



UniSuper in review 2019-20

The super fund for Australia's higher
education and research sector

Building
a brighter
tomorrow



With a string of awards and high ratings from Australia's top ratings and research agencies, we're one of Australia's most awarded super funds.

In 2020, Chant West awarded UniSuper 'Best Fund, Advice Services'. UniSuper was also a finalist in six other categories including Fund of the Year, Pension Fund of the Year, Best Fund: Investments, Best Fund: Member Services, Best Fund: Insurance and Best Fund: Longevity Product. Our accumulation and pension products have received a 5 Apples rating. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Chant West has consented to the inclusion in this document of the references to its logos in the form and context in which they are included.



Market research agency, Roy Morgan, awarded UniSuper 'Industry Super Fund of the Year' at their annual Customer Satisfaction Awards for 2019.



UniSuper was awarded four awards in four new categories in the 2020 Mozo People's Choice Awards. UniSuper was rated as the most highly trusted and recommended fund, and it was also voted as having the top investment choices and outstanding customer satisfaction.

SuperRatings, a superannuation research company, has awarded UniSuper a Platinum Choice rating for its accumulation and pension products, something only the 'best value for money' funds receive. Our accumulation and pension products have also achieved a 10-year Platinum Performance rating. Go to www.superratings.com.au for details of its rating criteria. SuperRatings does not issue, sell, guarantee or underwrite this product. SuperRatings has consented to the inclusion in this document of the references to SuperRatings and the inclusion of its logos in the form and context in which they are included. [Click here for important information about this rating.](#)



Contents

UniSuper at a glance	3
Our Fund	5
Message from our Chairman and CEO	6
Delivering great value to members	11
Differentiating on service	12
Fund governance and risk management	14
How we empower members	16
Supporting the higher education community	18
Our investment returns	20
Taking a responsible approach	39
Our people	40
Key super measures passed	48
How we manage your super	50
Our financial results	52

2019-20 Fund highlights



\$2.38 billion
rollovers in

\$83 billion
in funds under management*




80,311
new member accounts
since 1 July 2019



4 million
online account logins



Personal Account grew to
18,845
members



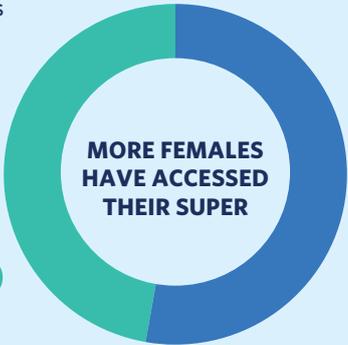
Over
\$2 billion
rolled into Personal Account



3.5 million
visits to the website

Early access to super
16,666
payments

Average payment amount:
\$7,760



47% **53%**

MORE FEMALES HAVE ACCESSED THEIR SUPER

Total paid
\$129 million



495,619
member accounts

Over
20,000
online seminar and
webcast registrations



250
meetings with
companies** discussing
ESG issues over
the past 12 months



*As at 30 June 2020

**Includes multiple meetings with some companies

UniSuper at a glance

UniSuper is the super fund for Australia's higher education and research sector. Over our 38 year history, we've grown to be one of Australia's largest super funds with more than 495,000 members and \$83 billion in funds under management.*

Our purpose

UniSuper's purpose is to provide greater retirement outcomes for members working in Australia's higher education and research sector.



Strategic objectives

SUSTAIN

Great Value: Deliver competitive investment returns and low fees for members

Excellent Service: Provide experiences that engage, inform and support our members to achieve a comfortable, confident and secure retirement

Good Governance: Ensure UniSuper is a secure, compliant and resilient fund that takes considered risks

IMPROVE

Simplification: Reduce cost to serve and improve operational efficiency by removing waste and inefficiencies

Enhancement: Build a competitive platform to enable our scale and service aspirations while minimising technology risks

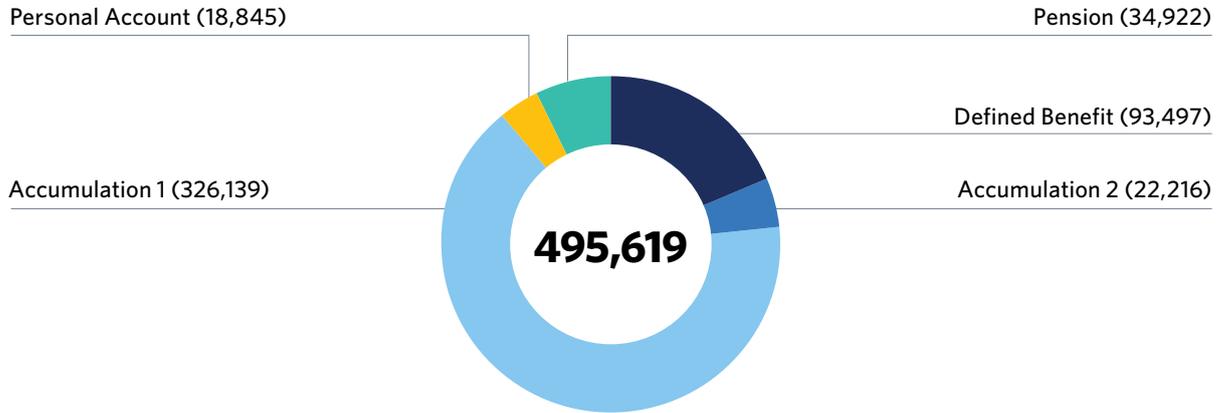
One Team: Prioritise people development and create a highly capable one team who are empowered, efficient and accountable

BE READY

Monitor and Act: Actively monitor the evolving legislative and market environment and respond where appropriate

Membership by product*

UniSuper’s funds under management continued to increase during 2019-20 with steady contributions and rollover flows. We have a range of different super products to cater for members’ needs and circumstances.

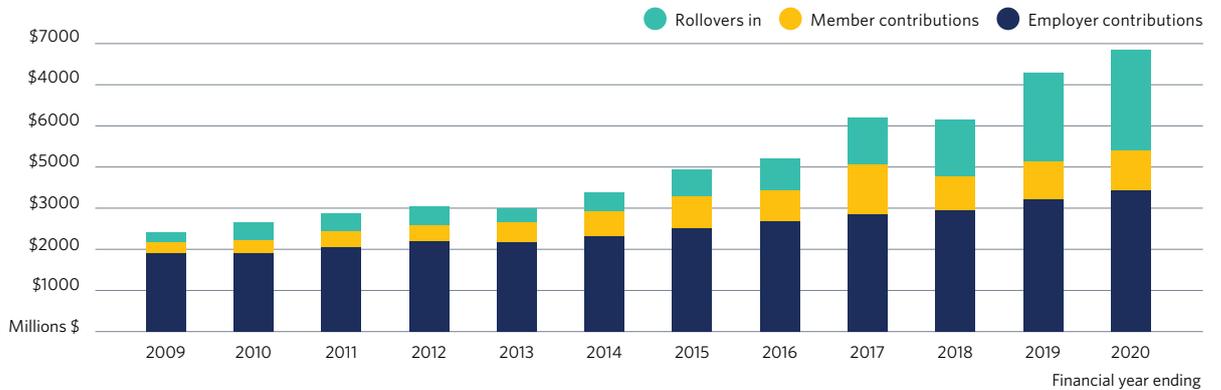


Steady growth

UniSuper’s net funds under management was \$83 billion as at 30 June 2020 and UniSuper was ranked as Australia’s fourth largest super fund¹ by funds under management as at March 2020.

Contributions and rollovers into the Fund were slightly higher compared to previous years, as shown in the charts below. Employer contributions were slightly higher compared to previous years and member contributions remained consistent with 2018-19.

CONTRIBUTIONS OVER TIME



ROLL-OUTS AND CASH-OUTS OVER TIME



* As at 30 June 2020

¹ Rainmaker Benchmarking Vol 23, no. 1 (March 2020). Table 6 “Top 50 Superannuation funds - by total FUM”

Our Fund

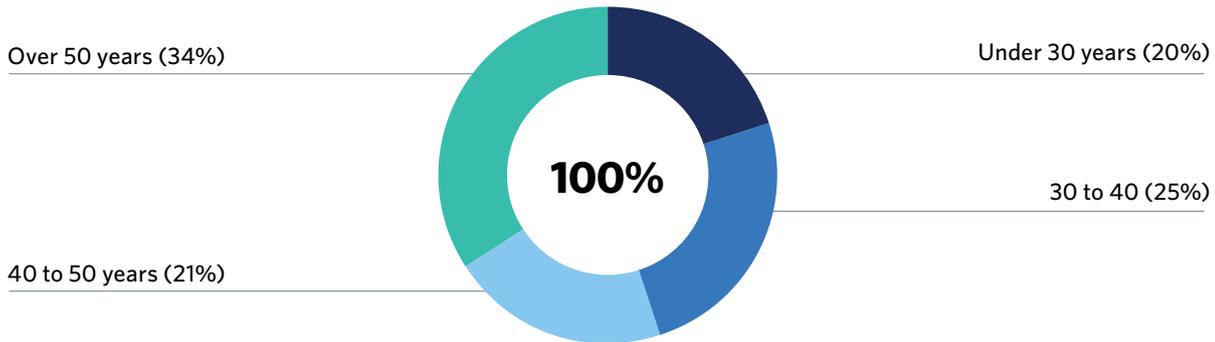
We are passionate about securing better retirement outcomes for our members.

MEMBERSHIP BREAKDOWN*



AGE OF UNISUPER MEMBERS*

Over half of UniSuper’s members are in their 40s and over, with just over 20% under 30 years old.



WHERE UNISUPER MEMBERS ARE BASED*

The majority of our members are based in Victoria and New South Wales, with only 2% living overseas.



1. VIC	29%
2. NSW	29%
3. QLD	17%
4. WA	9%
5. SA	7%
6. ACT	4%
7. TAS	2%
8. NT	1%
Overseas	2%



* As at 30 June 2020



Ian Martin Chairman **Kevin O'Sullivan** Chief Executive Officer

Message from our Chairman and CEO

On behalf of UniSuper's Board and Executive team, we are pleased to present this year's annual report for the financial year ending 30 June 2020. We invite you to read this report alongside information on UniSuper's website.

What a tumultuous year: devastating bushfires, a global pandemic, an economic recession and the announcement of an economic stimulus package allowing members early access to their super, an unprecedented move never seen in the history of superannuation.

We have seen the higher education sector significantly impacted by the coronavirus (COVID-19) pandemic. Since the outbreak in March, UniSuper has continued to deliver excellent service to universities and has supported our members with increased provision of online education seminars and financial advice appointments by video or phone.

We swiftly implemented remote working for all UniSuper employees in March, ensuring we mitigated the risks involved and that employees were well

supported in the new arrangements, with a strong focus on occupational, health and safety.

Across the board, UniSuper teams faced challenges, from the Investment team remotely managing UniSuper's investments, the Employer Services team liaising with universities who were dealing with the impacts to their sector, the Member Services team managing increased call volumes, the Advice team assisting members to manage their super and pensions through the crisis, through to the Operations team efficiently processing member transactions and other requests, all whilst working from home.

We are very proud of how UniSuper adapted to this new landscape and continued to deliver exceptional value and service, and strong relative investment performance.

MESSAGE FROM OUR CHAIRMAN AND CEO

Investment performance

The worldwide spread of COVID-19 led to extraordinary financial conditions over the past year. The collapse in economies brought about monetary accommodation and fiscal stimulus from central banks and governments, the size of which dwarfed responses to the global financial crisis. Equally breathtaking was the downward spiral in share markets, followed by the sharpest rally in history.

Against this backdrop, UniSuper was able to provide most members with flat to positive returns for the year. UniSuper's Balanced option, the default for most of the Fund's members, managed to eke out a small positive return of 0.9%. While this was modest in comparison to returns of previous years, it was looking significantly worse during the depths of the crisis when the financial year to date return was about -14%.

Despite the difficult conditions, the performance of the Fund's investment options continued to be very strong relative to peers, with most of the Fund's diversified options ranking in the top quartile of returns over short, medium and long terms. Read more in our *Reflections on the past financial year* on page 21.

Taking a responsible approach

As the focus on environmental, social and governance (ESG) issues continues to grow, we are acutely aware of the role we play as a large allocator of capital and the obligations that go with this. We have been mindful of the impacts of COVID-19 and how companies have managed the physical risks to employees as well as their wellbeing and culture. We remain committed to being a responsible investor and take ESG issues into account when making investment decisions.

