



**Spirit
Super**



An Industry
SuperFund

Fund Information

2023-24

Fund information

The directors of Motor Trades Association of Australia Superannuation Fund Pty Ltd, the Trustee for Spirit Super (the Fund), present their fund information for the financial year ended 30 June 2024.

Following changes to Treasury Laws in 2023, super funds must now meet financial reporting and auditing standards comparable to those of public companies. These changes aim to promote greater transparency and accountability for super funds.

To meet the new standards, each year, we will produce:

- a *Financial Report*
- a *Directors' Report* (which includes a *Remuneration Report*)
- an *Auditors' Report*
- a *Fund information report*.

These documents will be available on our website.

As our industry grows beyond \$3 trillion in managed funds, we're unwavering in our commitment to meet the highest governance standards. These reports are vital to this commitment and offer clarity about our financial health and how we manage your retirement savings.

Fund overview

Fund name: Spirit Super

Contact address

Registered office

Spirit Super
Level 3
39 Brisbane Avenue
Barton ACT 2600

Postal address

Spirit Super
GPO Box 1547
Hobart TAS 7001

Contact person

Contact: General Manager, Service Delivery

Phone: 1800 005 166

Email: info@spiritsuper.com.au

Website: spiritsuper.com.au

Our details

AFS licence: 238718

ABN: 14 008 650 628 (Trustee)

ABN: 74 559 365 913 (Fund)

USI: MTA0100AU

Trustee name: Motor Trades Association of Australia Superannuation Fund Pty Ltd.

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For more information

This is general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision, you should consider if this information is right for you and read our *Product disclosure statements*, *Target market determinations* and *Financial services guide*. These are available at spiritsuper.com.au/pds or by calling 1800 005 166.

Issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Any advice is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) (Spirit Super Advice), which is wholly owned by the trustee. A copy of the *Financial services guide* for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide or by calling us on 1800 005 166.

Cover: Darushka and Joy, Spirit Super member

Acknowledgement of Country

Spirit Super acknowledges the Traditional Custodians of the lands on which we work, and their ongoing connections to land, sea and Country. We pay respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Our registered office is on the land of the Ngunnawal and Ngambri peoples.

Our operations office is on the land of the Muwinina people.

Traditional Custodians of the lands on which our staff offices are placed:

Canberra – the Ngunnawal and Ngambri peoples

Hobart – the Muwinina people

Melbourne – the Wurundjeri Woi-wurrung and Bunurong Boon Wurrung peoples of the Eastern Kulin

Parramatta – the Dharug people

Osborne Park, WA – Wadjak people of the Nyoongar Nation

Adelaide – Kurna people of the Adelaide Plains

Brisbane – the Turrbal people from the north side of the river and the Yuggera/Jagera people from the south side of the river

Devonport – the Tasmanian Aboriginal people

Launceston – the Kanamaluka people.

Dylan, Spirit Super member



Overview

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A message from the Chair



Maria Wilton AM

The 2023–24 financial year was a year of two important focus areas for Spirit Super.

We remain committed to delivering outstanding day-to-day service and value to you, our members. We also worked diligently to strategise and prepare for our merger with CareSuper, which is on track to be delivered in November 2024.

I'm pleased to say we have achieved fantastic results on both fronts.

In day-to-day business, we have worked hard to improve our products, services and processes to enhance your superannuation experience and retirement outcomes. This includes implementing significant enhancements to our customer service platforms, cyber security, and insurance claims process, as well as ramping up education services and regional engagement.

For the merger, we've worked diligently and collaboratively with our colleagues at CareSuper, regulators, and auditors to meet due diligence requirements and to ensure we're establishing a combined fund that will bring real, long-lasting benefits to you and your superannuation for years to come.

Change is ahead, but we're match fit and more than ready to take your super to the next level, together.

Recognised for outstanding service and value (again)

Since 2022, we've consistently been recognised for providing the best ease, sentiment and success of customer interactions in super.

This year was no different.

For the past two years running, we've been named as providing the best customer experience in super across all Australian super funds by Customer Service Benchmarking Australia (CSBA).

In fact, I was thrilled to recently present the annual Chair's Award to a member of our team who demonstrates exactly what we strive to achieve for our members, after receiving exceptional feedback from a member. Flynn, a dedicated Customer Service

Officer in our Hobart-based Contact Centre earned this well-deserved recognition after consistently going above and beyond for our members. One member in particular was deeply impressed by Flynn's empathy and ability to make them feel heard, saying Flynn 'made them feel like the centre of the universe during their half-hour conversation'.

At Spirit Super, it's our team's job to know everything there is to know about superannuation and to help our members feel more confident about the decisions they're making. I'm proud to be part of a super fund that cares so deeply about its members.

Pleasingly, we've also been recognised for outstanding product value and quality, taking out a slew of top prizes at the 2023 and 2024 WeMoney Superannuation Awards. These included:

- Best for Value (for the second time, 2022 and 2023)
- Best Balanced Fund (2023)
- Best High Growth Fund (2023)
- Best for Quality (2024)
- Runner Up, Superannuation Fund of the Year – Industry (2024).

With most of you invested in our Balanced and Growth investment options, these awards demonstrate the value and performance we provide right across the fund. Every dollar we save a member in fees, charges, and investment management stays in your account, invested for your retirement.

It's just another way we put you first — always.

Improving vulnerable member outcomes

When people think super, they usually think retirement savings. However, super funds also offer critical access to affordable and convenient insurance options.

This year, we were delighted to introduce significant improvements to our claims processes and procedures to better support members with their insurance claims.

A MESSAGE FROM THE CHAIR

A big change was the introduction of end-to-end case management for insurance and bereavement claims. Under this change our aim is that you will speak and deal with just one staff member throughout the entire claims process, from start to finish.

Apart from providing a more human and cohesive experience during often difficult situations, this continuity of service reduces average claim times by up to two months. It also makes for a more rewarding experience for our team members, who take immense pride and satisfaction in supporting members when they need it most.

Another notable change is the introduction of voice contracts for members applying for withdrawals due to compassionate or financial hardship. This enhancement allows our members to navigate the process more smoothly during times of immense stress and pressure.

Thanking team spirit

I want to thank all the Spirit Super staff, the Executive team and my fellow Trustees for their continued professionalism and outstanding contributions throughout the year.

It's been a big year of change and innovation at the fund. Your hard work, dedication, and passion for our members has been unwavering, ensuring we continue to put member needs first every step of the way.

I'd especially like to recognise the impact of long-term Board member David Smith, who concluded a 12-year term with us in early 2024. For over 30 years, David has been instrumental in improving the retirement outcomes for motor trade employees and auto workers.

On behalf of the board, staff, and members, I thank David for his contributions to this great fund and wish him the best in all his future endeavours.

Taking the spirit forward

Finally, I sincerely thank our members and employers for their unwavering loyalty and support as we continue to evolve and improve.

In the months ahead there will be changes to the fund, though the hard work we've put in over the last year should make it a smooth and seamless change over.

The first change you will notice is a new fund name. As a combined fund, we will take on the CareSuper name and embrace a new brand that reflects the mutual coming together of both funds. This will allow us to position ourselves as a competitive, medium-sized fund making waves in the ever-changing superannuation marketplace.

There will also be a brief interruption to our services as we transfer data between systems. During this time some services and transactions will be unavailable. We'll be in touch with details of these changes prior to the merger taking place.

For details, keep an eye on your inbox or visit spiritsuper.com.au/merger-info.

It's true, change can be intimidating. But while our name is changing, our *spirit* will stay the same.

As CareSuper you can still expect the same outstanding service, excellent value and genuine engagement from our teams all around the country. We would settle for nothing less.

Here's to another exciting chapter.

Maria Wilton AM

Spirit Super Chair

A message from the CEO



Jason Murray

Bigger and better for our members

It has been a hugely important year for Spirit Super as we've continued to achieve key awards, goals and milestones, while also preparing for a merger that will benefit our members.

We experienced strong member growth this year, with more than 53,000 new members joining our fund (as at June 2024). This growth is an important sign that we're on the right track with our strategic objectives to be a leader in retirement confidence and member experience. The successes of the past year are a testament to all Spirit Super staff who have worked tirelessly to ensure that our members' best financial interests are at the heart of everything we do.

Our merger with CareSuper is on track for completion in November 2024. Together, it is our intention to create a medium-sized fund with a distinctive focus on customer experience and retirement confidence. Our bigger size will help us continue to drive outstanding value and service for our members, over the long term.

Like us, CareSuper is a member-focused and high performing industry super fund – in 2023 we were both named in the top 10 performing funds over 10 years by the peak ratings agency SuperRatings. We were also both highly successful in the prestigious WeMoney 2024 Superannuation Awards, with Spirit Super named Best for Quality and runner up for Superannuation Fund of the Year (Industry) and CareSuper named Best for Flexibility and Best for Member Benefits.

Perhaps what is most important for our members is that the larger, merged fund will adopt and extend Spirit Super's award-winning customer service model, which has earned accolades for the best customer experience in super in Australia for two years running (Customer Service Benchmarking Australia). This is a fantastic achievement for our team who care deeply about our members and strive to help them feel confident about their retirement outcomes.

Investment outcomes

Over the past financial year, share markets have continued the rebound from the previous year, with double-digit returns. However, the year has not been without volatility, with both share prices and bond prices exhibiting ups and downs, somewhat reminiscent of the turbulence of the 2022 financial year.

Our Balanced (MySuper) investment option provided a return of 8.80% for the financial year and our pension Balanced option returned 9.53% for the same period. We have retained our record of producing a strong, long-term result, once again outperforming the average MySuper fund over the 10 years to 30 June 2024. Pleasingly, long-term performance also exceeds our CPI + 3% per annum objective.

