurements of financial assets

Level 3 Fair Value Reconciliation	2025 \$m	2024 \$m
Balance at 1 July	9,809	10,407
Total gains and (losses) recognised in the income statement	421	(364)
Purchases	470	993
Redemptions/Disposals	(753)	(1,260)
Net transfer from Level 2 into Level 3	-	33
<b>Balance at 30 June</b>	<b>9,947</b>	<b>9,809</b>

Unrealised gains/(losses) recognised in the 2025 income statement is \$811 million, (2024: \$377 million loss).

## SAS TRUSTEE CORPORATION POOLED FUND

### Notes to and forming part of the financial statements For the year ended 30 June 2025

#### 18. FAIR VALUE DISCLOSURES (Continued)

##### Climate Change Risk

State Super acknowledges climate change presents significant long-term investment risks.

State Super is committed to effectively integrating climate change risks and opportunities into its investment processes across the Pooled Fund and expects its investment managers and advisors to integrate these throughout their investment process.

##### Real assets and Fair value assessment incorporating climate risk:

In arriving at the fair value of our real assets (primarily Infrastructure and Property assets), climate related risks are incorporated in the valuation process. The management teams for each individual asset will consider climate-related risk matters when preparing business plans and long-term forecasts, including impact of climate change on revenues, operating expenses, capex and financing.

In addition, the independent valuer will also consider climate-related risks when undertaking the valuation of each individual asset. In this regard, we specifically request (and require) each independent valuer to consider and comment upon climate-related risks when undertaking their independent valuations.

The consideration of climate-related risks by the valuer is typically made when the valuer is determining the discount rate of the asset using the discounted cash flow methodology.

#### 19. COMMITMENTS

As at 30 June 2025, the Fund had commitments for uncalled additions to existing investments of \$147 million (2024: \$166 million). The amounts can be called at the discretion of the fund managers involved and will be funded from the cash holdings of the Fund's diversified investment options.

#### 20. NOTES TO CASH FLOW STATEMENT

Reconciliation of the operating result after income tax for the year to the net cash inflow from operating activities.

	2025 \$m	2024 \$m
Operating result after income tax for the year	1,873	(227)
Net change in fair value of investments	(2,810)	(1,701)
Net change in receivables and other assets	(496)	142
Net change in payables and other liabilities	14	(207)
Net change in defined benefit member benefits	2,276	3,311
Net change in provision for income tax	32	86
<b>Net cash inflow from operating activities</b>	<b>889</b>	<b>1,404</b>

## SAS TRUSTEE CORPORATION POOLED FUND

**Notes to and forming part of the financial statements  
For the year ended 30 June 2025**

### 21. CONTROLLED ENTITIES

The entities that comprise the SAS Trustee Corporation Pooled Fund economic entity are detailed below. The entities are special purpose trusts established to hold some of the Fund's unlisted infrastructure and property investments.

Name	Country of Incorporation	Equity Holding		Commitments for Investment	
		2025 %	2024 %	2025 \$'m	2024 \$'m
Alfred Unit Trust	Australia	100	100	-	-
Southern Way Unit Trust	Australia	100	100	-	-
Duquesne Utilities Trust	Australia	100	100	-	-
Valley Commerce Pty Limited	Australia	100	100	-	-
Buroba Pty Limited	Australia	100	100	-	-
State Infrastructure Trust	Australia	100	100	-	-
State Infrastructure Holdings 1 Pty Ltd	Australia	100	100	-	-
Project Cricket State Super Unit Trust	Australia	100	100	-	-
A-Train Trust	Australia	100	100	-	-
TCorpIM Fund Q (Direct Property)	Australia	100	100	-	-
TCorpIM Fund E	Australia	50	50	-	-

### 22. EVENTS AFTER THE REPORTING DATE

There have been no events between 30 June 2025 and the date of approval of these financial statements that would significantly impact the financial statements.

The Trustee announced its intentions to sell its interest in the State Infrastructure Trust which is one of the Fund's unlisted investments. The sale process for this asset is currently underway but the final outcome is unknown as at the date of the signing of the Financial Statements.