We are an active owner and engage with companies in which we are invested to ensure better ESG outcomes. Key engagement topics include: addressing climate change, occupational health and safety, modern slavery, executive remuneration, culture, diversity and waste. We also work with companies on improving their sustainability reporting.

Key superannuation measures passed in 2019-20

Over 2019-20, Parliament passed some key superannuation measures. These included:

- the Putting Members' Interests First (PMIF) Bill, requiring insurance to be offered on an 'opt-in' basis for members under 25 years of age and for those with an account balance below \$6,000;
- the halving of minimum pension drawdown rates for the 2019-20 and 2020-21 financial years;
- changes to voluntary superannuation contribution rules; and
- the introduction of an 'early release of super' measure that allowed eligible individuals in financial stress to access up to \$10,000 of their super in the 2019-20 financial year, and a further \$10,000 in 2020-21. The early release provisions resulted in close to 17,000 UniSuper members receiving early access to their super by 30 June.

The Government also announced a six-month deferral to the implementation of the commitments associated with the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry as a result of the significant impacts of the COVID-19 pandemic.

Fee reductions

In 2019-20, UniSuper maintained its position for its super and pension products as one of the lowest fee providers. From 1 October 2019, the investment switch fee was reduced from \$11.10 to \$9.85 (where applicable), and reductions to the investment fees of the Cash and Australian Bond investment options for accumulation phase accounts were applied to better reflect the costs of managing these options.

Improving members' digital experience

During 2019-20, UniSuper maintained its focus on improving the digital experience and in April 2020 the new UniSuper public website was launched, the old site will be decommissioned in October 2020. The new site supports all mobile, desktop and tablet screen sizes. The updated navigation and improved usability ensure that users can easily interact with the site and find what they are looking for. Other key improvements to members' online account experience include updates to the Transactions, Beneficiaries, Balances and Personal Details sections, making them easier to use and faster to load.

Keeping our members, employers and company information safe

We continue to invest in information technology and cyber security to provide the capabilities that are crucial in meeting the needs of our members, employers, and the Fund while keeping information protected from cyber threats.

Our investment in scalable and modern technology has proven valuable, enabling seamless business continuity for our members, employers and the Fund during the COVID-19 pandemic restrictions. As noted above, remote working capabilities delivered as part of the Technology Transformation project allowed all UniSuper employees to work from home and seamlessly maintain services to members and employers.

In the ever-changing landscape of cyber security threats and vulnerabilities, UniSuper continues its vigilance in protecting our members' and company information. We continue to develop our security management and threat monitoring capabilities to counter threats and vulnerabilities. Ongoing security awareness training for all UniSuper employees creates awareness of security threats at work and home and improves our cyber security resilience.

Supporting our employers

During 2019-20, UniSuper's Employer Relationships team adapted to working with employers virtually, concentrated on improving processes to support employers and used the technology and resources available to keep in regular contact.

The Employer Partnership Managers responded to queries regarding changes to employee arrangements and salary reductions and how these changes could impact superannuation payments. Employers were provided with case studies, frequently asked questions documents and member guides to help navigate the new environment. We also proactively developed and launched a webcast program focussed on topical issues when the team moved to remote working arrangements alongside employers, when our on-campus seminar program was unable to continue.

Defined Benefit Division (DBD) maintains its strong financial position

Even with the significant investment market falls during February and March, the Vested Benefits Index (VBI) and Accrued Benefits Index (ABI)—key actuarial measures we use to monitor the DBD's performance—maintained strong positions in 2019-20. Read the detailed update on page 49 for more information.

Strong ratings and industry recognition

Over the course of the year, our sustained focus on—and success in—delivering greater retirement outcomes for members was again recognised by Australia's top ratings and research agencies. We are very proud to be recognised within our industry and these awards and ratings confirm our leadership position in the superannuation sector.

Changes to the Board and Executive Leadership team

We thank our Directors and the Executive team for their contributions over the 2019-20 financial year. Amy Griffiths was elected to the UniSuper Board by the professional staff representatives of our Consultative Committee to replace Keith Tull who retired having served three terms; and we welcomed Sarah Roberts who was appointed to fill the casual vacancy to represent national unions when Neville Kitchen resigned. We thank both Keith and Neville for their respective contributions to the Board over nine and seven years respectively.

“We remain committed to being a responsible investor and take ESG issues into account when making investment decisions.”

During the year, two new Executives, Chief Operations Officer, Kevin Roadnight and Chief Risk Officer, Andrew Raftis were appointed and welcomed to UniSuper’s leadership team. And our Chief, Financial Advice, Jack McCartney retired from UniSuper after successfully building and leading the award-winning Advice team. Graham Eggins is acting in this role pending a permanent appointment being made.

With thanks

Our purpose remains to deliver greater retirement outcomes for members through our defined benefit, accumulation and pension options. We are focused on sustainability and responsible investing, on becoming more efficient and continuing to innovate to deliver valued products with strong investment performance and excellent service, with very competitive fees and continued good governance.

We are very grateful for the long-standing, unique partnerships we have with our university shareholders and employers and look forward to continuing and strengthening these over the coming financial year and beyond.



IAN MARTIN
Chairman
UniSuper Limited



KEVIN O'SULLIVAN
Chief Executive Officer
UniSuper Management Pty Ltd





Delivering great value to members

Our commitment to delivering great value and excellent service to our members underpins everything we do.

Keeping our fees competitive

UniSuper maintained its position as one of the lowest fee providers in both superannuation and pension products in 2019-20. From 1 October 2019, the following changes occurred:

- The investment switch fee was reduced from \$11.10 to \$9.85 (where applicable).
- Reductions in the investment fee of each of the Cash and Australian Bond investment options for accumulation phase accounts (including transition to retirement pensions) were applied to better reflect the cost of managing these options. The investment fee of the Cash option decreased further from 1 July 2020 for all members.

Personal Account continued to grow

On 1 October 2017, we launched Personal Account, which is our accumulation product for former UniSuper members and the families of current members. Developed in response to feedback from members wanting their family to be able to join UniSuper, and from former members wanting to re-join, Personal Account offers an easy online application process, the full range of investment options and a suite of choices for insurance cover. The level of uptake since its launch has surpassed expectations, with over 18,845 new members joining the Fund from government, health and education sectors and over \$955 million of rollovers this year to 30 June 2020.



Differentiating on service

We put our members and employers at the core of everything we do.

Putting members first

Throughout 2019-20, the focus was on enhancing processes, uplifting leader capability and continuing to build strong knowledge and expertise. UniSuper's total interactions (phone, email and chat) decreased by around 4.2%, with 276,486 inbound interactions for the 2019-20 financial year. Phone enquiries remained the most popular (74%) followed by email (21%) and LiveChat (5%). Although there was a slight decline in the total number of interactions, the length and complexity of inbound calls increased due to regulatory changes. The improvements in self-service capabilities with MemberOnline, UniSuper's online member portal, also contributed to the decline in phone interactions. Due to an overwhelming surge in demand, the live chat channel was paused in order to redirect resources to the phone channel and minimise wait times for members.

Our members tell us that the most important measure they use to judge contact centre service is whether their enquiry is resolved the first time they call, email or chat. Achieving a high level of first contact resolution requires member focus and collaboration across UniSuper, as enquiries often span many departments. With 83% of members' enquiries resolved at first contact the team's service level objective was exceeded and customer satisfaction scores remained strong at 8.53/10 for the year.

UniSuper's swift response to the impacts caused by COVID-19 resulted in the entire Member Services team working remotely within a two-week period, with minimal impacts to member calls, emails and live chats.

“Early release requests were processed very efficiently, with over 93% of payments processed on the same day of receipt.”

Customer experience

Customer Experience (CX) continues to be a key focus for UniSuper. The CX principles (personal, easy, seamless, valuable and beyond) serve as a reminder to the types of experiences we want to deliver, and to keep the customer at the centre of everything we do.

Leveraging our 2019 journey mapping insights, in 2020 Customer Experience was pivotal in shaping the strategic direction of UniSuper in a customer-centric way.

This year, our focus was on the Insurance Code of Practice and we continued our work on the foundations of the journey mapping program to add insurance and advice. By taking this approach we focus on the key changes that will positively impact on customer experiences in a cost-efficient way.

We also began to more deeply understand the experiences of our Aboriginal and Torres Strait Islander members so that we can identify ways to best support their needs.

Service delivery improvements

Throughout 2019-20, operations service remained strong, with 99% of transactions completed within three days.

The Government stimulus package announced in March required swift delivery of scalable services to process early release withdrawals and changes to the pension minimums. Early release requests were processed very efficiently, with over 93% of payments processed on the same day of receipt and over 99% processed within five days.

Over the year, there has been continued focus on improving service, with more than 10 improvements undertaken and completed. These improvements have led to operational risk reductions and enhanced member service. An example of an improvement was the successful automation of member correspondence directly via a mail house. This has delivered improved efficiency, allowed the team to redirect efforts to other member service related processes and reduced the risks associated with manual handling and collation of member correspondence.

The ‘Customer In’ initiative reviews processes from members’ perspectives and aims to create improved processes and experiences for the member or claimant. It resulted in many enhancements, including the delivery of an over-the-phone pension application process, the elimination of forms for advised members and a review of the death claims process, which is seeing reduced turnaround times from notification to payment.

Delivering more online services is also a focus with members now able to claim tax deductions online. Our aim is to continue to extend our online self service capabilities and ensure faster fulfilment and delivery of services.

Fund governance and risk management

We have a strong philosophy of taking considered risks to achieve greater retirement outcomes for our members.



FUND GOVERNANCE AND RISK MANAGEMENT

The global business environment has driven some unique challenges for many in 2020 and UniSuper has been no exception, with particular challenges facing the university sector. We have weathered the storm to deliver stable outcomes for our members while avoiding material impacts from the realisation of these risks.

Impact of COVID-19

Over the last two years, UniSuper has been increasingly focussed on improving the resilience of the business. As the pandemic unfolded, these efforts helped to ensure the business operated consistently well, there was no decline in member service and fund assets were safely managed.

Our well-established Crisis Management and Business Continuity plans meant there was a smooth transition to operating the business remotely. Technology Transformation efforts meant that underlying systems were stable, and the workforce was able to access the technology required to work from home and continue to deliver member outcomes.

Soon after the transition of the business to a fully remote operation in March 2020, an objective control assurance program reviewed key processes and ensured they were operating effectively from offsite locations.

There is no question that we are operating at a time of heightened risk; nevertheless progress made to reduce the impact of complexity in the business and building resilience into core operations holds UniSuper in good stead to tackle challenges continuing into the financial year 2020-21.

Maturing our risk culture

Alongside the volatility seen in 2020, we embarked on a review and update of our Risk Management Program aimed at continuing to mature and support our risk management capabilities. The updated program included Board examination and endorsement of a new Risk Management Framework and a substantive review and assessment of UniSuper's Material Risk Profile.

Taken together these set out the way that UniSuper identifies, assesses and responds to risks across the broad spectrum of financial and non-financial risks. Importantly, the program goes further to set out the three lines of accountability model, an evolution of the traditional three lines of defence model.

Risk Management is not just about defending the business from threats but also considering the upside and strategic opportunities that may arise. At the heart of the three lines of accountability model is greater clarity regarding the accountabilities for managing risk.

Managing regulatory change

Building and maintaining a strong compliance culture is critical to achieving UniSuper's strategic and operational objectives. Having an effective, organisation-wide compliance management system enables UniSuper to demonstrate its commitment to compliance with relevant laws, regulations, prudential standards and other requirements, as well as standards of good corporate governance, risk management, ethics and community expectations.

Our dedicated compliance team undertakes a range of activities that monitor, review and identify all relevant regulatory change, analyse the impacts and support the implementation of the changes. This year provided unique compliance challenges, but the business responded and continued to deliver effectively. Highlights included implementation of Putting Members Interests First (PMIF) legislation and deployment of the 'early release scheme' changes supporting those members impacted by COVID-19, on time and to a high degree of quality. The 'early release scheme', while a rapidly introduced change, was deployed ahead of schedule with efficiency that ensured money was transferred into members' bank accounts quickly, well within regulatory expectations. It was a strong testament to the member focus and cross-team collaboration in this challenging time.

Cyber security and financial crime

Due to its financial size, majority of online processes and low member interaction, the super industry continues to be a target of predicate crimes. This was further compounded when early release of super was provided as a response to the current pandemic. In 2019, UniSuper commenced a three-year strategic initiative to enhance controls, improve detection, uplift investigative capability and implement to increased regulatory requirements. Further initiatives will be implemented to deter criminals from targeting UniSuper and provide greater assurance to members despite the challenging external environment.