Among the outcomes in our investment portfolio over the year is our continuing work to reduce our carbon footprint. In 2021, we set an ambitious target to reduce our total investment portfolio's attributable carbon footprint (financed emissions) by 50% by 2030, compared to a baseline as at 30 June 2022. In 2022-23, we reduced our financed emissions per dollar of assets by over 20% from the baseline and continued to make further great headway toward our goal in 2023-24.

We also bedded down our investment of a 30% stake in GeelongPort (purchased in April 2023), Spirit Super's first directly held infrastructure asset largely sourced, negotiated and secured by our internal investment team. Apart from adding significant value to your super and the Victorian and Tasmanian economies, it's another indication that our increased scale and enhanced capabilities, which we will further develop as part of our merger with CareSuper, are driving excellent outcomes for your super.

Embracing the regions

We love supporting our members and the communities they live and work in, and this year our regional strategy continued to go from strength to strength. We're building on our good work in the Newcastle region, firming up new and exciting partnerships in Geelong and maintaining our key focus on Tasmania which remains an important part of our heritage and future.

A MESSAGE FROM THE CEO

Regional centres are vital to Australia's economy and play a massive part in securing our nation's prosperity. By engaging regional members, businesses and community organisations, we can help build value, capacity and opportunity in communities often overlooked by mega funds and large corporations.

This year we have continued to support the Newcastle Regional Show, Business Hunter Awards, and were thrilled to deliver a financial literacy seminar to over 120 Year 11 students at Hunter Trade College.

In Geelong we've fostered relationships with the Geelong Business Awards, Geelong Young Professionals and were the inaugural sponsor of the 135m Corporate Dash event organised by Lifeline Geelong and South West Victoria.

Our significant footprint in Tasmania remains, and we have a large proportion of our workforce based in the state. With approximately half a billion dollars invested locally in Tasmania and a large contingent of our members living and working in the state we have maintained strong support to the community and local businesses in the region. Our upcoming merger with CareSuper also secures the retention of an essential financial services provider in Tasmania, contributing to the state's economic prosperity.

Super changes

We are strongly supportive of the Federal Government's announcement that superannuation will be paid on the Commonwealth Paid Parental Leave (PPL) scheme from 2025.

This is something we, along with other Industry SuperFunds, have been advocating for and we are delighted that our members will be among those who will benefit from this change.

At Spirit Super, we know that super can play an important role in closing the gender pay gap.

That's why we pay our employees super on paid and unpaid parental leave and we offer fee-free insurance to our insured members while they are on parental leave.

Thanks to Team Green

I want to thank our Board, Executive team, strategic partners, employers and service providers for their continuing dedication, commitment and passion throughout the year.

And once again I'd also like to give a heartfelt thanks to all Spirit Super staff members (#teamgreen) for continuing to go the extra mile for our members.

It's been wonderful to see the awards recognition and glowing feedback from our members over the past year about our Service Delivery teams and our experts out in the field who have been hosting education events, workshops and information sessions across the country.

Behind the scenes, our people have also been working hard to ensure that we're constantly delivering the best products and services for our members.

Most importantly, thanks to our members and employers for continuing to choose Spirit Super. As always, everything we do is to benefit you and your super so that you can enjoy your retirement after so many years of hard work.

Jason Murray
CEO Spirit Super



Deanna, Spirit Super member



Governance

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Our Board of Directors



Maria Wilton AM

Independent Chair

Appointed 1 December 2022

Committee membership

- Investment Committee (Chair)
- People & Culture and Remuneration & Nomination Committee
- Risk Committee

Qualifications

- Bachelor of Economics, University of Tasmania
- Fellow, Australian Institute of Company Directors
- Chartered Financial Analyst Charterholder

Background

Maria has 30 years of experience in business, finance, and governance, having held leadership positions in investment management and superannuation, with a deep understanding of the profit-for-members superannuation sector.

Maria is a Director of Victorian Funds Management Corporation, Dexus Wholesale Property Fund, Member of the Global Board of Governors of the Chartered Financial Analyst Institute, and Independent Chair of the QIC State Investments Committee. She has extensive experience as Chair of Business forums and governance of superannuation funds. Maria was formerly Chair and Country Head of the Australian business of Franklin Templeton, a globally listed investment manager.



Anne O'Donnell

Independent Director

Appointed 1 March 2017

Committee membership

- Risk Committee (Chair)
- Investment Committee
- Finance, Audit and Compliance Committee

Qualifications

- Master of Business Administration
- Bachelor of Banking and Finance
- Senior Fellow, FINSIA
- Fellow, Australian Institute of Company Directors
- Member, AMI

Background

Anne is a professional Non-Executive Director and was previously a senior executive in the financial industry. Her past executive roles include nine years as the CEO of Australian Ethical Investment Ltd and 20 years with the ANZ Banking Group Ltd.

Anne is a Director of the Winston Churchill Memorial Trust and Chair of the ACT Long Service Leave Authority. Anne is also an External Member of the Compliance Committee of UBS Global Asset Management (Australia) Ltd, a member of the Audit Committee for the National Capital Authority, and a member of the Audit and Assurance Committee of the Commonwealth Department of Education.

OUR BOARD OF DIRECTORS



Thomas Lynch

Member-Representative Director

Appointed 1 April 2021

Committee membership

- People & Culture and Remuneration & Nomination Committee
- Member Benefits and Services Committee
- Finance, Audit and Compliance Committee

Qualifications

- Member, Australian Institute of Company Directors

Background

Tom is a Member-Representative Director nominated by Unions Tasmania. Tom was a Director of Tasplan from 2020 until the fund merged to become Spirit Super in April 2021. Tom led a Tasmanian Branch of Australia's main public sector union, the CPSU, from 2003 until 2020. He's currently the elected Assistant Secretary of that Branch. He's also the Federal President of the CPSU's State Public Service Division and Joint National President of the CPSU. Tom represents the union at a national and international level, including being involved with organisations researching the future of work and corporate tax accountability. He's active in the global federation of workers in public services, the Public Services International. Tom has led a range of public campaigns opposing privatisation and promoting the importance of well-funded public services.



Rhonda O'Donnell

Member-Representative Director

Appointed 25 May 2015

Committee membership

- People & Culture and Remuneration & Nomination Committee (Chair)
- Risk Committee
- Member Benefits and Services Committee

Qualifications

- Masters Degree in Applied Science, Royal Melbourne Institute of Technology
- Graduate Diploma in Innovation and Service Management, Royal Melbourne Institute of Technology
- Executive Management Program, Babson College, USA
- MBA Executive Development Program, University of Melbourne

Background

Rhonda has extensive local and global experience in financial services, telecommunications, information technology, education, government and utilities.

Rhonda has been an executive and board member in both the private and public sectors and has received several industry awards, including the Victorian Telstra Business Woman of the Year in 1999.

OUR BOARD OF DIRECTORS



David Smith

Member-Representative Director

Appointed 13 September 2012

Ceased 31 March 2024

Committee membership (until 31 March 2024)

- People & Culture and Remuneration & Nomination Committee
- Member Benefits and Services Committee

Qualifications

- Diploma of Business, Frontline Management, Victoria University
- Certificate IV in Assessment and Workplace Training, Victoria University

Background

David was a Member-Representative Director nominated by the Australian Manufacturing Workers' Union (AMWU). David has over 25 years of experience as a union official and was an AMWU Assistant National Secretary and the Chairperson for the Federation of Vehicle Industry Unions.



Andrew Dettmer

Member-Representative Director

Appointed 1 April 2024

Committee membership (from 1 April 2024)

- Member Benefits and Services Committee
- People & Culture and Remuneration & Nomination Committee
- Finance, Audit and Compliance Committee

Qualifications

- Bachelor of Arts with Honours, Monash University

Background

Andrew is a Member-Representative Director nominated by the Australian Manufacturing Workers' Union (AMWU). Andrew is the National President of the AMWU. He has extensive knowledge of corporate governance and contributes to public policy development through his involvement in a variety of fields, including skills and training in the manufacturing and construction industries. He is a Ministerial Appointee for the National Robotics Taskforce and a Ministerial Advisory Board Member of Jobs and Skills Australia.

Andrew is a board member of TAFE Queensland and is Chair of the Union Aid Aboard — Australian People for Health, Education and Development Abroad Limited. Andrew's past governance experience includes director roles with the Industry Capability Network Limited and Queensland Manufacturing Institute.

OUR BOARD OF DIRECTORS



Jessica Munday

Member-Representative Director

Appointed 1 April 2021

Committee membership

- Member Benefits and Services Committee (Chair)
- Investment Committee

Qualifications

- Bachelor of Arts (Political Science/Public Policy), University of Tasmania
- Certificate IV – Unionism
- Certificate IV – Work Health and Safety
- Graduate, Australian Institute of Company Directors

Background

Jessica is a Member-Representative Director nominated by Unions Tasmania. Jessica was a Director of Tasplan from 2018 until the fund merged to become Spirit Super in April 2021. Jessica is the Secretary of Unions Tasmania, the peak body for trade unions in Tasmania. Previously, Jessica worked with the Community and Public Sector Union for eleven years, leading the Tasmanian Branch for over three years.

Jessica is an experienced industrial relations and workplace health and safety practitioner. Jessica is the President and Treasurer of community legal centre, Worker Assist, and a Board Member of WorkCover Tasmania. Jessica also represents the interests of Tasmanian workers as an Executive member of the national peak union body, the Australian Council of Trade Unions.



Peter Savige

Employer-Representative Director

Appointed 1 January 2018

Committee membership

- Investment Committee
- Risk Committee

Qualifications

- Diploma and Certificate of Membership, Australian Institute of Export

Background

Peter is an Employer-Representative Director nominated by the Motor Trades Association of Australia Ltd. Peter is an experienced Director with extensive knowledge and involvement in the motor industry. He remains active in the industry as principal of the Hilton Motor Company and is a licensed motor car trader.