**End of Audited Financial Statements**



# Appendix 1

## Statistical information about GIPA access applications processed by or on behalf of State Super in 2024-25

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public - application by legal representative	3	41	0	0	0	0	0	2
Members of the public (others)	15	90	0	1	0	0	0	1

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	18	130	0	1	0	0	0	3
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information and partly other	0	0	0	0	0	0	0	0

\* A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

<b>Table C: Invalid applications</b>	
<b>Reason for invalidity</b>	<b>Number of Applications</b>
Application does not comply with formal requirements (section 41 of the Act)	2
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	2
Invalid applications that subsequently became valid applications	0

<b>Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act</b>	
	<b>Number of times consideration used *</b>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	26
Excluded information	0
Documents affecting law enforcement and public safety	1
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property NSW (Authorised Transaction) Act 2016</i>	0

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

<b>Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act</b>	
	<b>Number of occasions when application not successful</b>
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial process and natural justice	127
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

<b>Table F: Timeliness</b>	
	<b>Number of Applications</b>
Decided within the statutory timeframe (20 days plus any extensions)	150
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	150

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendations under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	0	0

\* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of Applications for review
Applications by access applicants	0
Application by persons to whom information the subject of access application relates (see section 54 of the Act)	0

**Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

	Number of Applications transferred
Agency - initiated transfers	0
Applicant - initiated transfers	0

## Compliance index for disclosure requirements

This index has been prepared in accordance with Division 7.3 of the *Government Sector Finance Act 2018*, the associated regulations and the Treasurer's directions to facilitate identification of compliance with disclosure requirements.

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## GLOSSARY

- **Board** means the Board of State Super, appointed under s. 69 of the *Superannuation Administration Act 1996*.
- **ECPI** means Exempt Current Pension Income.
- **Executive** means the executive staff of State Super.
- **HOGA** means the Heads of Government Agreement between the Federal and State Governments relating to state public sector superannuation schemes.
- **MAS** means Mercer Administration Services (Australia) Pty Limited.
- **Mercer** means Mercer Administration Services (Australia) Pty Limited.
- **PSS** means Police Superannuation Scheme.
- **SANCS** means State Authorities Non-contributory Superannuation Scheme.
- **SASS** means State Authorities Superannuation Scheme.
- **SAS Trustee Corporation Pooled Fund** (also referred to as the STC Pooled Fund, Pooled Fund or Fund) means the amalgamated fund of the STC funds referred to in s. 81 of the *Superannuation Administration Act 1996*.
- **SSS** means State Superannuation Scheme.
- **State Super** means SAS Trustee Corporation.
- **STC** means SAS Trustee Corporation.
- **TCorp** means New South Wales Treasury Corporation.

## Customer service

Between 8:30am and 5:30pm, Monday to Friday for the cost of a local call (unless calling from a mobile or pay phone).

State Authorities Superannuation Scheme (SASS)	1300 130 095
State Superannuation Scheme (SSS)	1300 130 096
Police Superannuation Scheme (PSS)	1300 130 097
Deferred benefit members	1300 130 094
Pension members	1300 652 113

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**Postal address** GPO Box 2181  
Melbourne VIC 3001

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## Member Service appointments

Member Service appointments are available by appointment only 9.00am to 5.00pm Monday to Friday. Appointments are via telephone/Zoom video call. We also have a limited number of in-person appointments available at our Sydney CBD or Wollongong offices.

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

This report contains general information. Relevant information is subject to the *State Authorities Superannuation Act 1987*, the *Superannuation Act 1916*, the *Police Regulation (Superannuation) Act 1906* and the *State Authorities Non-contributory Superannuation Act 1987* that govern the schemes mentioned in this report and those Acts will prevail to the extent of any inconsistency. In preparing the report, SAS Trustee Corporation (STC) has not taken into account your objectives, financial situation or needs and you should consider your personal circumstances and possibly seek professional advice before making any decision that affects your future. To the extent permitted by law, STC, its Board members and employees do not warrant the accuracy, reliability or completeness of the information contained in or omitted in this report. STC cannot guarantee any particular rate of return and past investment performance is not a reliable guide to future investment performance.