How we empower members

We focus on delivering exceptional experiences at every touchpoint.

Education seminars, webcasts and online learning

During 2019-20, 37,300 members engaged with UniSuper's education seminars and online learning. Registrations for live face-to-face seminars, which were mostly held at universities, were lower than last-year due to COVID-19 restrictions. 17,500 members registered for face-to-face seminars and over 7,300 registered for live webcast seminars, delivered online.

Members adapted to the changes with more education seminars delivered remotely as live webcasts. We held 12 live webcasts up to March 2020 and 26 live webcasts between April and June 2020

There was also a noticeable uplift in on-demand educational webcasts and Learning Centre videos with 12,500 videos viewed online.

Our ongoing education for members in retirement continues to grow with record attendance at our annual *In retirement seminar series* held in most capital cities during October and November. These events remain a standout in terms of attendance and satisfaction ratings from members. For our 2019 events there was a 33% increase in overall registrations with over 4,000 members attending.

The five most popular education seminar topics in 2019-20 were our *In retirement seminars*, *Retirement options explained*, *Getting retirement ready*, *Women and Super* and *Super fundamentals*.

The second half of 2019 saw the completion of the four-part *Financial Wellbeing series* of seminars, which were held in partnership with 10 universities. The 34 *Financial Wellbeing seminars* attracted more registrations, on average, than any other UniSuper seminar topic in the last five years.

Engaging videos

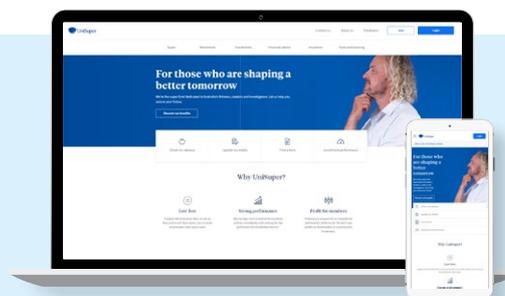
Videos help members with a range of super and pension topics. They resonate well as the information delivered in this way is more accessible and easier to understand. During the year, video views increased to 76,000 with our regular Investment Market Update videos consistently attracting the highest number of views of all video content, followed by the suite of Learning Centre videos.

A fresh online experience for members

Our ongoing digital investment continues to benefit our members. We introduced a new website, which was redesigned from the ground up to provide members a greater online experience. Extensive research and testing was undertaken to ensure that the website would be easy-to-use and engaging.

The refreshed website delivers enhanced content and improved navigation and search functionality, helping members find information about our products, investment performance and the latest super news. The improvements support all devices including desktop, mobile or tablet natively.

In addition, members accessing their account online welcomed improvements with an updated look, as well as faster page responsiveness.



Engaged members

During the 2019-20 reporting period, member satisfaction levels remained consistent at 7.8 while the Advocacy and Retention figures improved. Our regular tracking indicates that Advocacy and Satisfaction have both increased. Each month we survey members to determine our Net Promoter Score (NPS), Contestable Loyalty, Member Satisfaction and Ease of Interaction.

NPS is deemed an acquisition metric; Contestable Loyalty is a retention metric, while Member Satisfaction and Ease account for the member's experience during their relationship with UniSuper. Monthly NPS and Contestable Loyalty reported the highest scores over the year, whereas monthly satisfaction has stabilised and positive improvements continue to be reported for Ease of Interaction. Satisfaction and Ease are carefully monitored as we continue to focus on improving our overall customer experience.

Evolving advice services

UniSuper continued to strengthen its advice offering, with over 76,000 members accessing UniSuper's advice services. Providing greater choice to UniSuper members in the way they engage with the Fund was a key focus due to the impact of COVID-19.

Over the past year we talked to members on and off university campuses nationally seeking relevant and timely superannuation information around investment choice, contributions, insurance and retirement considerations.

In late March, the Advice team transitioned from mainly face-to-face appointments to phone and video meetings and in April, the team commenced live webcasts as a replacement for seminars delivered in person. This shift in service delivery provided members with uninterrupted access to services at a particularly challenging time. We will continue to evolve the way we deliver our services ensuring members have access to our Advice team on and off campus, over the phone and digitally.

We also opened another two member centres this year at Murdoch University and University of Canberra. There are now 12 member centres on university campuses along with 18 smaller on-campus offices. This is in addition to the seven CBD-based member centres located across the country.

Our commitment to members in providing valued advice services and delivering greater retirement outcomes was supported by consistent, positive member feedback through our customer satisfaction surveys.

In recognition of our commitment to the delivery of quality financial advice to our members, UniSuper was named *Best Fund: Advice Services* by leading ratings agency, Chant West, for the third time in four years. Chant West acknowledged our unique model with UniSuper Consultants and Financial Advisers located at almost all universities, providing us with unrivalled access to our members.

“We will continue to evolve the way we deliver our services ensuring members have access to our advice team on and off campus, over the phone and digitally.”

Supporting the higher education community

We partner with the higher education and research community.



Strengthening our strategic partnerships

During the 2019-20 year, UniSuper's Employer Relationships team adapted to working with employers virtually and concentrated on improving processes to support employers with improved tools, education of superannuation and advice services.

The Employer Guide library was developed for new and experienced Superannuation Officers to help them understand UniSuper products, systems and processes. With five guides already available, the information is in a digestible format that will become a much-needed resource to enable Superannuation Officers to easily access important information.

In August 2019, workshops around the country were conducted with key staff responsible for superannuation contributions at universities. The workshops provided valuable insights to assist with prioritising process improvements over the financial year such as the Service Fraction updating enhancement and improved exception reporting.

In March 2020, against the backdrop of the global pandemic, the team moved to remote working arrangements alongside employers. This resulted in the cancellation of the on-campus seminar program, which was replaced with an educational webcast program focussed on topical issues.

The Employer Partnership Managers (EPMs) responded to queries regarding changes to employee arrangements and salary reductions and how these changes could impact superannuation payments. Employers were provided with case studies, FAQ documents and member guides to help navigate the new environment.

Partnering with the higher education community

Throughout the year, UniSuper actively supported events that recognise our members' achievements, uplift or showcase their knowledge and celebrate their contribution to the higher education and research sector. Although some events were cancelled in 2020, we continued our support through various university awards and initiatives.

We were the major sponsor of the Australian Financial Review's Higher Education awards. This event highlights and celebrates the contribution the higher education sector makes to improving Australian prosperity and quality of life.

The Fund also continued its national Committee of Economic Development of Australia (CEDA) membership. We sponsored a variety of premium events with CEDA including Vice-Chancellor panels around the country, as well as the Women and Leadership series in South Australia. These events provide valuable discussion and education on subjects that are important for the success of the industry, and more broadly our nation.

We also supported other key industry events in 2019-20 including; the Australian Higher Education Industrial Association (AHEIA) HR Benchmarking Conference, the Universities Australia Conference and the Science in Australia Gender Equity (SAGE) Awards dinner.



OUR INVESTMENT RETURNS

Reflections on the past financial year

From a breathtaking downward spiral in sharemarkets to the sharpest rally in history, the 2019-20 financial year was a wild ride. But the news isn't all bad on super.

REFLECTIONS ON THE PAST FINANCIAL YEAR

While we're all a bit fed up seeing the word 'unprecedented', there's really no better way to describe what happened during the past financial year. The collapse in economies brought about accommodation from central banks and governments which, by some measures, dwarfed the response to the GFC. Equally breathtaking was the downward spiral in sharemarkets followed by the sharpest rally in history.

Against this backdrop, to say that it's pleasantly surprising that most of our members recorded flat to positive returns over the year, would be an understatement.

Our Balanced investment option, the default for most of our members, managed to eke out a small positive return of 0.9%. While nothing to get excited about, things were looking a lot worse during the depths of the crisis when the return was closer to -14%.

As one would expect in such volatile circumstances, the range in outcomes across investment strategies was extreme. Options with high exposure to global developed markets (particularly the US) and the booming technology sector performed best. Those with relatively high exposure to Australia, and the property and financial sectors, fared much worse.

Best and worst performers

The performance of all our key investment options continues to be very strong relative to our peers, with most of our diversified options ranking in the top quartile of returns over short and long terms. Relative performance is important because it demonstrates to our members that we are delivering on our core value proposition—competitive returns with low fees. But what matters most to members is actual (or absolute) returns because that's what ends up in their accounts, so we'll focus on absolute returns.

Best performing shares (of significance to UniSuper)

As we're now around an \$80 billion fund, our big investments are usually confined to large companies. While smaller companies typically have more downside and upside (and, by extension, are more likely to be the best- or worst-performing shares in the market) they don't have a significant impact on our members' returns. Therefore, in this article, we'll just look at companies in which we have at least \$500 million invested. Of those, here are our top three.

APPLE

Apple was our standout performer, returning +86.5% (in US dollar terms) over the financial year. Given the leading role Apple has played in the smartphone revolution, nobody needs an introduction to the company. What may be under-appreciated, however, is the strength and growth of Apple's services—e.g. the App Store, Apple Music and iCloud—that can be installed on 1.5 billion Apple devices. Concerns about over-inflated valuations in the tech sector are less relevant to a company like Apple. With annual revenues of US\$268 billion and profits of US\$57 billion—and net cash of US\$83 billion—the US\$1.6 trillion market value of Apple is supported by solid fundamentals.

MICROSOFT

Our next best was another tech darling, Microsoft, with +53.8% (in US dollar terms). As the dominant player in the enterprise software market, Microsoft doesn't need any introduction either. Like many tech companies, it thrived during the latest crisis, with CEO Satya Nadella saying the company saw "two years' worth of digital transformation in two months" as companies transitioned to remote working. Microsoft has seen a 60% increase in demand for its cloud platform ("Azure") over the crisis. It's another tech company whose lofty market value (US\$1.6 trillion) is supported by strong revenues (US\$139 billion p.a.), and profits (\$US46 billion p.a.).

REFLECTIONS ON THE PAST FINANCIAL YEAR**CSL**

Built on home-grown scientific excellence, CSL (+35% over the year) could arguably lay claim to being Australia's greatest company. It remains a leader in the use of plasma to treat autoimmune diseases, bleeding disorders and infections, as well as being one of the largest influenza vaccine producers. It is currently working on a treatment for COVID-19. CSL started as a government department (Commonwealth Serum Laboratories) and was listed in June 1994 at \$2.30 (which equates to 0.76 cents after accounting for share splits). It's currently trading at around \$300 dollars, so it has been a spectacular investment for those who have been there for the duration.

Best performing investment option

With a return of +13.7%, our best performing investment option was Global Environmental Opportunities (GEO). Our in-house team manages GEO, so its performance is particularly pleasing. The GEO portfolio consists of companies deriving most of their revenues from addressing current and emerging environmental issues—renewable energy, water and waste treatment, energy efficiency and green buildings. The three best performers in the GEO portfolio were Tesla, SolarEdge and Citrix.

Given GEO doesn't invest in companies directly involved in the exploration or production of fossil fuels, it managed to avoid the headwind of a crashing oil price. GEO is one of our three options themed on environmental, social and governance (ESG) issues—the other two being Sustainable Balanced (+5.5%) and Sustainable High Growth (+6.9%). Both sustainable options returned well in excess of their mainstream counterparts, also in part due to avoiding companies involved in fossil fuels.

We now manage over \$7 billion across GEO and the sustainable options, making us the largest investor in ESG-themed strategies in the superannuation industry. The past year saw an accelerating trend of funds flowing into ESG-themed investment products and this has boosted the share prices of the companies that qualify for inclusion in such strategies. By many measures, valuations look quite stretched relative to the general market. Tesla is the classic case in point. With a market value of US\$224 billion, Tesla is now the most valuable car company in the world. It's on target

to manufacture about 436,000 vehicles this year and make a profit of about US\$631 million. The second most valuable car company is Toyota, which will manufacture about 9 million vehicles and make over US\$10 billion. Of course, it's much more fashionable to be seen in a Tesla, and the company's growth prospects are far greater than Toyota's. But its lofty valuation can't be sustained without rapidly increasing profits. And rapidly increasing profits will be harder to come by as the competition heats up. Then again, we've said this before and the share price has continued its ascent.

Worst performer (of significance to UniSuper)

Our hardest hit shares were two property companies, Scentre Group (-40.1%) and GPT (-30.6%). The impact of lockdowns on shopping centres has been self-evident. Scentre and GPT are landlords, and tenants have contractual obligations to pay rent. But if the tenants are in danger of going out of business, compromises have to be made. Accordingly, expectations of rental growth (and ultimately dividends) have been slashed, at least for the short term. Adding to the industry woes is the long-term threat posed by internet shopping, and the potential for changing work practices to permanently lower the demand for office space (impacting GPT).