Peter has held a variety of Director and Chair roles and is a former President of the Victorian Automobile Chamber of Commerce (VACC) and former Deputy Chair of the Motor Trades Association of Australia (MTAA). He is currently the Chair of the VACC Used Car Traders Committee and a VACC Industry Policy Council member.

Peter was a long-standing industry representative on the Motor Car Traders Claims Committee (Vic) and is currently a member of and fundraiser for Variety the Children's Charity (Vic).

OUR BOARD OF DIRECTORS



Susan Parr

Employer-Representative Director

Appointed 1 April 2021

Committee membership

- Member Benefits and Services Committee
- Risk Committee

Qualifications

- Bachelor of Arts, University of Tasmania
- Graduate Diploma of Education (Early Childhood), University of Tasmania
- Member, Australian Institute of Company Directors

Background

Susan is an Employer-Representative Director nominated by the Tasmanian Chamber of Commerce and Industry Ltd. She was a Director of Tasplan from 2015 until the fund merged to become Spirit Super in April 2021. Susan was the CEO of St Ann's Homes from 1997 to 2016. Susan has over 30 years of experience in leadership positions on a range of boards, including Aged and Community Services Tasmania and was previously Chair of the Tasmanian Chamber of Commerce and Industry. She is currently the Independent Chair of TasBuild.



John Mazengarb

Employer-Representative Director

Appointed 1 April 2021

Committee membership

- Finance, Audit and Compliance Committee (Chair)
- People & Culture and Remuneration & Nomination Committee

Qualifications

- Bachelor of Commerce, University of Tasmania
- Fellow, Institute of Chartered Accountants
- Fellow, Chartered Secretaries Australia
- Fellow, Governance Institute of Australia
- Member, Australian Institute of Company Directors
- RG146 Superannuation

Background

John is an Employer-Representative Director nominated by the Tasmanian Chamber of Commerce and Industry Ltd. John was a Director of Tasplan from 2016 until the fund merged to become Spirit Super in April 2021. He was also a Director of the Retirement Benefits Fund Tasmania (RBF) from 2013 to 2016. John is a Chartered Accountant with over 30 years of consulting experience with PwC, IBM and his own business, GSD Advisors. John has also held several contract senior executive roles in Tasmanian Government businesses, overseeing the planning and delivery of major transformation projects.

John is a past National President (2020), Non-Executive Director and National Councillor of the Governance Institute of Australia. He is the Independent Member of the TasBuild Limited Investment Committee and former Chair of the Tasmanian Catholic Education Commission Centralised Long Service Leave Fund Investment Committee. John is an Executive Director of GSD Advisors Pty Limited. He is also a Non-Executive Director of The Public Trustee Board of Tasmania.

OUR BOARD OF DIRECTORS



Geoffrey Lowe

Employer-Representative Director

Appointed 1 March 2019

Committee membership

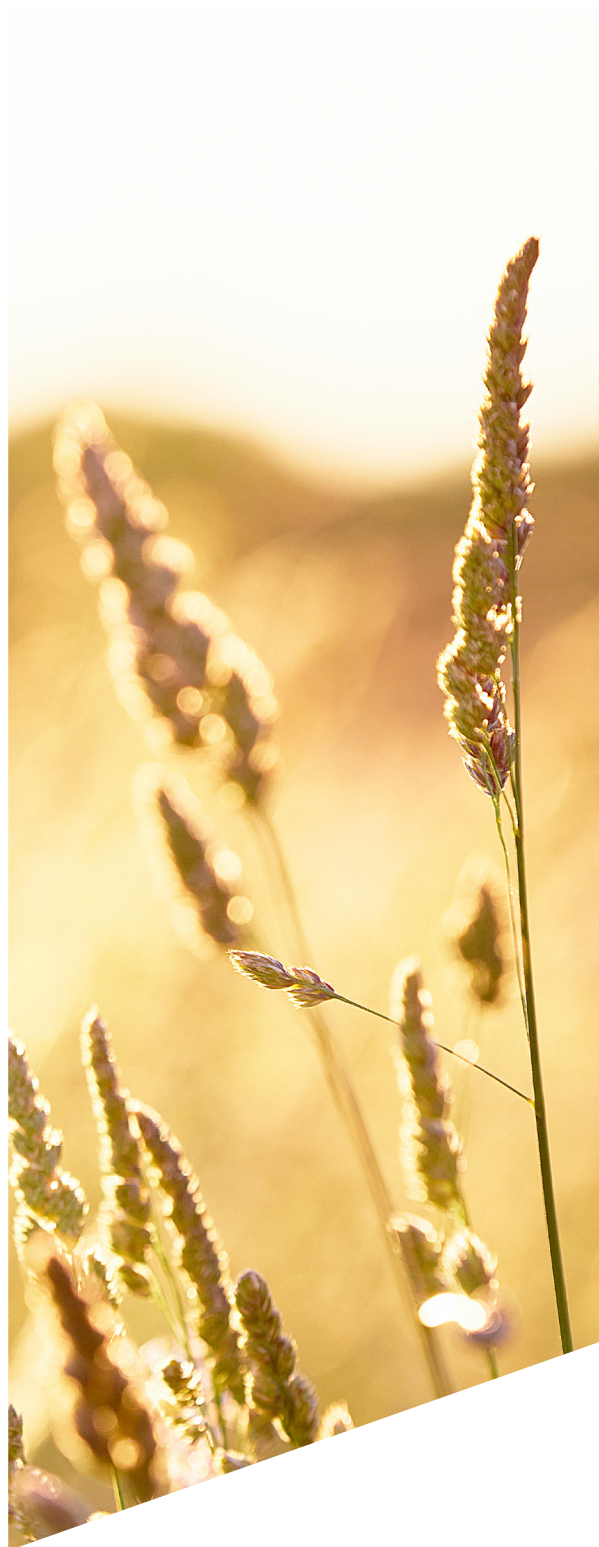
- Investment Committee
- Finance, Audit and Compliance Committee

Qualifications

- Master of Business Administration, AIB
- Graduate Diploma of Management, AIB
- Finance and Governance Training, Australian Institute of Company Directors and Western Woodley Robertson
- Equivalent of a Bachelor of Science in Industrial Management – certified by the Trustforte Corporation, New York
- Diploma of Superannuation, AIST
- Graduate Certificate in Accounting, University of New England
- Member, Australian Institute of Company Directors

Background

Geoff is an Employer-Representative Director nominated by the Motor Trades Association of Australia Ltd. Geoff has extensive experience in the automotive industry, particularly in compliance, finance and accounting, marketing, and business management. Geoff is a Board Member of the Motor Traders Association of NSW, having previously held the positions of President and Treasurer. He is a Director of Gateway Health and Deputy Chair of Regional Development Australia – Murray. Geoff was previously a member of the Minister of Fair Trading's Motor Vehicle Advisory Council. He is the owner and CEO of Proven Products Pty Ltd and supports a number of local charitable initiatives.



Directors as at 30 June 2024 and Committee details are on page 22.

Our Executive Team

Our Executive Team is responsible for implementing our strategic vision to provide our members with the best value and service possible. They also work to ensure we meet all government regulations and requirements.



Jason Murray

Chief Executive Officer

BBus, PostGradDip (Mgt), GAICD

Appointed 21 February 2022

Qualifications

- Bachelor of Business
- Post Graduate Diploma in Management
- Graduate, Australian Institute of Company Directors

Background

Jason was appointed CEO in February 2022 and leads our day-to-day operations. He has over 25 years of financial services experience, having held leadership roles in banking, insurance and superannuation in Australia and the UK. With a strong track record of innovation and transformation, Jason is passionate about building strategies and cultures that deliver superior outcomes for members. He is also a Director of Industry Super Australia (ISA).



Kathleen Crawford

Chief Operations Officer

MAICD

Appointed 1 April 2021

Qualifications

- Member, Australian Institute of Company Directors
- Graduate, PROSCI Change Management Certification

Background

Kathleen has over 30 years of experience in the financial services industry and has held a number of senior management positions throughout her career. Kathleen was the Manager of Operational Change at Tasplan from 2017 until the fund merged to become Spirit Super in April 2021. Kathleen has experience across a broad range of management roles including operations, marketing, strategy, change and project management.

OUR EXECUTIVE TEAM



Ningning Lyons

Chief Strategy Officer

CA, GAICD, BBus

Appointed 1 April 2021

Qualifications

- Chartered Accountant CA
- Graduate, Australian Institute of Company Directors
- Bachelor of Business

Background

Ningning is responsible for strategy, product, marketing, growth and partnerships at Spirit Super. Ningning has over 12 years of experience in the superannuation industry and was the Chief Financial Officer at Tasplan from 2016 until the fund merged to become Spirit Super in April 2021.



Dr Ross Barry

Chief Investment Officer

PhD AppFin BEcon

Appointed 28 September 2020

Qualifications

- PhD in Applied Finance
- Bachelor of Economics

Background

Ross was the Chief Investment Officer at Tasplan and MTAA Super from 2020 until both funds merged to become Spirit Super in April 2021. Ross has over 25 years of experience as an institutional investor and has worked with several of Australia's largest super funds. He is a specialist in private market investing and a leading proponent of active asset ownership. Ross was previously a senior investment leader for First State Super.

OUR EXECUTIVE TEAM



Robyn Judd

Chief of People and Culture

BSocSc (Psychology), Post Grad HRM and IR, GAICD

Appointed 1 April 2021

Qualifications

- Bachelor of Social Science (Psychology)
- Post Graduate Human Resources Management and Industrial Relations
- Graduate, Australian Institute of Company Directors

Background

Robyn has over 20 years of people and culture experience and has worked in the superannuation industry since 2012. Robyn was the Executive Manager of People and Culture at Tasplan from 2016 until the fund merged to become Spirit Super in April 2021. Previously, Robyn was a senior people and culture professional in retail, hospitality, and gaming. Robyn specialises in large cultural transformational change events and has been an integral part of helping the organisation complete several successful mergers over many years.