It therefore won't surprise that our worst performing investment option was Listed Property (-16.1%).

Valuations are now pricing in a very pessimistic outlook. While it looks tempting to buy after prices have fallen so far, it's hard to see a catalyst that will underpin significant price appreciation, over and above the general market. There look to be better ways of playing a post-COVID recovery, such as Sydney Airport (SYD) which ranks as our third worst performer (-27.9%). Air travel has obviously been decimated by COVID-19, but it will return, and SYD doesn't have the same structural challenges as shopping centres.



The Defined Benefit Division (DBD)

We use two key measures to monitor our DBD's financial health—the Vested Benefits Index (VBI) and the Accrued Benefits Index (ABI). As at 30 June 2020, we estimate the VBI to be around 114 and the ABI to be around 123. While this is a material decline from recent peaks, the DBD remains in a healthy surplus, which is in stark contrast to most defined benefit plans around the world. The underlying portfolio certainly took a hit but at no time during the crisis did we get into a funding level below 100%. In short, the DBD provided the peace of mind—as it was designed to do—when it was most needed.

The overarching highlight

Given the enormity of what has transpired, we feel generally satisfied with how the 2019-20 financial year's results panned out. Our overarching highlight was the way our conservative approach to liquidity enabled us to handle the crisis without being forced into selling assets at low prices. The impact on performance relative to our peers was best captured by a recent article in the Australian Financial Review, entitled 'Darling funds will become duds in volatility, and vice versa'. The article, dated 23 June, included the following tables showing how the 10 top-ranking super funds in 2019 navigated March and April 2020 (when the market crashed and then sharply recovered).

Of the top ranked funds in 2019, only two remained in the top 10 after the sharemarket's crash and partial recovery. At the heat of the crisis, our high levels of cash and bonds meant we easily dealt with the drain on liquidity caused by members switching into cash, foreign currency settlements, and early redemptions. Furthermore, on top of not being a forced seller, we were able to participate in many capital raisings at attractive prices. By the end of June, we had invested over \$600 million in support of capital raisings. It demonstrated not just our own strength, but also the important role that super plays in funding corporate Australia at critical times. Hopefully policymakers have taken note.

MYSUPER OPTION	2019		MARCH 2020		APRIL 2020	
	Rank	Return	Rank	Return	Rank	Return
UniSuper	1	18.4	40	-12.1	1	5.7
AustralianSuper	2	17.0	28	-10.7	19	3.4
Australian Ethical	3	16.8	5	-7.9	29	3.0
smartMonday	4	16.4	47	-13.9	4	4.7
SD Bus	5	16.3	43	-12.2	34	2.8
Mercy Super	6	16.3	23	-10.5	37	2.7
IOOF	7	15.9	2	-7.6	27	3.1
LGIASuper	8	15.9	7	-8.5	45	1.4
First State Super	9	15.8	8	-8.8	43	2.3
Mercer Super	10	15.6	42	-12.1	15	3.5
Median		14.7		-10.5		3.1

Source: Frontier Advisors

Past performance isn't an indicator of future performance. This information is of a general nature only and may include general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Our investment strategies won't necessarily be appropriate for other investors. Before making any decision in relation to your UniSuper membership, you should consider your circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser. This information is current as at 4 July 2020. This is not intended to be an endorsement of any of the listed securities named above for inclusion in personal portfolios. The above material reflects our view at a point in time, having regard to factors specific to us and our overall investment objectives and strategies.

Investment returns

Super members

ANNUAL ACCUMULATION INVESTMENT RETURNS FOR FINANCIAL YEARS ENDING 30 JUNE 2020

INVESTMENT OPTION	2019-20	2018-19	2017-18	2016-17	2015-16
<i>Pre-Mixed</i>					
Conservative ¹	1.59%	6.37%	4.70%	3.01%	7.57%
Conservative Balanced	0.04%	8.53%	6.18%	4.52%	8.85%
Balanced	0.87%	9.88%	10.45%	9.60%	5.91%
Sustainable Balanced	5.46%	10.59%	8.18%	10.16%	3.13%
Growth	1.64%	8.19%	12.79%	12.39%	3.90%
High Growth	1.71%	8.84%	15.18%	15.33%	3.00%
Sustainable High Growth	6.91%	11.07%	10.96%	13.09%	3.17%
<i>Sector</i>					
Cash	0.97%	1.88%	1.66%	1.81%	2.03%
Australian Bond	3.82%	8.71%	2.53%	-0.37%	6.49%
Diversified Credit Income	-0.53%	3.35%	1.56%	4.18%	2.30%
Listed Property	-16.13%	14.48%	9.68%	-2.97%	19.40%
Australian Shares	-2.72%	10.32%	18.12%	11.14%	0.73%
International Shares	8.12%	9.06%	12.26%	18.36%	0.86%
Global Environmental Opportunities	13.73%	8.60%	11.83%	21.68%	-3.03%
Australian Equity Income	-8.16%	14.60%	8.60%	11.66%	4.51%
Global Companies in Asia	8.07%	14.87%	15.81%	20.22%	-0.82%

The value of investments can rise and fall. Past performance of an investment option is not an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). You should be aware that the returns applied to your account will depend on the investment option(s) you invest in, the period of time you were invested in the option(s) and the timing of cash flows into and out of your account.

¹ Capital Stable was renamed Conservative on 1 July 2017.

INVESTMENT RETURNS**ANNUALISED ACCUMULATION INVESTMENT RETURNS FOR 5 AND 7-YEAR PERIODS TO 30 JUNE 2020**

ACCUMULATION OPTION	5-YEAR ANNUALISED RETURNS		7-YEAR ANNUALISED RETURNS	
	INVESTMENT RETURN	SURVEY MEDIAN ²	INVESTMENT RETURN	SURVEY MEDIAN ²
<i>Pre-Mixed</i>				
Conservative ³	4.63%	3.84%	5.50%	4.62%
Conservative Balanced	5.57%	4.50%	6.83%	5.77%
Balanced	7.28%	5.61%	8.73%	7.21%
Sustainable Balanced	7.47%	5.18%	9.25%	6.73%
Growth	7.69%	5.79%	9.41%	7.80%
High Growth	8.66%	6.27%	10.41%	8.64%
Sustainable High Growth	8.98%	n.a.	11.32%	n.a.
<i>Sector</i>				
Cash	1.67%	1.57%	1.86%	1.79%
Australian Bond	4.19%	n.a.	4.36%	n.a.
Diversified Credit Income ⁴	2.16%	n.a.	n.a.	n.a.
Listed Property	4.06%	n.a.	6.94%	n.a.
Australian Shares	7.25%	6.06%	8.40%	7.43%
International Shares	9.58%	7.51%	12.67%	10.60%
Global Environmental Opportunities	10.26%	n.a.	11.86%	n.a.
Australian Equity Income	5.93%	n.a.	8.27%	n.a.
Global Companies in Asia	11.38%	n.a.	13.29%	n.a.

The value of investments can rise and fall. Past performance of an investment option is not an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). You should be aware that the returns applied to your account will depend on the investment option(s) you invest in, the period of time you were invested in the option(s) and the timing of cash flows into and out of your account.

² Source: SuperRatings Pty Ltd's Fund Crediting Rate Survey June 2020 and SuperRatings Pty Ltd's Sustainable Fund Crediting Rate Survey published on 21 July 2020, www.superratings.com.au. Past performance is not an indicator of future performance. The SuperRatings data does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. A survey median was not available for all categories of investment options. Information provided is of a general nature and is not guaranteed to be accurate or complete. This is not financial product advice; independent professional advice should be obtained from a licensed financial adviser before making any financial decision.

³ Capital Stable was renamed Conservative on 1 July 2017.

⁴ The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available.

INVESTMENT RETURNS

Flexi Pension and Term Allocated Pension members

ANNUAL PENSION INVESTMENT RETURNS FOR FINANCIAL YEARS ENDING 30 JUNE 2020

INVESTMENT OPTION	2019-20	2018-19	2017-18	2016-17	2015-16
<i>Pre-Mixed</i>					
Conservative ⁵	2.02%	7.45%	5.67%	3.53%	8.74%
Conservative Balanced	0.31%	9.80%	7.25%	5.21%	10.13%
Balanced	1.08%	11.28%	11.68%	10.64%	6.65%
Sustainable Balanced	6.39%	11.87%	9.25%	11.47%	3.62%
Growth	1.77%	9.35%	13.91%	13.51%	4.42%
High Growth	1.70%	10.20%	16.52%	16.76%	3.48%
Sustainable High Growth	7.89%	12.16%	12.03%	14.55%	3.63%
<i>Sector</i>					
Cash	1.16%	2.30%	2.12%	2.27%	2.54%
Australian Bonds	4.46%	10.31%	3.17%	-0.31%	7.72%
Diversified Credit Income	-0.52%	3.98%	1.98%	5.05%	2.79%
Listed Property	-17.62%	15.58%	10.59%	-3.85%	21.27%
Australian Shares	-2.60%	12.41%	20.45%	12.63%	1.70%
International Shares	8.06%	9.66%	13.65%	20.37%	0.35%
Global Environmental Opportunities	14.93%	9.32%	13.09%	24.23%	-3.92%
Australian Equity Income	-8.28%	16.21%	9.71%	14.46%	6.01%
Global Companies in Asia	8.78%	16.18%	17.41%	22.47%	-1.66%

The value of investments can rise and fall. Past performance of an investment option is not an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). You should be aware that the returns applied to your account will depend on the investment option(s) you invest in, the period of time you were invested in the option(s) and the timing of cash flows into and out of your account.

⁵ Capital Stable was renamed Conservative on 1 July 2017.

INVESTMENT RETURNS

ANNUALISED PENSION INVESTMENT RETURNS FOR 5 AND 7-YEAR PERIODS TO 30 JUNE 2020

UNISUPER PENSION OPTION	5-YEAR ANNUALISED RETURNS		7-YEAR ANNUALISED RETURNS	
	INVESTMENT RETURN %P.A.	SURVEY MEDIAN ⁶ %P.A.	INVESTMENT RETURN %P.A.	SURVEY MEDIAN ⁶
<i>Pre-Mixed</i>				
Conservative ⁷	5.45%	4.33%	6.46%	5.15%
Conservative Balanced	6.48%	5.16%	7.92%	6.66%
Balanced	8.19%	6.05%	9.85%	7.97%
Sustainable Balanced	8.47%	n.a.	10.51%	n.a.
Growth	8.48%	6.69%	10.44%	8.85%
High Growth	9.55%	6.84%	11.55%	9.26%
Sustainable High Growth	9.98%	n.a.	12.63%	n.a.
<i>Sector</i>				
Cash	2.08%	1.87%	2.32%	2.12%
Australian Bond	5.01%	n.a.	5.25%	n.a.
Diversified Credit Income ⁸	2.64%	n.a.	n.a.	n.a.
Listed Property	4.19%	n.a.	7.52%	n.a.
Australian Shares	8.60%	6.82%	9.75%	8.57%
International Shares	10.22%	7.71%	13.75%	11.34%
Global Environmental Opportunities	11.14%	n.a.	13.08%	n.a.
Australian Equity Income	7.25%	n.a.	9.79%	n.a.
Global Companies in Asia	12.31%	n.a.	14.59%	n.a.

The value of investments can rise and fall. Past performance of an investment option is not an indicator of future performance. Returns are calculated after Fund taxes and after investment expenses (before deducting account-based fees). You should be aware that the returns applied to your account will depend on the investment option(s) you invest in, the period of time you were invested in the option(s) and the timing of cash flows into and out of your account.

⁶ Source: SuperRatings Pty Ltd's Pension Fund Crediting Rate Survey June 2020 published on 21 July 2020, www.superratings.com.au. It does not take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. A survey median was not available for all categories of investment options. Information provided is of a general nature and is not guaranteed to be accurate or complete. This is not financial product advice; independent professional advice should be obtained from a licensed financial adviser before making any financial decision.

⁷ Capital Stable was renamed Conservative on 1 July 2017.

⁸ The investment option commenced on 1 September 2014, therefore returns for prior financial years are not available.

Our assets

UniSuper had approximately \$83 billion in net funds under management as at 30 June 2020. There was one shareholding that represented more than 5% of total assets of the Fund as a whole as at 30 June 2020:

INVESTMENT	WEIGHT IN FUND
Transurban Group	5.6%

For more information about our investments and shareholdings, please see unisuper.com.au/investments



Our investment managers

We outsource management of approximately 24% of our assets to external investment managers⁹. All investment managers are monitored constantly and are generally reviewed in detail at least once a year. The remaining 76% is invested directly by the Trustee (or on its behalf, by UniSuper Management Pty Ltd) in a range of investments including shares, property, fixed interest, cash and infrastructure.

AUSTRALIAN SHARE MANAGERS

- Ausbil Investment Management Ltd
- ECP Asset Management Pty Ltd
- Janus Henderson Investors (Australia) Institutional Funds Management Limited
- Kinetic Investment Partners Pty Ltd
- Lazard Asset Management Pacific Co
- Lennox Capital Partners Pty Ltd
- Magellan Asset Management Limited
- Quest Asset Partners Pty Ltd
- Selector Funds Management Ltd
- Schroder Investment Management Australia Ltd
- State Street Bank and Trust Company
- Tribeca Investment Partners Pty Ltd

INTERNATIONAL SHARE MANAGERS

- Arrowstreet Capital Limited Partnership
- Baillie Gifford Overseas Limited
- Blackrock Investment Management (Australia) Limited
- Janus Capital Management LLC
- Mirae Asset Global Investments (Hong Kong) Limited
- Sands Capital Management LLC
- Schroder Investment Management Australia Limited
- State Street Bank and Trust Company
- T. Rowe Price Australia Limited
- Wellington Management Australia Pty Ltd

DIRECT PROPERTY MANAGERS/FUNDS

- AMP Capital - UniSuper Portfolio
- AMP Wholesale Office Trust
- Goodman Australian Industrial Partnership
- GPT Wholesale Office Fund
- GPT Wholesale Shopping Centre Fund
- ISPT 50 Lonsdale Street Trust
- ISPT Core Fund
- Lendlease APPF Industrial
- Lendlease APPF Retail

AUSTRALIAN PRIVATE EQUITY

- Advent Fund 5
- The Growth Fund 1
- Catalyst Buyout Fund 2
- Industry Super Holdings (ISH)
- Members Equity Bank
- NBC Private Equity Fund 3

INTERNATIONAL PRIVATE EQUITY

- Apax Europe Fund 6
- Apax Europe Fund 7
- Azure Fund 2
- Calvert Street Fund 3
- Clarus Lifesciences 1
- Clarus Lifesciences 2
- Commonwealth Capital Venture 4
- GB Deutschland Fund
- Global Emerging Markets Fund 3
- Global Emerging Market Forestry
- Hancock Park 3
- IFM International Fund 1
- Polaris Venture Partners Fund 5
- Wilshire Private Markets Asia Fund 1
- Wilshire Private Markets Asia Fund 2

INFRASTRUCTURE

- First Sentier Investors (Australia) IM Limited
- Macquarie Specialised Asset Management Limited
- Hancock Natural Resources Group

FIXED INTEREST MANAGERS

- Blackrock Investment Management (Australia) Limited
- Coolabah Capital Institutional Investments Pty Limited
- First Sentier Investors (Australia) IM Limited
- Guggenheim Partners Investment Management LLC
- JamiesonCoote Bonds Pty Ltd
- Macquarie Investment Management Global Limited
- Morgan Stanley Investment Management (Australia) Pty Limited
- Oak Hill Advisors LP
- Oaktree Capital Management LP
- PGIM, Inc.
- State Street Bank and Trust Company
- Tanarra Credit Partners

CASH MANAGERS

- First Sentier Investors (Australia) IM Limited

⁹ As at 30 June 2020. Some managers may have been appointed or terminated since this date. Listings for direct property and alternative investments include pooled funds in which UniSuper has invested, which are managed externally.

How we manage investments

ACCUMULATION SUPER AND PENSION MEMBERS

If you have an Accumulation 1, Accumulation 2, Personal Account or an accumulation component through your DBD membership, you can choose to invest in a range of investment options. Flexi Pension and Term Allocated Pension members can choose from the same suite of options.

Each investment option has a performance objective and risk objective, or level of return it aims to achieve over a recommended investment time frame, after taking into account its risk and return characteristics. Read more about each option on pages 32 to 37 of this report.

All options invest in a diverse mix of assets and/or asset classes:

- Pre-Mixed options invest in a mix of growth and/or defensive assets, and
- Sector options generally invest in a diverse mix of investments within a particular asset class.

With so much choice, there's an option that's likely to suit your risk profile and help deliver you greater retirement outcomes.

Defensive

Defensive investments such as cash and fixed interest generally provide investors with returns in the form of income. These returns don't tend to be strongly influenced by day-to-day market fluctuations, but instead tend to be more consistent. As a result, they generally produce lower long-term returns, but have lower levels of risk.

Growth

Growth investments such as shares, property and alternative investments provide most of their returns in the form of capital growth. These returns can be strongly influenced by market fluctuations, and can therefore vary considerably over shorter time frames. As a result, growth assets carry higher levels of investment risk, especially over short time frames of one to three years. But they also have the potential for higher returns over longer time frames of five to seven years or more.

DEFINED BENEFIT DIVISION MEMBERS

If you're in the DBD, the bulk of your benefit is calculated using a formula that takes into account your age, benefit, salary, period of service, average service fraction and level of contributions. All DBD member and employer contributions are pooled and invested in a diversified portfolio. The Trustee continually monitors and reviews this portfolio and may vary its asset allocation from time to time.

WHEN DO WE USE DERIVATIVES?

Derivatives (e.g. options, futures and warrants) are a type of financial instrument commonly used as a risk management tool. Some investors may also use derivatives to earn extra income on their shareholdings. The main purposes we use derivatives for are:

- using futures for equitisation of cash, and
- using forward contracts, futures and options to hedge our international currency exposures.

Our investment managers (including UniSuper Management Pty Ltd) are authorised to use derivatives within the guidelines set out in our Derivative Risk Statement, which—among other things—prohibits the use of derivatives for speculative purposes. The derivatives charge ratio (i.e. the percentage of Fund assets being used as security for derivative investments) was less than 5% at all times during the reporting period.

VALUATION INFORMATION

In accordance with the Unlisted Asset Valuation Policy, assets comprising the infrastructure portfolio and unlisted private equity are valued by the relevant asset managers or independent valuers at least once every six months (or more frequently if management considers that there has been a significant change in circumstances). During COVID-19, unlisted infrastructure assets were revalued in March 2020, together with direct property investments.

TAX ON INVESTMENT EARNINGS

UniSuper has regard to the expected taxation consequences in respect to each investment strategy. Investment earnings of complying superannuation funds are generally taxed in Australia up to 15%. In some cases, this rate may be lower because of any tax deductions and tax credits UniSuper may qualify for. This tax is deducted from the Fund's investments earnings before they are allocated to accounts. Different taxes apply to members in retirement phase. For more information refer to the relevant PDS.

Our investment options

Each of our investment options has a unique, targeted mix of defensive and/or growth investments—referred to as its strategic asset allocation—to ensure it meets its individual performance objective.

We regularly review the asset mix of each option to make sure actual allocations to growth and defensive assets—and each asset class—are within an approved range of the relevant strategy's asset allocation.

Generally, these strategic asset allocations remain fixed. However, we may change the underlying mix of assets and allocations to optimise investment option performance.

The following information about our investment options—except for the Balanced (MySuper) option—cover both accumulation and pension versions of the options.

The following information was correct as at 30 June 2020. Some risk and return objectives changed on 1 October 2020. Visit our website for up-to-date information.



PRE-MIXED INVESTMENT OPTIONS

Conservative*
PERFORMANCE OBJECTIVES#

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 1.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Five years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Two to less than three in 20 years

SUMMARY RISK LEVEL

Medium

OPTION SIZE (\$B)

30 June 2020	3.1
30 June 2019	2.6

STRATEGIC ASSET ALLOCATION (%)


	2020	2019
Australian Shares	15.75	15.75
International Shares	9.25	9.25
Property	5.00	5.00
Cash & Fixed Interest	70.00	70.00

INVESTMENT STRATEGY

To invest in a diversified portfolio of largely defensive assets like fixed interest and cash, and some growth assets like shares, property, infrastructure and private equity.


Conservative Balanced
PERFORMANCE OBJECTIVES#

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 2.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Five years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Three to less than four in 20 years

SUMMARY RISK LEVEL

Medium to high

OPTION SIZE (\$B)

30 June 2020	5.0
30 June 2019	4.9

STRATEGIC ASSET ALLOCATION (%)


	2020	2019
Australian Shares	25.0	25.0
International Shares	17.5	17.5
Property	7.5	7.5
Cash & Fixed Interest	50.0	50.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of defensive assets like fixed interest and cash and growth assets like shares, property, infrastructure and private equity.


Balanced
PERFORMANCE OBJECTIVES#

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

10 years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	23.8
30 June 2019	23.7

STRATEGIC ASSET ALLOCATION (%)


	2020	2019
Australian Shares	38.0	38.0
International Shares	22.0	22.0
Property	5.0	5.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of mainly growth assets, such as Australian and international shares, property, infrastructure and private equity, with some fixed interest and cash investments.

* The Capital Stable option was renamed 'Conservative' on 1 July 2017.

These are not promises or predictions of any particular rate of return.

The performance objectives, summary risk level, investment time frame and expected frequency of a negative annual return for a number of our options changed on 1 October 2020. Go to [unisuper.com.au/investments](https://www.unisuper.com.au/investments) for current option information.

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PRE-MIXED INVESTMENT OPTIONS



**Sustainable
Balanced**

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Six years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	3.4
30 June 2019	2.5

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	45.5	45.5
International Shares	24.5	24.5
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of Australian and international shares that are selected on the basis of sustainable investment criteria (and the application of some negative screens) together with Australian Listed Property, fixed interest, infrastructure, private equity and cash assets.



Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	5.6
30 June 2019	6.0

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	46.5	46.5
International Shares	28.5	28.5
Property	5.0	5.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	15.0	15.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of mainly growth assets such as Australian and international shares, property, infrastructure and private equity, with some fixed interest and cash investments.



High Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	4.2
30 June 2019	4.4

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	56.25	56.25
International Shares	33.75	33.75
Property	5.00	5.00
Infrastructure and Private Equity	5.00	5.00

INVESTMENT STRATEGY

To invest in a diversified portfolio of growth assets such as Australian and international shares, property, and infrastructure and private equity with some fixed interest and cash investments.

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PRE-MIXED



Sustainable High Growth

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	2.5
30 June 2019	1.8

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	65.0	65.0
International Shares	35.0	35.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of securities (including but not limited to) comprising Australian and international shares (including Australian listed property) selected on the basis of sustainable investment criteria (and the application of some negative screens), together with infrastructure and private equity, property with some fixed interest and cash investments.

SECTOR INVESTMENT OPTIONS



Cash

PERFORMANCE OBJECTIVES*

To achieve the RBA cash rate (after Fund taxes and investment expenses, before deducting account-based fees) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Minimum of one year

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Less than 0.5 years in 20 years

SUMMARY RISK LEVEL

Very low

OPTION SIZE (\$B)

30 June 2020	3.9
30 June 2019	2.1

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Cash	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of cash and money-market securities, including (but not limited to) at-call and term bank deposits, bank bills, negotiable certificates of deposit, notice accounts and other short-term fixed income securities out to a maximum maturity of around one year.



Australian Bond

PERFORMANCE OBJECTIVES*

To achieve (after Fund taxes) returns in excess of a relevant government bond index (adjusted for fund taxes) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Five years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Three to less than four in 20 years

SUMMARY RISK LEVEL

Medium to high

OPTION SIZE (\$B)

30 June 2020	0.9
30 June 2019	0.7

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian fixed interest	100	100

INVESTMENT STRATEGY

To predominantly invest in securities (including but not limited to) securities issued or guaranteed by the Australian (Federal and State) governments and cash.

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SECTOR INVESTMENT OPTIONS

Diversified Credit Income

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 0.5% p.a. more than CPI over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Four years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.1
30 June 2019	0.1

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Global Credit	65.0	65.0
Australian & New Zealand Credit	35.0	35.0

INVESTMENT STRATEGY

To invest in a range of global, Australian and New Zealand corporate bonds with some flexibility to consider allocations to other securities (including but not limited to) hybrids, emerging market debt, residential mortgage-backed securities, commercial mortgage-backed securities, cash (including short dated government securities) and municipal bonds when appropriate. Although unlikely, equity holdings may arise in the event of a default, restructure or conversion of an existing credit security.