Sha May Lim

Acting Chief Finance Officer

BBus (Hons), CPA, GAICD

Appointed 5 September 2022

Qualifications

- Bachelor of Business (Hons)
- Certified Practising Accountant (CPA)
- Graduate, Australian Institute of Company Directors

Background

May is Acting Chief Finance Officer of Spirit Super. She joined Tasplan in 2017 until the fund merged to become Spirit Super in April 2021. May has over 14 years of experience as a finance professional. Previously, she held Chief Financial Officer and senior management roles in superannuation, retail, mining, construction, and utilities.

OUR EXECUTIVE TEAM



Alex Mehl

Chief Technology Officer¹

BIS, MBA, GAICD

Appointed 16 May 2022

Qualifications

- Master of Business Administration
- Bachelor of Information Systems
- Graduate, Australian Institute of Company Directors
- High Potentials Leadership Program, Harvard Business School
- Executive Certificate in Strategy and Innovation, MIT Sloan

Background

Alex has over 20 years of experience leading technology in listed and private organisations. He previously held executive and senior leadership roles in consulting, mining, civil construction, agriculture and manufacturing.



Will Sadler

Chief Risk Officer

BCA, CA

Appointed 9 January 2023

Qualifications

- Chartered Accountant
- Bachelor of Commerce and Administration – Victoria University of Wellington

Background

Will is an experienced chartered accountant with a background in risk management and internal audit. He has a strong understanding of the financial services industry, having spent nearly 20 years in various roles with Australian Retirement Trust, the QSuper Group, BOQ, and Westpac. Will was previously the General Manager of Risk & Assurance at Australian Retirement Trust and Chief Risk Officer of QInsure.

¹Ceased as Spirit Super Chief Technology Officer on 27 August 2024. Simon Reiter commenced in the role on 5 August 2024 and was appointed a Responsible Person on 28 August 2024.

Director attendance at Board meetings

Attendance shown for all years to 2020–21 is for Directors prior to the merger of MTAA Super and Tasplan. Attendance shown for 2021–22 to 2023–24 financial years is for Directors of Spirit Super.

| Director | Date appointed | Date resigned | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------------------------|----------------|---------------|---------|---------|---------|---------|---------|---------|---------|
| Chair: John Brumby | 04/04/2011 | 31/03/2021 | 4/4 | 4/4 | 10/10 | 5/5 | - | - | - |
| Don Rowland | 23/11/2009 | 31/03/2021 | 4/4 | 4/4 | 9/10 | 4/5 | - | - | - |
| Geoffrey Lowe² | 01/03/2019 | | - | 1/1 | 10/10 | 8/8 | 9/9 | 13/13 | 7/7 |
| David Smith² | 13/09/2012 | 31/03/2024 | 4/4 | 4/4 | 9/10 | 8/8 | 9/9 | 11/13 | 4/5 |
| Phil Perdikaris | 19/12/2011 | 19/12/2017 | 2/2 | - | - | - | - | - | - |
| Susanne Dahn² | 01/01/2012 | 30/06/2023 | 4/4 | 4/4 | 10/10 | 8/8 | 9/9 | 13/13 | - |
| Bruce Hatcher | 01/01/2012 | 28/02/2019 | 3/4 | 2/3 | - | - | - | - | - |
| Susan Walpole | 03/12/2013 | 31/03/2021 | 4/4 | 4/4 | 10/10 | 5/5 | - | - | - |
| Rhonda O'Donnell² | 25/05/2015 | | 3/4 | 4/4 | 10/10 | 8/8 | 8/9 | 13/13 | 6/7 |
| Anne O'Donnell² | 01/03/2017 | | 4/4 | 4/4 | 9/10 | 8/8 | 9/9 | 13/13 | 7/7 |
| Peter Savige² | 01/01/2018 | | 2/2 | 3/4 | 9/10 | 8/8 | 9/9 | 13/13 | 7/7 |
| Chair: Naomi Edwards | 01/04/2021 | 01/12/2022 | - | - | - | 3/3 | 9/9 | 4/4 | - |
| Susan Parr | 01/04/2021 | | - | - | - | 3/3 | 8/9 | 12/13 | 7/7 |
| Jessica Munday | 01/04/2021 | | - | - | - | 3/3 | 9/9 | 12/13 | 7/7 |
| John Mazengarb | 01/04/2021 | | - | - | - | 3/3 | 9/9 | 13/13 | 7/7 |
| Thomas Lynch | 01/04/2021 | | - | - | - | 3/3 | 9/9 | 13/13 | 7/7 |
| Chair: Maria Wilton | 01/12/2022 | | - | - | - | - | - | 8/9 | 7/7 |
| Andrew Dettmer | 01/04/2024 | | - | - | - | - | - | - | 2/2 |

²MTAA Super Director to 31 March 2021 and commenced as Spirit Super Director from 1 April 2021.

Committee attendance 2023-24

| Director | Investment Committee | Finance, Audit and Compliance Committee | Risk Committee | Member Benefits and Services Committee | People & Culture and Remuneration & Nomination Committee |
|-----------------------------|----------------------|---|----------------|--|--|
| Maria Wilton | 8/8 | - | 3/4 | - | 3/4 |
| Geoffrey Lowe | 8/8 | 5/5 | - | - | - |
| David Smith ³ | - | - | - | 3/3 | 3/3 |
| Rhonda O'Donnell | - | - | 4/4 | 3/4 | 4/4 |
| Anne O'Donnell | 8/8 | 4/5 | 4/4 | - | - |
| Peter Savige | 8/8 | - | 4/4 | - | - |
| Jessica Munday | 8/8 | - | - | 4/4 | - |
| John Mazengarb | - | 4/5 | - | - | 4/4 |
| Thomas Lynch | - | 5/5 | - | 4/4 | 4/4 |
| Susan Parr | - | - | 4/4 | 4/4 | - |
| Andrew Dettmer ⁴ | - | 0/1 | - | 1/1 | 1/1 |

³David Smith ceased as a Director of Spirit Super on 31 March 2024. | ⁴Andrew Dettmer was appointed as a Director of Spirit Super on 1 April 2024.

Anita, Spirit Super member



Our Committees

Spirit Super is run solely for the benefit of our members. We take great pride in being open and transparent about how we operate. All policies, codes and regulations that guide our decisions are available on our website.

Director's term of office ceased

David Smith ceased on 31 March 2024

Directors as at 30 June 2024 (how and who appointed)

Maria Wilton AM – Independent Chair

Anne O'Donnell – Independent Director

Thomas Lynch – Member-Representative Director

Rhonda O'Donnell – Member-Representative Director

Andrew Dettmer – Member-Representative Director

Jessica Munday – Member-Representative Director

Peter Savige – Employer-Representative Director

Susan Parr – Employer-Representative Director

John Mazengarb – Employer-Representative Director

Geoffrey Lowe – Employer-Representative Director

Natalie and Elly,
Spirit Super member



Trustee liability insurance

The Trustee has taken out indemnity insurance to protect the Trustee from losses arising from claims made against the Trustee. The Trustee has also taken out a directors' and officers' insurance policy to indemnify its directors and officers against certain liabilities.

Material service providers

Group life insurance:

MetLife Insurance Limited (ABN 75 004 274 882)

Internal auditor:

Deloitte Touche Tohmatsu (ABN 74 490 121 060)

External auditor:

Ernst & Young (ABN 75 288 172 749)

Investment adviser:

JANA Investment Advisers Pty Ltd
(ABN 97 006 717 568)

Master custodian:

JPMORGAN Chase Bank, National association, Sydney
Branch (ABN 43 074 112 011)

Actuary:

Deloitte Consulting Pty Ltd (ABN 86 611 750 648)

Cloud service provider:

VMware Australia Pty Ltd (ABN 77 122 677 089)

Gateway and clearing house:

Westpac Banking Corporation (ABN 33 007 457 141)

Investment managers:

Adams Street Partners LLC

Ausbil Investment Management Limited
(ABN 26 076 316 473)

Baillie Gifford Overseas Limited (ARBN 118 567 178)

BlackRock Investment Management (Australia)
Limited (ABN 13 006 165 975)

Celeste Funds Management Limited
(ABN 78 098 628 605)

DNR Capital Pty Ltd (ABN 72 099 071 637)

HSBC Global Asset Management (UK) Limited
(ABN 633 929 718)

Hyperion Asset Management Limited
(ABN 80 080 135 897)

IFM Investors Pty Ltd (ABN 67 107 247 727)

Impax Asset Management Limited
(ARBN 145 453 327)

JGS Private Capital Pty Ltd (ABN 20 602 602 595)

Macquarie Investment Management Ltd
(ABN 66 002 867 003)

Mesirow Financial Investment Management, Inc.
(ARBN 143 757 073)

MFS International Australia Pty Ltd
(ABN 68 607 579 537)

Ninety One Pty Ltd (ACN 122 579 113)

Patrizia Pty Ltd (ABN 68 008 636 717)

Pzena Investment Management Pty Ltd
(ACN 141 153 086)

ROC Capital Pty Limited (ABN 37 167 858 764)

Schroder Investment Management Australia
(ABN 22 000 443 274)

State Street Global Advisors, Australia Limited
(ABN 42 003 914 225)

TCW Australia Pty Ltd (ABN 86 630 943 609)

Wasatch Advisors, Inc. (ARBN 605031 909)

WaveStone Capital Pty Limited (ABN 80 120 179 419)

Wellington Management Australia Pty Ltd
(ABN 19 167 091 090)

Western Asset Management Company Pty Ltd
(ABN 41 117 767 923)

Yarra Capital Management Limited
(ABN 99 003 376 252)



Investments

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Our investment strategy

Our investment strategy is to build a diversified portfolio of assets that balances investment risk and return.

We achieve this by investing in a combination of growth investments (such as shares, private equity and some infrastructure and property assets) and defensive investments (such as cash and fixed interest).

With growth assets, we expect to see growth in the capital value of the investments over time. With defensive assets, we focus on generating stable and predictable cash flows with a relatively low level of risk.

We review our investment strategy annually. This review considers all relevant aspects of the investment options, including:

- the strategic asset allocation
- risk and return objectives
- the portfolio construction approach for each asset class
- currency hedging strategy.

Asset classes

Our investment options are exposed to assets traded frequently in public domestic and international markets, as well as private markets, which are unlisted and less frequently traded.

Examples of asset classes held include:

Shares

When you invest in shares (also known as equities), you're buying a share of a company that can be traded on a stock exchange. You can access small and large companies across a range of industries in Australia or overseas. Shares provide gains or losses through changes in their price on the stock exchange and income through dividends. Shares are regarded as a high-risk investment with the potential for short-term negative returns. However, they also have the potential for higher returns than most other asset classes over the long term.

Infrastructure

Infrastructure involves investing in assets that provide essential public facilities and services such as roads, airports, seaports and power generation and distribution in Australia and overseas. This investment primarily involves exposure to unlisted companies or assets. Relative to shares, infrastructure tends to have a slightly lower risk and return profile. Although returns should be less volatile than other share investments, infrastructure may also produce negative returns.

Property

Property investments include exposure to both directly held property assets as well as investment pools that own commercial office buildings, large retail shopping centres and industrial buildings. Property provides income in the form of rent, and the value of the assets can increase or decrease over time. Property is generally regarded as a medium to high-risk investment, depending on the characteristics of the underlying assets. Generally, property investments provide higher returns than fixed interest or cash in the long term but may incur negative returns in certain market conditions.

Private equity

Private equity involves investing in companies that aren't listed on a stock exchange. Investments can include Australian and overseas companies across a wide range of industries and various stages of development, from early-stage venture capital and those requiring expansion capital to grow through to management-supported buyouts. It aims to produce high long-term returns but is a high-risk asset class and may incur negative returns. Private equity is classified as a growth-orientated asset class and is likely to exhibit risks similar to those associated with listed shares over the long term.

Fixed interest

Fixed interest involves investing in bonds issued by governments and corporations where a fixed or floating rate of interest is paid. These typically provide interest payments over the term of the security and the return of the amount invested at the end of the bond's life. A floating rate security has a variable interest rate, whereas the interest paid by a fixed-rate security doesn't fluctuate. The bond's value fluctuates during its lifetime in response to a variety of factors, including changes in market interest rates.

Our investment in fixed interest securities may include government and credit securities of both a fixed and floating rate nature. There may be exposures to high yield securities and direct lending from time to time, including infrequently traded debt securities that exhibit greater credit risk and higher expected returns than government bonds. Capital gains or losses may also be incurred through movements in the price of fixed-interest investments, primarily arising from movements in interest rates and changes in credit risk. Fixed interest investments may provide higher returns than cash over the long term but may also have negative returns in certain market conditions.

OUR INVESTMENT STRATEGY

Absolute return

Absolute return strategies cover a broad array of investments with exposure to a range of traditional markets, including high-yield credit, shares and commodities as well as other more esoteric markets such as catastrophe insurance. The unique exposures of each investment, taken together, mean that this asset class is designed to be relatively defensive in nature overall. Individual absolute return strategies can exhibit a mixture of growth and defensive characteristics; however, the aim is to control risk through lower market risk exposure and lower return volatility than if we were solely invested in shares. Absolute return strategies aim to generate higher returns than cash returns but may produce negative returns from time to time.

Cash

Cash is made up of bank deposits, including term deposits and other short-term money market investments and cash instruments. Interest is generally received from cash investments. An investment in cash generally offers the lowest returns over the long run of any asset class but also has the lowest risk. The purchasing power of cash is reduced over time as a result of inflation.

It's also possible that returns on the cash asset class could be negative in an environment where short-term interest rates are very low or even negative. Cash investments are based on the official cash rate set by the Reserve Bank of Australia and represent the interest rate on unsecured overnight loans between banks.

Vivara and Candice,
Spirit Super members

Your investment options

Pre-mixed investment options

Growth

Description

This investment option aims to achieve strong returns by investing in a portfolio of mainly shares and other growth assets.

Type of investor

You're seeking high capital growth over the long term (more than 10 years) and don't mind substantial risk and volatility.

Investment return objective⁵

Super: CPI + 4% a year over rolling 10-year periods.

Pension: CPI + 4.5% a year over rolling 10-year periods.

Minimum suggested time frame

10 years.

Risk level⁶

High – risk band 6. You may expect 4–6 negative annual returns in a 20-year period.

Investment performance⁷

For **super members**, this option returned 8.68% a year over the 10-year period to 30 June 2024 against an investment objective of 6.60% per annum.

For **pension members**, this option returned 9.57% a year over the 10-year period to 30 June 2024 against an investment objective of 6.76% per annum.

Asset allocation⁸

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 4 | 0–10 |
| Australian fixed interest | 0 | 0–10 |
| Global fixed interest | 0 | 0–10 |
| Absolute return | 4 | 0–20 |
| Property | 6 | 0–20 |
| Infrastructure | 8 | 0–20 |
| Australian shares | 30 | 0–50 |
| Global shares | 40 | 0–50 |
| Private equity | 8 | 0–20 |
| Growth assets | 90 | - |
| Defensive assets | 10 | - |

⁵The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | ⁶Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on.

| ⁷Past performance isn't a reliable indicator of future performance. | ⁸The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Pre-mixed investment options

Sustainable

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets with heightened consideration given to environmental, social and governance risks.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) using environmentally and socially responsible investments. You can tolerate medium to high risk and volatility.

Investment return objective⁹

Super: CPI + 3% a year over rolling 7-year periods.

Pension: CPI + 3.5% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level¹⁰

Medium to high – risk band 5. You may expect 3–4 negative annual returns in a 20-year period.

Investment performance¹¹

For **super members**, this option returned 6.80% a year over the 7-year period to 30 June 2024 against an investment objective of 6.37% per annum.

For **pension members**, this option returned 7.66% a year over the 7-year period to 30 June 2024 against an investment objective of 6.74% per annum.

The investment performance before 1 April 2021 is for the Tasplan Sustainable option. It reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan.

Asset allocation¹²

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 8 | 0–20 |
| Australian fixed interest | 4 | 0–30 |
| Global fixed interest | 6 | 0–40 |
| Absolute return | 4 | 0–20 |
| Property | 9 | 0–25 |
| Infrastructure | 9 | 0–25 |
| Australian shares | 25 | 0–35 |
| Global shares | 30 | 0–40 |
| Private equity | 5 | 0–20 |
| Growth assets | 75 | - |
| Defensive assets | 25 | - |

⁹The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | ¹⁰Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on.

| ¹¹Past performance isn't a reliable indicator of future performance. | ¹²The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Pre-mixed investment options

Balanced (MySuper) and Balanced

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets as well as cash and fixed interest instruments.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) and can tolerate medium to high risk and volatility.

Investment return objective¹³

Super: CPI + 3% a year over rolling 7-year periods.

Pension: CPI + 3.5% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level¹⁴

Medium to high – risk band 5. You may expect 3-4 negative annual returns in a 20-year period.

Investment performance¹⁵

For **super members**, this option returned 6.72% a year over the 7-year period to 30 June 2024 against an investment objective of 6.37% per annum.

For **pension members**, this option returned 7.38% a year over the 7-year period to 30 June 2024 against an investment objective of 6.61% per annum.

Asset allocation¹⁶

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 8 | 0-20 |
| Australian fixed interest | 4 | 0-20 |
| Global fixed interest | 6 | 0-30 |
| Absolute return | 4 | 0-20 |
| Property | 10 | 0-25 |
| Infrastructure | 10 | 0-25 |
| Australian shares | 23 | 0-40 |
| Global shares | 30 | 0-50 |
| Private equity | 5 | 0-20 |
| Growth assets | 74 | - |
| Defensive assets | 26 | - |

¹³The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. The investment return objective of the Balanced (MySuper) option isn't the same as the return target shown in the MySuper dashboard available at spiritsuper.com.au/investments/MySuper-Dashboard. The return target shown on the MySuper dashboard represents the mean annualised estimate of the percentage rate of net return of a representative member that exceeds the growth in the CPI over 10 years. | ¹⁴Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on.

| ¹⁵Past performance isn't a reliable indicator of future performance. | ¹⁶The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Pre-mixed investment options

Moderate

Description

This investment option aims to achieve moderate returns by investing in a diversified mix of growth and defensive assets.

Type of investor

You're seeking a moderate level of capital growth in the medium to long term (more than 5 years) and at a moderate level of risk and volatility.

Investment return objective¹⁷

Super: CPI + 2% a year over rolling 5-year periods.

Pension: CPI + 2.5% a year over rolling 5-year periods.

Minimum suggested time frame

5 years.

Risk level¹⁸

Medium – risk band 4. You may expect 2–3 negative annual returns in a 20-year period.

Investment performance¹⁹

For **super members**, this option returned 4.73% a year over the 5-year period to 30 June 2024 against an investment objective of 5.86% per annum.

For **pension members**, this option returned 5.27% a year over the 5-year period to 30 June 2024 against an investment objective of 6.46% per annum.

The investment performance before 1 April 2021 is for the Tasplan Moderate option. It reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan.