Listed Property*

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 3.0% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Six years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

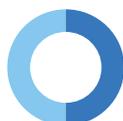
SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.4
30 June 2019	0.6

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Listed Property (REITs)	50	50
International Listed Property (REITs)	50	50

INVESTMENT STRATEGY

To invest in a diversified portfolio of listed property securities (including but not limited to) listed property securities.

Australian Shares

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.5
30 June 2019	0.5

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of securities (including but not limited to) Australian shares.

* Returns from listed property investments are typically more volatile than returns experienced from unlisted property investments.

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SECTOR INVESTMENT OPTIONS



International Shares

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.7
30 June 2019	0.7

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of securities (including but not limited to) international shares.



Global Environmental Opportunities

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested investment time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Six or greater in 20 years

SUMMARY RISK LEVEL

Very high

OPTION SIZE (\$B)

30 June 2020	1.0
30 June 2019	0.6

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of securities (including but not limited to) international companies whose business activities seek to address current and emerging environmental issues and opportunities.



Australian Equity Income

PERFORMANCE OBJECTIVES*

To achieve a gross yield which exceeds the dividend yield of the Australian equity market and provide potential for capital growth over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.3
30 June 2019	0.4

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	100*	100*

INVESTMENT STRATEGY

To invest in a portfolio of securities (including but not limited to) Australian shares and up to 30% in income securities (i.e. not ordinary shares, such as debt securities), that are expected to be high yielding.

* This option predominantly invests in Australian Shares. Up to 30% of this option's assets can be invested in Australian Income securities such as credit and debt securities, hybrid and Australian high-yield credit instruments.

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SECTOR



Global Companies in Asia

PERFORMANCE OBJECTIVES*

To achieve returns (after Fund taxes and investment expenses, before deducting account-based fees) that are at least 4.5% p.a. more than inflation (CPI) over the suggested time frame.

MINIMUM SUGGESTED INVESTMENT TIME FRAME

Seven years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)

30 June 2020	0.6
30 June 2019	0.5

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
International Shares	100	100

INVESTMENT STRATEGY

To invest in a diversified portfolio of securities (including but not limited to) international shares that seeks to take advantage of the expected growth in consumption of emerging Asian economies by investing in well-established global brands.

MY SUPER - ACCUMULATION MEMBERS ONLY



Balanced (MySuper)

RETURN TARGET*

CPI +4.6% p.a. over 10 years (after fees, costs and fund taxes) for a member who has a constant \$50,000 balance and who does not incur any activity-based fees.**

MINIMUM SUGGESTED INVESTMENT TIME FRAME

10 years

EXPECTED FREQUENCY OF NEGATIVE ANNUAL RETURN

Four to less than six in 20 years

SUMMARY RISK LEVEL

High

OPTION SIZE (\$B)*

30 June 2020	20.3
30 June 2019	20.2

STRATEGIC ASSET ALLOCATION (%)



	2020	2019
Australian Shares	38.0	38.0
International Shares	22.0	22.0
Property	5.0	5.0
Infrastructure and Private Equity	5.0	5.0
Cash & Fixed Interest	30.0	30.0

INVESTMENT STRATEGY

To invest in a diversified portfolio of mainly growth assets, such as Australian and international shares, property, infrastructure and private equity, with some fixed interest and cash investments.



Defined Benefit Division (DBD)

PERFORMANCE OBJECTIVES*

To maximise the probability of generating sufficient returns to meet future commitments.

FUNDS UNDER MANAGEMENT (\$B)

30 June 2020	26.9
30 June 2019	28.1

STRATEGIC ASSET ALLOCATION (%)

The asset allocation for the DBD is managed using a dynamic process. A Forward Allocation Range for each asset class group is set and approved by the Board at regular intervals. Asset allocations for each asset class group may then deviate within the limits of the Forward Allocation Range at Management's discretion. As a result of the ongoing low yield environment the DBD's future asset allocation will likely have a high allocation to growth assets, with a skew towards income producing assets.

ACTUAL ASSET ALLOCATION (%) 30 JUNE 2020

Growth assets	75 to 90
Defensive assets	10 to 25

INVESTMENT STRATEGY

To invest in a diversified portfolio, comprising mainly growth assets such as Australian and international shares, property, infrastructure and private equity, and with some bond investments.

*** The return target for the Balanced (MySuper) option has been calculated in accordance with requirements that apply to MySuper. The performance objective that is published elsewhere for the Balanced option may differ to the above figure because it is calculated differently (and we have a greater degree of confidence of achieving it). Note that the investment strategies for the Balanced (MySuper) option and the Balanced option are the same. For more information visit the MySuper dashboard.

* Option size data includes all assets in the Balanced option, including members who are not MySuper members.

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Taking a responsible approach

We are committed towards building a better tomorrow.

Improving outcomes for Aboriginal and Torres Strait Islander members

Our aim is to provide greater retirement outcomes for all members, including our Aboriginal and Torres Strait Islander members. We're committed to working together to help them better engage with their super and recognise their retirement needs.

Understanding super and financial literacy in general, helps members achieve better financial outcomes. Our aim is to help all members get there, regardless of gaps in education, wage disparities and increased health challenges – issues experienced by many in the Aboriginal and Torres Strait Islander community.

To help us achieve this, UniSuper has developed a Reconciliation Action Plan (RAP). This plan helps keep us accountable to deliver on initiatives that better educate our staff and increase engagement with our First Nations Peoples.

In May, our RAP was formally endorsed by Reconciliation Australia and we've introduced several initiatives to prepare us for its implementation. We want to drive meaningful outcomes to positively impact the lives of our members and are committed to our continued education and understanding of the histories and culture of First Nations Peoples.

Social sustainability

We weave social sustainability into many aspects of life for our employees from focussing on their individual wellbeing, donating blood, supporting community work from volunteering to fundraising, working towards gender equity and rolling out our Reconciliation Action Program. For our printed documents, where possible we use biodegradable printing materials, encourage

minimal printing and waste and have an active recycling program from paper to toners to batteries and beyond. We recognise the importance of sustainability in all that we do even down to the offices that we work in. From sensor lighting to office fit outs that aim for a green star rating, it all contributes to our strong approach to sustainability.

Climate risk management

For a number of years, climate change has been an important risk consideration at UniSuper. The last year has seen a continued increase in UniSuper's motivation to make a difference and a substantial increase in member interest in the topic.

The Board recently approved the following climate targets, which will guide both our operational and investment strategy with respect to climate risk management. These targets, while ambitious, challenge what is required to help our economy decarbonise in line with the aims of the Paris Agreement:

- Net zero portfolio emissions 2050
- Contribute to Australian emission reductions of 45% by 2030
- 100% of portfolio companies* have Paris aligned operational emissions by 2021

For members who prefer to have no exposure to fossil fuels, we will continue to offer seven fossil fuel free investment options. For more information about our climate targets and supporting actions refer to our *Climate risk and our investments* report. The report outlines how our members' super is exposed to the risks and opportunities of climate change, and where practical aligns with the recommendations of the Taskforce for Climate-related Financial Disclosures.

* Material, active, internal Australian investment

Our people

We're proud of the culture we're building at UniSuper.

Finding people who fit in with our 'genuine care for members' philosophy is something we take very seriously. We work hard to attract talented people who want to work collaboratively to achieve greater retirement outcomes for our members.

We challenge ourselves to ensure we have our members' best interests at the core of our decisions and focus on continuous improvement to solve problems and improve the member experience. Our simple but meaningful purpose, values and behavioural expectations provide us with the direction we need and help us to employ great people who can add to our culture.

In this past year this approach has proved more vital than ever as we've responded to the pandemic and asked our people to continue to provide a high level of genuine care and service to our members and each other.

Supporting our people through a pandemic

In mid-January, our teams began to prepare for and consider the impacts to our people of a potential pandemic reaching Australia. This preparation included a strong focus on supporting employee hygiene and safety, the ability to transition to effective remote working and helping employees stay connected, productive and healthy.

Late March we transitioned our workforce to work remotely while maintaining service levels and ensuring a smooth transition during a volatile period. In May we surveyed our employees about UniSuper's response to the pandemic and were pleased that 98% were confident that we were supporting employees and 97% were confident that we were supporting members and employers. Teams also responded quickly when the 'early release of super' initiative was announced and have had quick turnaround times for our members. We're pleased with the way our people have risen to managing the challenges the pandemic introduced and that they continue to raise the bar on performance and genuine care.

Attracting and engaging the best talent

Our in-house recruitment team are closely aligned with each business unit to help our leaders to shape roles and attract great candidates. Around 85% of our roles are filled by this team each year -after paying their salaries the team is saving the organisation well in excess of \$1 million each year in recruitment fees.

Another key aspect of our talent attraction strategy is to have candidates referred to us by our own people, over 25% of all new starters are referrals which is well above industry average. There's no better form of promotion or advocacy for us than to have them recommend UniSuper as a great place to work!

We focus on creating an environment that rewards our people in a meaningful way for their contributions and we respect our people's need for flexibility and desire to develop professionally and personally. We offer a wide range of initiatives and benefits to ensure our people don't just want to work for us - we want them to be fully engaged so that they will stay with us and strive to do the best they can every day for our members.

Our workplace is shaped by our commitment to providing:

- purposeful work
- learning and development activities
- career opportunities
- flexibility
- wellbeing and volunteering programs, and
- opportunities to give back to charities and the community.

One of the indicators that we're on track is our low resignation rate (approx. 11% in 2019-20), and another is our high employee engagement survey results. Our engagement score in 2020 was 70% and a consistent year-on-year strength has been our people remain clear on our purpose at 94% and are clear on how they contributed to our company goals at 91%. Our areas of focus from the survey are enhancing our strong collaboration culture and uplifting communication and feedback for all.

OUR PEOPLE

Evolving the way we get things done

Over the past 12 months we asked our people to 'Raise the Bar' through lifting individual expectations for performance and behaviours. The 2020 survey of employees showed progress with a 3% uplift in holding each other accountable to 89%. This has been driven through greater transparency of performance planning targets and through company-wide alignment of key result areas to our strategy.

We have embedded our values and behaviour expectations using a multi-channel strategy from group workshops, behavioural expectations within our Performance and Rewards Framework, our This is US cultural guide and values based awards along with values aligned 'thank you' cards.



OUR VALUES

We're better together

We can be counted on

We strive for excellence

We take initiative

We genuinely care for our members

Building leadership capability

We know that leaders set the context and create conditions in which UniSuper and our people thrive. Over the past year, our ongoing commitment to building a culture of strong leadership saw us implement a range of leadership programs for leaders at all levels. The programs are built around our three leadership priorities.

Each program is designed to create consistency around what it means to be a leader at UniSuper. Sessions are designed to promote a collective leadership approach with experiential learning experiences, each focussed on the three priorities.



CREATE CLARITY

- Communicate strategy
- Navigate change
- Make strategic decisions



GROW PEOPLE

- Prioritise development
- Be authentic
- Adopt a growth mindset



DELIVER RESULTS

- Drive accountability
- Make commercial decisions
- Measure performance

OUR PEOPLE

Valuing inclusion

Our 'Genuine Care' culture means respect for all aspects of inclusion. We encourage our leaders to promote and create an inclusive environment within their teams to share ideas and work collaboratively.

Following the endorsement of UniSuper's Reflect Reconciliation Action Plan (RAP) by Reconciliation Australia, we've partnered with John Briggs Consultancy to deliver Indigenous Cultural Awareness sessions to over 250 employees to help build employees' awareness.

We've continued our partnership with CareerSeekers to provide work experience and learning opportunities for asylum seekers and we hope to continue to build on this relationship in the future. This is a wonderful opportunity to provide an important point of entry for refugees and asylum seekers into professional life in Australia.

Our people can request formal and informal flexible working arrangements that enable them to balance how and where they work according to their personal circumstances. This focus on flexibility and output served us well in the transition to remote working during the pandemic.

UniSuper reports annually to the Workplace Gender Equality Agency (WGEA) which looks at workforce participation, remuneration and the practices in place to promote gender equality in the workplace. But we don't stop there; we conduct our own pay equity analysis, and participate in research and action groups to look at closing the gap and creating a more diverse and equal workforce.

Health, wellbeing and giving back to the community

Our holistic approach to wellbeing aims to support and encourage everyone to participate in a range of initiatives and activities focussed on physical, mental and financial wellbeing. We raise awareness within the workplace of the issues that impact on health and wellbeing, via news articles, our intranet, education and information sessions.