Asset allocation²⁰

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 15 | 0–40 |
| Australian fixed interest | 8 | 0–30 |
| Global fixed interest | 15 | 0–40 |
| Absolute return | 5 | 0–20 |
| Property | 6 | 0–20 |
| Infrastructure | 8 | 0–20 |
| Australian shares | 16 | 0–30 |
| Global shares | 22 | 0–35 |
| Private equity | 5 | 0–15 |
| Growth assets | 55 | - |
| Defensive assets | 45 | - |

¹⁷The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | ¹⁸Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on.

| ¹⁹Past performance isn't a reliable indicator of future performance. | ²⁰The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Pre-mixed investment options

Conservative

Description

This investment option aims to achieve returns in excess of price inflation with low to medium risk.

Type of investor

You're seeking some capital growth over the short to medium term (at least 4 years) with low to medium level of risk and volatility.

Investment return objective²¹

Super: CPI + 1% a year over rolling 4-year periods.

Pension: CPI + 1.5% a year over rolling 4-year periods.

Minimum suggested time frame

4 years.

Risk level²²

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Investment performance²³

For **super members**, this option returned 4.15% a year over the 4-year period to 30 June 2024 against an investment objective of 6.05% per annum.

For **pension members**, this option returned 4.52% a year over the 4-year period to 30 June 2024 against an investment objective of 6.47% per annum.

Asset allocation²⁴

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 24 | 20-50 |
| Australian fixed interest | 12 | 5-50 |
| Global fixed interest | 22 | 15-60 |
| Absolute return | 5 | 0-20 |
| Property | 5 | 0-15 |
| Infrastructure | 7 | 0-15 |
| Australian shares | 9 | 0-20 |
| Global shares | 12 | 0-25 |
| Private equity | 4 | 0-10 |
| Growth assets | 35 | - |
| Defensive assets | 65 | - |

²¹The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | ²²Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on.

| ²³Past performance isn't a reliable indicator of future performance. | ²⁴The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Pre-mixed investment options

Long-term (Managed Pension only)

Description

This investment option aims to achieve moderate to high investment returns, while accepting a medium to high level of investment risk.

Type of investor

This investment option is only available within the Managed Pension.

Investment return objective²⁵

CPI + 3% a year over rolling 5-year periods.

Minimum suggested time frame

5 years.

Risk level²⁶

Medium to high – risk band 5. You may expect 3–4 negative annual returns in a 20-year period.

Investment performance²⁷

The option returned 6.19% a year since commencement on 1 July 2019 to 30 June 2024 against a benchmark return of 6.98% per annum.

The investment performance before 1 April 2021 is for the Tasplan Long-term option. It reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan.

Asset allocation²⁸

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 0 | 0–10 |
| Australian fixed interest | 11 | 0–20 |
| Global fixed interest | 20 | 0–40 |
| Absolute return | 0 | 0–15 |
| Property | 9 | 0–20 |
| Infrastructure | 10 | 0–20 |
| Australian shares | 19 | 5–35 |
| Global shares | 26 | 5–35 |
| Private equity | 5 | 0–15 |
| Growth assets | 64 | – |
| Defensive assets | 36 | – |

²⁵The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | ²⁶Read our *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on. | ²⁷Past performance isn't a reliable indicator of future performance. | ²⁸The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Asset class investment options

Australian shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in Australian shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of Australian shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the S&P/ASX300 Accumulation Index, including franking credits but before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level²⁹

High – risk band 6. You may expect 4–6 negative annual returns in a 20-year period.

Investment performance³⁰

Before accounting for investment fees, costs and taxes, the option returned 10.31% a year over the 10-year period to 30 June 2024 against a benchmark return of 9.23% per annum.

After accounting for investment fees, costs and taxes, this resulted in a return for **super members** of 8.32% a year and a return for **pension members** of 9.58% a year over the 10-year period to 30 June 2024.

Asset allocation³¹

| Asset class | Strategic asset allocation % | Range % |
|-------------------|------------------------------|---------|
| Cash | 0 | 0–10 |
| Australian shares | 100 | 90–100 |
| Growth assets | 100 | - |
| Defensive assets | - | - |

International shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in global shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of global shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the MSCI All Countries World Index (ex-Australia), partially hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level²⁹

High – risk band 6. You may expect 4–6 negative annual returns in a 20-year period.

Investment performance³⁰

Before accounting for investment fees, costs and taxes, the option returned 10.48% a year over the 10-year period to 30 June 2024 against a benchmark return of 11.40% per annum.

After accounting for investment fees, costs and taxes, this resulted in a return for **super members** of 9.33% a year and a return for **pension members** of 10.05% a year over the 10-year period to 30 June 2024.

Asset allocation³¹

| Asset class | Strategic asset allocation % | Range % |
|------------------|------------------------------|---------|
| Cash | 0 | 0–10 |
| Global shares | 100 | 90–100 |
| Growth assets | 100 | - |
| Defensive assets | - | - |

²⁹Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on. | ³⁰Past performance isn't a reliable indicator of future performance. | ³¹The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Asset class investment options

Diversified fixed interest

Description

This investment option aims to deliver moderate returns over the medium term by investing in a diversified portfolio of Australian and global fixed interest instruments.

Type of investor

You're seeking moderate returns with some capital growth over the medium term (more than 5 years) by investing in a range of fixed interest investments. You want a lower level of risk and volatility than shares.

Investment return objective

To meet or exceed the return to a weighted average of Australian and international fixed interest indices, hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

5 years.

Risk level³²

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Investment performance³³

Before accounting for investment fees, costs and taxes, the option returned minus 0.34% a year over the 5-year period to 30 June 2024 against a benchmark return of minus 1.01% per annum.

After accounting for investment fees, costs and taxes, this resulted in a return for **super members** of minus 0.47% a year and a return for **pension members** of minus 0.58% a year over the 10-year period to 30 June 2024.

Asset allocation³⁴

| Asset class | Strategic asset allocation % | Range % |
|---------------------------|------------------------------|---------|
| Cash | 0 | 0-10 |
| Australian fixed interest | 35 | 0-60 |
| Global fixed interest | 65 | 40-100 |
| Growth assets | - | - |
| Defensive assets | 100 | - |

Cash

Description

This investment option aims to ensure the security of capital and to limit year-to-year variability through investment in cash.

Type of investor

You want a high level of capital security and to maintain the purchasing power of investment over the short term. You want very low risk and fairly consistent but low returns.

Investment return objective

To deliver the return to the Bloomberg AusBond Bank Bill Index before fees, costs and investment-related taxes.

Minimum suggested time frame

0 years.

Risk level³²

Very low – risk band 1. You may expect less than 0.5 negative annual returns in a 20-year period.

Investment performance³³

Before accounting for investment fees, costs and taxes, the option returned 4.79% over the 1-year period to 30 June 2024 against a benchmark return of 4.37%.

After accounting for investment fees, costs and taxes, this resulted in a return for **super members** of 4.05% and a return for **pension members** of 4.73% over the 1-year period to 30 June 2024.

Asset allocation³⁴

| Asset class | Strategic asset allocation % | Range % |
|------------------|------------------------------|---------|
| Cash | 100 | NA |
| Growth assets | - | - |
| Defensive assets | 100 | - |

! The asset allocation shown for each option is as at 30 June 2024. Performance disclosed for each investment option relates to the minimum investment horizon. Further performance details for our investment options are included on page 38.

³²Read our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more details about the risk measures that this risk level is based on. | ³³Past performance isn't a reliable indicator of future performance. | ³⁴The strategic asset allocation can change from time to time. For the most up-to-date asset allocation, see our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds. The strategic exposure to 'growth' and 'defensive' assets is based on the definitions used in APRA's Heatmap for MySuper and Choice products.

Our assets and performance

The following tables detail the composition of our asset classes. They include a list of our investment managers and assets where member money is invested.

Investment summary of assets

| | June 2023 (\$ millions) | June 2024 (\$ millions) |
|---------------------------------|----------------------------|----------------------------|
| Cash | | |
| Residual Cash | 317.11 | 340.22 |
| State Street Global Advisors | 1,929.75 | 1,922.03 |
| Term Cash | 1,321.03 | 1,353.83 |
| Australian shares | | |
| Ausbil Investment Management | 1,219.90 | 1,357.06 |
| BlackRock Investment Management | 830.13 | 927.64 |
| Celeste Funds Management | 265.66 | 291.89 |
| DNR Capital | 577.19 | 633.38 |
| Eight IP Partners | 4.86 | 0.00 |
| Hyperion | 346.15 | 407.85 |
| IFM Investors | 1,167.27 | 1,317.78 |
| Schroder Investment Management | 915.79 | 998.86 |
| State Street Global Advisors | 0.26 | 0.00 |
| Tasfood | 1.17 | 0.78 |
| Tyndall Asset Management | 366.94 | 468.77 |
| WaveStone Capital | 893.85 | 999.76 |
| Residual | 0.00 | 0.65 |
| International shares | | |
| Baillie Gifford International | 514.98 | 627.63 |
| HSBC Global Asset Management | 1,978.66 | 2,205.74 |
| Impax | 0.00 | 440.39 |
| MFS Investment Management | 894.72 | 252.17 |
| Ninety One | 1,015.80 | 1,216.84 |
| Pzena Investment Management | 797.69 | 887.63 |
| RealIndex Investments | 805.84 | 965.79 |
| Schroder Investment Management | 1,085.21 | 1,325.79 |
| State Street Global Advisors | 0.89 | 0.00 |
| T Rowe Price | 161.31 | 0.00 |
| Wasatch Advisors | 441.51 | 500.18 |
| Wellington Management | 840.73 | 1,055.04 |
| Residual | 0.00 | 0.93 |

| | June 2023 (\$ millions) | June 2024 (\$ millions) |
|--|----------------------------|----------------------------|
| Australian fixed interest | | |
| BlackRock Investment Management | 894.58 | 927.86 |
| Metrics Credit Partners | 411.54 | 391.13 |
| Global fixed interest | | |
| Shenkman Capital ³⁵ | 265.26 | 0.00 |
| TCW Asset Management Company | 833.17 | 1,112.71 |
| TDF Term Loan Portfolio | 49.25 | 0.00 |
| Wellington Management | 0.02 | 0.00 |
| Western Asset Management | 736.50 | 1,249.91 |
| Residual | 0.03 | 0.06 |
| Absolute return funds | | |
| Elementum Advisors | 241.47 | 270.26 |
| Flinders Ports Wine Shed ³⁵ | 0.00 | 34.07 |
| Shenkman Capital ³⁵ | 0.00 | 293.80 |
| Infrastructure | | |
| Dexus (formerly AMP Capital Investors) | 107.83 | 59.93 |
| Antin Infrastructure Partners | 3.76 | 3.10 |
| Direct Holdings ³⁶ | 1,736.56 | 1,874.74 |
| IFM Investors | 385.68 | 404.68 |
| Macquarie Asset Management | 332.66 | 423.69 |
| Utilities Trust of Australia | 250.71 | 263.11 |

³⁵These assets were moved to a different asset class during the 2023-24 financial year.

³⁶Includes Spirit Super's investment in:

- Brisbane Airport, QLD
- Flinders Ports, SA
- Southern Water, UK
- Worsley Co-gen, WA
- Sustainable Energy Infrastructure, Aus
- ITE College West, Singapore
- Tasmanian Gateway Holdings, TAS
- Port of Geelong, VIC
- Kinland.

Investment summary of assets

| | June 2023 (\$ millions) | June 2024 (\$ millions) |
|-------------------------------------|----------------------------|----------------------------|
| Property | | |
| AMP | 0.03 | 0.00 |
| Charter Hall Group | 592.00 | 558.43 |
| Dexus Property Group | 183.90 | 169.88 |
| Direct Holdings ³⁷ | 939.09 | 746.80 |
| Gresham Partners | 0.51 | 0.18 |
| HMC Capital | 0.00 | 95.77 |
| Investa Property Group | 125.75 | 113.53 |
| Lendlease | 316.32 | 269.26 |
| Residual | 0.13 | 0.13 |
| Private equity | | |
| Adams Street Partners | 311.89 | 403.18 |
| ANU Connect Ventures | 13.97 | 0.00 |
| Avenue Capital Group | 17.78 | 19.70 |
| Carnegie | 0.30 | 0.33 |
| CM Capital Investments | 0.64 | 0.00 |
| Direct Holdings ³⁸ | 90.81 | 108.23 |
| HarbourVest | 16.55 | 14.05 |
| IFM Investors | 0.92 | 0.06 |
| Intermediate Capital Group | 9.31 | 8.45 |
| Lexington Partners | 30.22 | 28.44 |
| ROC Partners | 204.98 | 332.03 |
| Stafford Capital Partners | 9.31 | 4.25 |
| StepStone Group | 226.20 | 281.26 |
| Other | | |
| Overlay – Currency ³⁹ | -78.94 | 106.68 |
| Overlay – IRS ⁴⁰ | -0.50 | 0.00 |
| Overlay – Derivatives ⁴¹ | 5.47 | 45.83 |
| TOTAL | 27,960.06 | 31,114.15 |

³⁷Includes Spirit Super's investment in:

- Alkimos Estates, WA
- Flagstone City, QLD
- Flagstone Rise, QLD
- The R.G. Casey Building, ACT
- 40 Market Street, VIC
- 670 Chapel Street, VIC
- Ferntree Business Park
- 100 Broadway Property Trust, NSW
- Parliament Square, TAS.

³⁸Includes Spirit Super's investment in:

- BT Imaging Pty Limited, NSW
- Industry Funds Services.

³⁹Foreign currency hedge managers:

- Mesirov Financial Investment Management. Inc.

⁴⁰Interest rate swap overlay managers:

- Macquarie Investment Management Limited.

⁴¹Derivative overlay managers:

- State Street Global Markets.

OUR ASSETS AND PERFORMANCE

Our investment managers

Here's a list of our investment managers that were engaged to manage investments in excess of 5% of total fund assets as at 30 June 2024.

| Investment manager | Total % of fund |
|---|-----------------|
| Schroder Investment Management Limited | 7.47 |
| HSBC Global Asset Management (UK) Limited | 7.09 |
| State Street Global Advisors | 6.18 |
| BlackRock Investment Management Limited | 5.96 |
| IFM Investors Pty Ltd | 5.54 |

None of our direct or unlisted assets exceeded 5% of the total assets of the fund as at 30 June 2024.

Our shareholdings

Here's a list of our 20 largest shareholdings for each of the Australian shares and International shares asset classes as at 30 June 2024.

Top 20 shareholdings in Australian shares asset class as at 30 June 2024

| Rank | Ticker | Security name | Total % ⁴² |
|------|--------|--------------------------------|-----------------------|
| 1 | BHP | BHP Group Ltd | 8.40 |
| 2 | CSL | CSL Ltd | 6.78 |
| 3 | CBA | Commonwealth Bank Of Australia | 6.12 |
| 4 | NAB | National Australia Bank | 5.15 |
| 5 | ANZ | Anz Group Holdings Ltd | 3.51 |
| 6 | MQG | Macquarie Group Ltd | 3.41 |
| 7 | GMG | Goodman Group | 2.74 |
| 8 | RIO | Rio Tinto Ltd | 2.67 |
| 9 | TLS | Telstra Group Ltd | 2.39 |
| 10 | RMD | Resmed Inc | 2.16 |
| 11 | WES | Wesfarmers Ltd | 2.10 |
| 12 | WBC | Westpac Banking Corp | 2.01 |
| 13 | STO | Santos Ltd | 2.00 |
| 14 | ALL | Aristocrat Leisure Ltd | 1.95 |
| 15 | XRO | XERO Ltd | 1.94 |
| 16 | WDS | Woodside Energy Group Ltd | 1.87 |
| 17 | QBE | QBE Insurance Group Ltd | 1.48 |
| 18 | TCL | Transurban Group | 1.48 |
| 19 | JHX | James Hardie Industries | 1.42 |
| 20 | TWE | Treasury Wine Estates Ltd | 1.34 |

Top 20 shareholdings in International shares asset class as at 30 June 2024

| Rank | Ticker | Security name | Total % ⁴² |
|------|--------|----------------------|-----------------------|
| 1 | MSFT | Microsoft Corp | 3.77 |
| 2 | NVDA | Nvidia Corp | 3.07 |
| 3 | AAPL | Apple Inc | 2.62 |
| 4 | AMZN | Amazon.com Inc | 2.16 |
| 5 | ASML | ASML Holding NV | 1.83 |
| 6 | GOOGL | Alphabet Inc | 1.80 |
| 7 | V | Visa Inc | 1.67 |
| 8 | GOOG | Alphabet Inc | 1.18 |
| 9 | BKNG | Booking Holdings Inc | 0.96 |
| 10 | 2330 | Taiwan Semiconductor | 0.89 |
| 11 | META | Meta Platforms Inc | 0.81 |
| 12 | INTU | Intuit Inc | 0.75 |
| 13 | NFLX | Netflix Inc | 0.70 |
| 14 | MA | Mastercard Inc | 0.65 |
| 15 | ICLR | Icon Plc | 0.63 |
| 16 | JNJ | Johnson & Johnson | 0.63 |
| 17 | ROG | Roche Holding Ag | 0.62 |
| 18 | WFC | Wells Fargo & Co | 0.62 |
| 19 | 700 | Tencent Holdings Ltd | 0.61 |
| 20 | LLY | Eli Lilly & Co | 0.61 |

⁴²The percentage of each company held within each of Spirit Super's total Australian and International shares asset classes, respectively.

Returns and investment performance

Spirit Super is a pool of members' money held in trust. One of our most important tasks is ensuring our net assets and investment earnings are equitably attributed to members.

Members have a beneficial interest in those assets, which we've summarised in the *Investment summary of assets* section on page 35.

At any point in time, each member's share of the net assets of the fund will vary depending on:

- the investment options selected by the member (each investment option represents a different mix of asset classes)
- the timing of and the amounts contributed by a member to the selected investment options
- the length of time a member has been invested in the options
- whether the member is a super member or a pension member and the associated tax implications for underlying assets and earnings.

Unit pricing

Each investment option is divided into units, with each 'unit' representing a share of the assets in the option. The unit price represents the value of assets per unit in each option.

Every unit you own in that investment pool represents your share of that investment option. Each time you invest in an investment option by making contributions or switching to an option, you buy units. Each time you reduce your investment in an option by making a withdrawal or switching out of an option, you sell units.

Daily unit prices are calculated for each investment option. They represent the net asset value for a particular investment option divided by the number of units issued for that option at a point in time.

The estimated value of your account balance at any point in time will be the number of units you hold multiplied by the sell price for the relevant investment option at that point in time. Unit prices for each investment option and estimated returns are typically published on our website each business day.

Annual earning rates for super and pension members⁴³

| Investment option | 2022-23 | | 2023-24 | |
|---------------------------------------|-------------------------|-------------|-------------------------|-------------|
| | Super (%) ⁴⁴ | Pension (%) | Super (%) ⁴⁴ | Pension (%) |
| Pre-mixed options | | | | |
| Conservative | 4.72 | 5.43 | 5.87 | 6.38 |
| Moderate | 6.92 | 7.92 | 7.37 | 8.13 |
| Balanced (MySuper) or Balanced | 9.19 | 10.34 | 8.80 | 9.53 |
| Sustainable | 9.74 | 10.97 | 9.35 | 10.21 |
| Growth | 12.01 | 13.44 | 10.73 | 11.74 |
| Long-term (Managed Pension) | - | 8.89 | - | 8.04 |
| Asset class options | | | | |
| Cash | 2.76 | 3.26 | 4.05 | 4.73 |
| Diversified fixed interest | 0.43 | 0.52 | 2.84 | 3.23 |
| Australian shares | 13.54 | 14.86 | 10.74 | 11.77 |
| International shares | 16.66 | 18.90 | 16.23 | 17.68 |

⁴³Past performance isn't a reliable indicator of future performance. | ⁴⁴The Super column shows the returns for both our accumulation accounts and our Transition Pension accounts.