In the last year we've focussed on raising awareness and educating on mental wellbeing and resilience. This has included tailored learning for leaders and employees, partnering with SuperFriend, The Resilience Project and celebrating RU OK? Day. This focus ensured we were able to mobilise support quickly to our people as the impact of the pandemic began. We have also raised approximately \$29,000 for well deserving charities through activities such as Steptember, Movember, Mother's Day Classic and Stadium Stomp.

Giving back to the community is just part of the way we do things at UniSuper. Over the past year our people have personally donated over \$93,000 to charities through our uGive program with extra efforts to fundraise occurring over the summer in response to the Australian bushfires. Over 300 of our people have taken advantage of our program to support the community through a variety of worthy volunteering experiences in Australia and overseas.

**GENDER SPLIT AS AT 30 JUNE 2020
HEADCOUNT: 809**



BREAKDOWN OF UNISUPER EMPLOYEES



OUR PEOPLE

Our Board

UniSuper is governed by a corporate trustee, UniSuper Limited — a not-for-profit company whose shareholders are 37 Australian universities.

The Trustee acts through its Board. The Board determines the Fund's strategic direction and governs the Fund's operations to ensure it is administered in accordance with the Trust Deed and to deliver outcomes in the best interest of members.

In addition to the governance systems implemented to meet legislative obligations and the requirements of prudential standards, the Board has formally adopted the Australian Institute of Superannuation Trustees' (AIST) Governance Code, a principles-based framework consisting of eight principles and 21 requirements. The Code is aimed to improve accountability and transparency and protect and improve outcomes for superannuation fund members. Compliance with the requirements of the Code is reported annually and is independently assessed.

HOW THE BOARD IS STRUCTURED

The Board of Directors is made up of people from different backgrounds with complementary skills and experience. It represents, serves and remains accountable to UniSuper members and participating employers. All directors of the Trustee Board are non-executive and independent of management and must be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Fund and its members. All directors bring knowledge and expertise to the Board and together complement and balance the various interests represented.

Eight directors are nominated with equal numbers representing employers and members. These directors then appoint three independent directors.

Of the directors nominated by employers, two are nominated by Vice-Chancellors of the shareholder universities and two are nominated by Consultative Committee members representing employers.

Of the directors nominated by members, two are nominated by Consultative Committee members — one by academic staff, one by professional staff — and two are nominated by the national unions who represent a number of UniSuper members.

If a director retires or resigns mid-term, a replacement is appointed in accordance with the Constitution to serve the remainder of the term. The Constitution also sets out the process to remove a director from the Board and will differ depending on whether the director represents members or employers or is an independent. In general terms:

- The Consultative Committee, or other bodies responsible for their appointment, can recommend the removal of directors representing members or employers.
- Independent directors can be removed by a resolution of the directors representing members and employers.

The Consultative Committee

The Consultative Committee is a key forum for members and employers to participate in the Fund's ongoing development and governance. It reviews and approves changes to the Trust Deed and is responsible for nominating four directors to the Board. Half of the Committee is made up of members representing the 37 shareholder universities, and the other half represents academic staff and professional staff (equally) who are employed by the shareholder universities.

OUR PEOPLE

GETTING TO KNOW THE BOARD

INDEPENDENT DIRECTORS

**Geoffrey Ian Martin AM***BEC (Hons), Adv Diploma, AICD*

FAICD Chairman

Appointed to the Board as an Independent Director on 18 April 2013 and elected as Chairman on 1 July 2017.

**Nicolette Rubinsztein***BBus (Hons), EMBA (AGSM), GAICD, FIAA*

Appointed to the Board as an Independent Director on 1 December 2015.

**Mark Armour***BEC (Hons)*

Appointed to the Board as an Independent Director on 1 July 2017.

DIRECTORS NOMINATED BY MEMBERS

Nominated by the Consultative Committee

**Professor Lelia Green***BA (Hons), MA, MA (Communications), Ph.D, M.Ed, MA (Creative Writing), GAIST*

Elected to the Board by members of the Consultative Committee representing academic staff on 4 November 2015.

**Amy Griffiths***BA*

Elected to the Board by members of the Consultative Committee representing professional staff on 11 November 2019.

NOMINATED BY NATIONAL UNIONS

**Grahame McCulloch**

Appointed to the Board on 14 February 2013 by the national unions.

**Sarah Roberts***LLB (Hons), BA Arts (Hons), Master of Public Policy, Grad Dip - Labour Relations Law, GAIST*

Appointed to the Board on 18 May 2020 by the national unions.

CEASED

**Keith Tull***BBus (Accounting), Grad Diploma (Data Processing), CPA, DipSuper*

Elected to the Board by members of the Consultative Committee representing non-academic staff on 23 November 2010.

**Neville Kitchin***FAICD, GAIST, DipSuper*

Appointed to the Board on 29 August 2013 by the national unions.

OUR PEOPLE

**DIRECTORS NOMINATED
BY EMPLOYERS**

Nominated by Vice-Chancellors



Dr Jane den Hollander AO
Professor Emerita

Hon Doc, PhD, MSc, BSc (Hons)
Appointed to the Board on
1 May 2012 by the Shareholder
Universities.



Stephen Somogyi

*MSc (Melbourne), SM (MIT), FAICD,
FIAA, FFin*
Elected to the Board by members
of the Consultative Committee
representing employers on
27 October 2014.



Professor Peter Dawkins AO

*BSc (Hons) (Lough), MSc (Lon), PhD
(Lough), FASSA, FIPAA, FACEL*
Appointed to the Board on
4 November 2015 by the
Shareholder Universities.



Nicole Gower

BA/LLB (Hons)
Elected to the Board by members
of the Consultative Committee
representing employers on
30 October 2017.

More information about the Board's
experience, expertise and responsibilities
is available on our [website](#)

OUR PEOPLE**CHANGES TO THE BOARD**

The following changes occurred to the Board in 2019-20:

- Having served three terms, Mr Keith Tull was ineligible to re-stand for election. Ms Amy Griffiths was elected to the Board by the professional staff representatives of the Consultative Committee.
- Mr Neville Kitchin resigned as a Director on 22 February 2019 and Ms Sarah Roberts was appointed to fill the casual vacancy.

THE BOARD COMMITTEES

The Board Committees as at 30 June 2020 are:

Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee is responsible for:

- financial reporting
- monitoring the effectiveness of the Risk Management Framework and making recommendations in respect of risk management policy and practice
- ensuring appropriate assurance arrangements are in place including overseeing the performance and independence of the internal and external audit functions
- monitoring the adequacy and effectiveness of the compliance and internal controls frameworks to support compliance of the Fund with all applicable laws and regulations
- corporate governance, and
- adequacy of the Trustee's insurance program.

Members include:

- Stephen Somogyi (Chair)
- Nicolette Rubinsztein
- Grahame McCulloch

The Committee is assisted by two independent consultants:

- Michelle Somerville (ceased 13 March 2020)
- Beth McConnell
- Sarah Woodhouse

The CEO also attends meetings of this Committee.

Remuneration Committee

The Remuneration Committee is responsible for:

- reviewing the effectiveness of the remuneration framework and remuneration policy
- assessing the compliance of remuneration arrangements with Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 510: Governance, and
- making annual recommendations to the Board in respect of remuneration of:
 - responsible Persons and other persons whose activities may, in the Committee's opinion, affect the financial soundness of UniSuper's operations
 - any category of person covered by the USL Remuneration Policy.

Members include:

- Jane den Hollander (Chair)
- Ian Martin
- Grahame McCulloch

The CEO attends all meetings of the Remuneration Committee, except when the CEO's own remuneration package is being discussed.

Insurance Committee

The Insurance Committee is responsible for:

- facilitating the timely determination of claims made under the Fund's inbuilt benefit provisions and insurance cover
- implementing and reviewing the Insurance Framework and Strategy
- monitoring and overseeing the Insurance Management Committee
- monitoring the performance of the external insurer, and
- monitoring the services and functions outsourced to the Administrator.

The Insurance Committee has the authority to:

- consider and determine declined claims made under the Fund's inbuilt benefit provisions, and
- approve the appointment or termination of the Fund's Chief Medical Officer.

Members include:

- Nicolette Rubinsztein (Chair)
- Keith Tull (ceased 11 November 2019)
- Lelia Green
- Jane den Hollander
- Sue Gould (consultant)
- Jennifer Lang (consultant)
- Kevin O'Sullivan (CEO UniSuper, Ex-Officio)

Investment Committee

The Investment Committee is responsible for:

- investing funds in a manner consistent with the investment objectives set by the Board, and
- other investment matters, including:
 - investment policy
 - making investment strategy recommendations to the Board
 - monitoring asset allocations
 - monitoring investment performance.

Members include:

- Mark Armour (Chair)
- Professor Peter Dawkins
- Ian Martin
- Christopher Cuffe (independent consultant)
- Anthony FitzGerald (independent consultant)
- Kevin O'Sullivan (CEO UniSuper, Ex-Officio)

OUR PEOPLE**Technology and Projects Committee**

The Technology and Projects Committee is responsible for:

- reviewing key technology changes, innovations and trends in the industry
- reviewing the technology strategy
- reviewing the technology and program management governance frameworks

Members include:

- Mark Armour (Chair)
- Nicole Gower
- Kevin O'Sullivan (CEO UniSuper, Ex-Officio)
- Julie Fahey (consultant)
- Margaret Wright (consultant)

The Executive Leadership Team

The day-to-day administration of UniSuper is managed by a wholly owned company, UniSuper Management Pty Ltd (USM). Under the leadership of the Chief Executive Officer, USM operates in line with performance objectives set every year. The Board regularly reviews these objectives, particularly in regard to providing greater retirement outcomes for members.

GETTING TO KNOW THE LEADERSHIP TEAM

Kevin O'Sullivan
Chief Executive Officer



John Pearce
Chief Investment Officer



Anna Leibel
Chief Delivery & Information Officer



Kevin Roadnight
Chief Operating Officer



Lee Scales
Chief Customer Officer



Anand Thomas
Chief Strategy & Marketing Officer



Julie Watkins
Chief People Officer



Graham Eggins
Acting Chief
Financial Advice



Andrew Raftis
Chief Risk Officer

More information on the Executive Leadership Team is available on our [website](#)

Key super measures passed

Several policy changes came into effect and the Government introduced temporary measures to ease the financial impact of COVID-19.

Insurance changes

In September 2019, the Putting Members' Interests First (PMIF) Bill was passed, requiring insurance to be offered on an 'opt-in' basis for new members under 25 years of age and for those with an account balance below \$6,000. This was a significant change from the previous arrangements, where new members automatically received insurance cover and had to formally 'opt-out' if it was not desired.

This measure applied from 1 April 2020 and during this time UniSuper wrote to close to 76,700 affected members and instructed them how to keep cover (if they wished to).

Changes required to comply with the PMIF legislation consisted of preventing default insurance cover from commencing until a member was aged at least 25 years and had an account balance of \$6,000 or more, unless the member elected to receive that cover earlier. Defined Benefit Division members are exempt from the measures.

Retirement income review

Also in September 2019, the Government announced an independent review of the retirement income system, to assess its current state and how it will perform in the future as Australians live longer and the population ages. The review looked at the three existing pillars of the retirement income system: the Age Pension, compulsory superannuation and voluntary savings. UniSuper provided a response to the consultation paper outlining our approach to modelling members' retirement adequacy. The report was provided to the Government in late July but as yet it has not yet been made public.

Pension drawdown

In March 2020, the Government announced that minimum pension drawdown rates for account-based pensions would be reduced by 50% in the 2019-20 and the 2020-21 financial years.

Change to voluntary superannuation contribution rules

Announced in the 2019 Budget were a raft of changes that make it easier for people aged 65 and 66 to make voluntary contributions into their superannuation. The measures took effect from 1 July 2020.

Royal Commission update

In early 2020, the Government announced a six-month deferral to the implementation of commitments associated with the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry as a result of the significant impacts of the COVID-19 pandemic.

Consumer advocacy for super

In the 2019-20 Budget, the Government announced its intention to establish a consumer advocacy body. The objective of the advocacy body will be to become the voice of consumers in policy discussions and to support access to information to educate and assist consumers, including vulnerable consumers, to navigate the super system. As a result, on 3 December 2019, Treasury announced an expression of interest for parties to help inform Treasury and the Government about options to establish the advocacy body.

Early release of super

In April 2020, the Parliament passed several measures as part of an economic package to deal with the COVID-19 pandemic. One of the measures allowed individuals in financial stress to access up to \$10,000 of their super in the 2019-20 financial year, and a further \$10,000 in 2020-21 if they apply before 24 September 2020. In July 2020, the government announced an extension until 31 December 2020.