Performance of our super and pension options over longer time periods may be published on our website at spiritsuper.com.au/investments/our-performance.

Defined benefits

The Quadrant Defined Benefits Fund, Hobart City Council Defined Benefits Fund and Launceston City Council Defined Benefits Fund are closed and consist only of those members who haven't exited or transferred from the funds.

All three defined benefit funds have a market value of assets that exceeds their liabilities.

Investment strategy and investment objectives

We use our expertise to build a portfolio of assets that balances investment returns and risks. We do this by investing in both growth and defensive assets.

Our growth assets include shares and private equity. Our infrastructure and property assets are growth-oriented but do include some lower-risk assets that tend to add significant diversification benefits. The returns on growth assets come mainly from capital gains and, to a lesser extent, income in the form of dividends. We expect to see growth in the value of these assets over time. Returns from growth assets may be negative from time to time.

Our defensive assets include fixed interest and cash. The returns on defensive assets are mainly from interest. The focus is on generating stable and predictable cash flows with a relatively low level of risk. Our absolute return strategies are also

mainly defensive, including by virtue of adding diversification. We note that negative returns are possible in the case of fixed interest and absolute return. However, cash returns are generally positive, although this can't be guaranteed.

We invest in a number of private market investment asset classes, such as private equity, property and infrastructure. These assets are less frequently traded than other asset classes (such as shares, for example) and can be in both domestic and international markets. Assets such as property and infrastructure can have long-term leases. They're not directly linked to share markets and can provide an income stream and a buffer against the short-term fluctuations of share markets.

You can read more about asset classes in the *Our investment strategy* section on page 25.

Interest crediting rates

The return you receive on your defined benefit member account is calculated by applying the fund's crediting rate to your account. The crediting rate is calculated based on the investment return on the fund's assets, adjusted for fees and taxes in accordance with the crediting rate policy adopted by the trustee. The crediting rate for the fund may be positive or negative depending on the returns from the underlying investment markets. The trustee determines the fund's investment policy.

The crediting rates as at 30 June 2024 for the defined benefit funds are shown below⁴⁵.

| Fund | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | Five-year average |
|---|---------|---------|---------|---------|---------|-------------------|
| Quadrant Defined Benefits fund | 6.5% | 6.1% | -1.45% | 12.47% | 0.92% | 4.91% |
| Hobart City Council Defined Benefits fund | 8.2% | 8.5% | -1.41% | 18.24% | -0.20% | 6.67% |
| Launceston City Council Defined Benefits fund | 9.0% | 9.3% | -0.61% | 19.04% | 0.60% | 7.47% |

⁴⁵Past performance isn't a reliable indicator of future performance.

DEFINED BENEFITS

Asset allocation

The following table shows how money was split between the different asset classes in the Quadrant Defined Benefits Fund, Hobart City Council Defined Benefits Fund and Launceston City Council Defined Benefits Fund as at 30 June 2024.

| Fund | Quadrant Defined Benefits fund | Hobart City Council Defined Benefits fund and Launceston City Council Defined Benefits fund |
|---------------------------|--------------------------------|---|
| Asset class | Strategic asset allocation | |
| Cash | 21.0% | 8.0% |
| Australian fixed interest | 8.0% | 5.0% |
| Global fixed interest | 15.0% | 9.0% |
| Absolute return | 0.0% | 0.0% |
| Property | 7.0% | 9.0% |
| Infrastructure | 8.0% | 10.0% |
| Australian shares | 15.0% | 23.0% |
| International shares | 22.0% | 31.0% |
| Private equity | 4.0% | 5.0% |

The strategic asset allocation may change from time to time. For the most up-to-date asset allocation, see our *Defined benefits fund guide* available from spiritsuper.com.au/forms/factsheets.

Fees and costs

The expenses for the operation and management of Spirit Super are allocated to members through direct fees and indirect costs. Indirect costs include all ongoing administration, investment management, expense recovery and other fees charged by the fund. Any direct fees charged to your account will be reflected in your *Member statement* as a separate amount.

Indirect costs are calculated based on the actual costs incurred for the overall fund and apportioned to the defined benefits funds. The indirect costs for the year ended 30 June 2024 were:

| Fund | Indirect costs |
|---|----------------|
| Quadrant Defined Benefits Fund | 1.26% |
| Hobart City Council Defined Benefits Fund | 1.36% |
| Launceston City Council Defined Benefits Fund | 1.36% |

Derivatives

We allow some investment managers to use derivatives such as futures and options to manage risk and increase returns. Derivatives are employed to effect a currency hedge to manage foreign exchange rate risks. Strict parameters apply, and at no time during 2023-24 did the derivative charge ratio exceed 5% of assets. We may also use derivatives to manage underlying portfolio exposure risk from time to time.

Reserves

Reserves policy

We maintain a general reserve. This pool of funds can be used to meet general operating and administration costs as well as any unexpected or unforeseeable costs. Administration levies are deducted from members' accounts to fund the reserve.

The Trustee's policy is to apply net investment earnings to members' balances in the year they're earned. However, it maintains a small balance within the general reserve to cover any unforeseen fluctuations in our net assets that might arise from taxation, valuation, and other investment risks and to ensure the solvency of Spirit Super.

The cost of rectifying unit pricing errors or making unit pricing adjustments may be met from the general reserve if the Trustee deems it the most appropriate, fair, and equitable approach for members. Each issue will be considered on a case-by-case basis, but in all circumstances, the Trustee must consider the most fair and equitable outcome for all members (including affected members).

The reserve is also used to meet the ongoing regular funding of the operational risk reserve and the cost of risk events that can't be met from the operational risk reserve. Any tax benefits associated with expenditure met from the reserve are applied back to the reserve. The funding requirements of the reserve are forecast on a rolling basis and regularly reviewed by the Trustee.

Operational risk financial requirements

Operational risks (as opposed to investment risks) represent the risk of loss to members from failures in internal controls, processes, people, and systems or from external events. RSE licensees must hold a separate reserve/provision to meet financial losses associated with operational risks.

The Trustee has determined it appropriate to target an amount equal to 0.275% of Spirit Super's net assets for this reserve. This reserve has been fully funded since its establishment in July 2013.

In the normal course of events, the reserve's ongoing funding is met from the general reserve, funded by member administration fees.

The Trustee regularly reviews the reserve level and annually assesses its target amount to ensure it remains adequate based on the size, business mix and complexity of our operations.

The reserve is invested in cash and cash equivalents and can only be used for operational risk events as defined under the *Prudential Standard on Operational risk financial requirement (SPS 114)*.

Reserves for the three years to 30 June 2024⁴⁶

| | 2024 (\$ million) | 2023 (\$ million) | 2022 (\$ million) |
|----------------------|----------------------|----------------------|----------------------|
| Reserves | 185.3 | 320.0 | 335.4 |
| % of members balance | 0.61% | 1.17% | 1.36% |

⁴⁶Spirit Super reserves comprise of operational risk reserves, insurance reserve and general reserve.

Additional information

Compliance


To help members benefit from the lower tax rates that apply to complying resident-regulated super funds, we work hard to ensure Motor Trades Association of Australia Superannuation Fund Pty Ltd, the Spirit Super Trustee, meets all requirements of the *Superannuation Industry (Supervision) Act 1993* (the *SIS Act*).

We lodge quarterly returns with the Australian Prudential Regulatory Authority (APRA), confirming our compliance with relevant legislation and licensing requirements. We believe that we continue to comply with all relevant laws.

No penalties have been imposed on the trustee under section 38A of the *SIS Act* in the 2023-24 financial year.

Superannuation surcharge

For financial years until 30 June 2005, the Federal Government applied an additional surcharge tax to members whose adjusted taxable income (taxable income plus gross fringe benefits plus deductible super contributions) exceeded a specific limit. We'll deduct any surcharge due from your account for the relevant periods and will pay this to the Australian Taxation Office (ATO). The superannuation surcharge tax has been abolished for contributions received since 1 July 2005.



Raymond,
Spirit Super member

Lost and inactive members

We're required to report and transfer member accounts to the ATO twice a year. If we transfer your account to the ATO, your membership with Spirit Super and any insurance you have will cease.

Your account may be transferred to the ATO if:

- you're aged 65 or older, we haven't received any contributions or rollovers into your account within the last two years, it's been at least five years since we had contact with you, and we've been unable to contact you after making reasonable efforts
- you've passed away, we haven't received an amount for you for the past two years, and after making reasonable efforts and after a reasonable period has passed, we're unable to ensure that the death benefit will be received by the person who is entitled to receive it
- you're a former temporary Australian resident who didn't claim your benefit within six months of departure or expiry of your visa
- we're unable to pay an amount under a family law split agreement, as we're unable to ensure that the non-member spouse or their legal personal representative will receive the amount after making reasonable efforts and after a reasonable period has passed
- you're considered to be a lost member, and either of the following applies:
 - your account has a balance of less than \$6,000 (small lost member account)
 - your account hasn't received a contribution or rollover within the last 12 months, and we can't contact you after making reasonable efforts.
- you have an inactive low-balance account. This may occur if:
 - we haven't received a contribution or rollover for 16 months
 - your account balance is less than \$6,000
 - you don't have insurance on your account
 - you haven't satisfied a condition of release
 - you haven't done any of the following in the last 16 months:
 - changed investment options
 - changed your insurance coverage
 - made an election to maintain insurance
 - made or amended a binding beneficiary nomination
 - provided written notification to Spirit Super to confirm you don't want your account transferred to the ATO.