Choice of Fund

During the year the Treasury Laws Amendment (Your Super, Your Choice) Bill 2019 was debated and passed through the House of Representatives. Under the Bill, individuals, with a few exceptions, would be able to choose which superannuation fund they want their super contributions to be made. The Bill was the subject of an inquiry by the Senate Economics Legislation Committee who sought industry submissions. UniSuper made two written submissions to the inquiry and a delegation from management and the Board appeared before the Committee in March, outlining the potential consequences for UniSuper.

Defined Benefit Division (DBD) update

The Defined Benefit Division (DBD) is the default product arrangement selected by the Trustee for new eligible employees. Unique to the higher education and research sector, the DBD is designed to grow based on a formula, regardless of the performance of investment markets.

There are two key actuarial measures used by the Trustee to monitor the financial position of the Defined Benefit Division (the DBD), namely the Vested Benefits Index and Accrued Benefits Index. Both measures were maintained at healthy levels during the financial year.

VESTED BENEFITS INDEX (VBI)

A VBI of greater than 100% means that the value of the assets supporting the DBD are more than sufficient to cover the vested benefit liabilities at that date. The vested benefit liability of the DBD is equal to the value of the total benefits that would be payable by the DBD if all the members voluntarily terminated their service with their employer at that date.

At 30 June 2020, the VBI was 114.1%. As a result, the DBD assets were more than adequate to cover the vested benefit liabilities as at 30 June 2020.

ACCRUED BENEFITS INDEX (ABI)

UniSuper is a multi-employer superannuation fund for the higher education sector, with low risk of having to pay all members' benefits at any one time. Hence, the ABI is the measure that the Trustee believes is the most relevant in determining the ability of the DBD to pay, over the long term, all defined benefits that have accrued to the date that the measure is calculated.

An ABI of greater than 100% means the assets supporting the DBD are expected to be more than sufficient to meet future payments in respect of benefits accrued up to that date.

As at 30 June 2020, the ABI was 124.7%. As a result, the DBD assets were more than adequate to meet future payments in respect of benefits accrued up to 30 June 2020.

These VBI and ABI figures are provisional results calculated by the Fund Actuary and are subject to final confirmation within the 30 June 2020 actuarial investigation report.

How we manage your super

How UniSuper is administered

UniSuper is managed by a corporate Trustee, UniSuper Limited, which has delegated the day-to-day administration of the Fund to a wholly owned company, UniSuper Management Pty Ltd (USM). The Executive Leadership team reports to the Boards of UniSuper Limited and USM.

USM operates in line with a set 2019-20 strict performance objectives, against which the Board of UniSuper Limited regularly monitors its performance.

The Trustee has taken out professional indemnity insurance.

Error rectification

UniSuper's Incidents, Breaches and Error Management Policy provides for exited members to be reinstated for errors affecting their account by more than \$20.



Claiming your super benefit if you're a temporary resident

A temporary resident whose visa period has ended can generally claim their UniSuper benefit as a lump sum once they've left Australia.

If a temporary resident doesn't claim their super when they leave Australia, UniSuper will generally be required to transfer the balance of their super account to the Australian Taxation Office (ATO) as an unclaimed benefit after a period of six months from the date the visa ceased to be in effect or they left Australia (whichever occurs later).

If this happens to you, you can claim super benefits directly from the ATO. Please contact the ATO for further details (www.ato.gov.au).

If a temporary resident's benefit is transferred to the ATO, UniSuper relies on the Australian Securities and Investments Commission relief to the effect that UniSuper is not obliged to notify or provide the non-resident with an exit statement.

However, a temporary resident can contact UniSuper to receive information about the transfer that will enable them to apply to the ATO to claim their benefit. For more information, refer to the Departing Australia Superannuation Payment (DASP) factsheet, which is available at unisuper.com.au or by calling us on 1800 331 685.

Superannuation surcharge

The Government's superannuation surcharge was abolished on 1 July 2005. However, surcharge deductions for prior years may still appear on your latest statement as a deduction from your account.

If we received a surcharge assessment from the ATO in relation to your super, we will have paid the assessment and there will be a deduction or adjustment made to your account to reflect this. Full details of any surcharge deductions if applicable are on your statement.

Service providers we use

The Trustee draws on the services and expertise of a number of professional service providers and organisations.

During the financial year, our main service providers were:

- Actuary: Kate Maartensz FIAA, Willis Towers Watson
- Chief Medical Consultants: Diel Felman from Work Life Well and Pramodh Nathaniel from Matrix Health
- Tax Consultant: KPMG
- Auditor: Ernst & Young (external), PricewaterhouseCoopers (internal)
- Bankers: Commonwealth Bank of Australia
- Insurance underwriter: TAL Life Limited (TAL), and
- Investment Master Custodian: BNP Paribas Securities Services

Managing our finances

UniSuper holds modest amounts in reserve for specific items. The reserves include:

- an administration reserve to help manage the operation of the Fund
- an external insurance reserve used to fund improvements in the external insurance offering
- a self-insurance reserve for the death and disablement benefits provided by UniSuper to Accumulation 2 members. The insurance products covered by this reserve were outsourced to an external insurer from 3 January 2015, so the reserve is now in 'run-off' mode, and
- an operational risk reserve to cover losses, costs and expenses that may be incurred in the event of an operational risk. On 30 June 2020, the reserve balance represented 0.29% of funds under management, which is above the Fund's Operational Risk Financial Requirement of 0.25%

All of the reserves, except for the administration reserve, are invested in a diversified portfolio with an asset allocation that mirrors that of UniSuper's DBD. The assets backing the administration reserve include an investment in the Fund's administrator, USM.

The total of the reserves as at 30 June for the past three years was \$334 million in 2018, \$415 million in 2019 and \$447 million in 2020.

Complaints handling

We hope you don't have any complaints about your super or pension, but if you do please contact us.

For more information on how to make a complaint, refer to our website unisuper.com.au/about-us/contact-us/how-do-i-make-a-complaint.

Our financial results

Statement of financial position

AS AT 30 JUNE 2020

	2020	2019
ASSETS	\$M	\$M
<i>Cash and receivables</i>		
Cash and cash equivalents	262	276
Income tax receivable	-	134
Sundry debtors and prepayments	13	12
	275	422
<i>Investments – financial assets</i>		
Equities		
- Local	32,871	35,099
- Overseas	22,191	19,439
Interest bearing securities		
- Local	13,136	13,528
- Overseas	2,214	1,660
Others, including short term deposits	6,347	4,728
Derivative assets	563	129
	77,322	74,583
<i>Investments – non-financial assets</i>		
Property investments	4,016	3,964
Infrastructure investments	3,585	3,805
	7,601	7,769
Total assets	85,198	82,774
LIABILITIES		
Benefits payable	15	19
Sundry creditors	38	31
Derivative liabilities	168	108
Income tax payable	203	-
Deferred tax liabilities	1,552	1,819
Total liabilities excluding member benefits	1,976	1,977
Net assets available for member benefits	83,222	80,797
<i>Member benefits</i>		
Defined contribution member liabilities	55,982	52,284
Defined benefit member liabilities	21,288	20,550
Total member liabilities	77,270	72,834
Total net assets	5,952	7,963
EQUITY		
Reserves	447	415
Defined benefit surplus/(deficit)	5,505	7,548
Total equity	5,952	7,963

Income statement

AS AT 30 JUNE 2020

	2020	2019
	\$M	\$M
<i>Investment revenue</i>		
Interest	399	462
Dividends and distributions	2,115	3,115
Other income	47	54
Movement in fair value of assets	(3,330)	4,589
Total investment revenue	(769)	8,220
<i>Expenses</i>		
Direct investment expenses	331	305
Administration expenses	63	56
Total expenses	394	361
Net operating result before income tax expense	(1,163)	7,859
Income tax expense	(303)	116
Net operating result after income tax expense	(860)	7,743
Net benefits allocated to defined contribution member accounts	(699)	(4,091)
Net change in defined benefit member benefits	(528)	(1,797)
Net profit after income tax	(2,087)	1,855

Statement of changes in member benefits

FOR THE YEAR ENDED 30 JUNE 2020

	DEFINED CONTRIBUTION	DEFINED BENEFIT	TOTAL
	\$M	\$M	\$M
Opening balance 1 July 2019	52,284	20,550	72,834
Employer contributions	1,873	1,549	3,422
Member contributions	779	211	990
Rollovers in from other superannuation plans	2,425	-	2,425
Rollovers out to other superannuation plans	(656)	(28)	(684)
Income tax on contributions	(281)	(234)	(515)
Net after tax contributions	4,140	1,498	5,638
Benefits paid (excluding rollovers out)	(1,848)	(461)	(2,309)
Transfers from defined benefit to defined contribution accounts	795	(795)	-
Death/disability benefits credited to member accounts	12	-	12
Premiums charged to members, net of tax	(56)	-	(56)
Reserve transfers to/(from) members:			
Operational risk reserve	(7)	-	(7)
Administration reserve	(33)	(32)	(65)
Self insurance reserve	-	-	-
External insurance reserve	(4)	-	(4)
Net benefits allocated to members' accounts, comprising:			
Net investment Income	699	-	699
Net change in defined benefit member benefits	-	528	528
Closing balance 30 June 2020	55,982	21,288	77,270

	DEFINED CONTRIBUTION	DEFINED BENEFIT	TOTAL
	\$M	\$M	\$M
Opening balance 1 July 2018	45,155	18,792	63,947
Employer contributions	1,697	1,523	3,220
Member contributions	704	204	908
Rollovers in from other superannuation plans	2,166	-	2,166
Rollovers out to other superannuation plans	(644)	(30)	(674)
Income tax on contributions	(255)	(217)	(472)
Net after tax contributions	3,668	1,480	5,148
Benefits paid (excluding rollovers out)	(1,583)	(450)	(2,033)
Transfers from defined benefit to defined contribution accounts	1,040	(1,040)	-
Death/disability benefits credited to member accounts	7	-	7
Premiums charged to members, net of tax	(45)	-	(45)
<i>Reserve transfers to/(from) members:</i>			
Operational risk reserve	(14)	-	(14)
Administration reserve	(33)	(29)	(62)
Self insurance reserve	1	-	1
External insurance reserve	(3)	-	(3)
<i>Net benefits allocated to members' accounts, comprising:</i>			
Net investment Income	4,091	-	4,091
Net change in defined benefit member benefits	-	1,797	1,797
Closing balance 30 June 2019	52,284	20,550	72,834

These are UniSuper's abridged financial statements. You can request the Fund's full audited accounts and the auditor's report by calling us on [1800 331 685](tel:1800331685).

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This Annual Report has been prepared and issued by UniSuper Limited as Trustee of UniSuper.

This information is of a general nature only and does not take into account your personal financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement from UniSuper for your membership category and whether to consult a licensed financial adviser.

Every care has been taken with the information provided in this publication. However, because of the complex nature of superannuation and taxation law and the frequent changes occurring, UniSuper Limited reserves the right to correct any error or omission. If there is any discrepancy between this publication and the Trust Deed and Regulations, the Trust Deed and Regulations will prevail.

Information in this publication is current as at the date of publication, but may change in the future. UniSuper is referred to throughout this document as "UniSuper" or the "Fund" (ABN 91 385 943 850, MySuper Authorisation No. 91385943850448).

UniSuper Limited (USL) (ABN 54 006 027 121/ AFSL No 492806) is the corporate trustee of UniSuper (the Fund) (ABN 91 385 943 850) and is referred to throughout this document as "UniSuper Limited" or the "Trustee".

UniSuper Management Pty Ltd is the administrator of the Fund and is referred to throughout this document as "USM" or the "Administrator" (ABN 91 006 961 799/AFSL No 235907). USM is wholly owned by USL in its capacity as UniSuper's Trustee. UniSuper Advice is operated by USM, which is licensed to deal in financial products and to provide financial advice. UniSuper Limited Board is referred to throughout this document as the "Board" or the "Directors".

The SuperRatings data in this report is based on SuperRatings Pty Ltd's Fund Crediting Rate Survey June 2020. SuperRatings Pty Limited holds Australian Financial Services Licence No. 311880. Any information provided is of a general nature and is not guaranteed to be accurate or complete. Information has been prepared and provided without taking into account the recipients' objectives, financial situation or needs. The recipient should consider obtaining independent advice before making any decision about a financial product referred to and should obtain and consider a copy of the relevant Product Disclosure Statement from the product issuer.

Level 1, 385 Bourke Street, Melbourne Vic 3000

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October 2020

Members can request a hard copy or an electronic version of this report free of charge by calling 1800 331 685. This report is also available at unisuper.com.au.