



Annual report

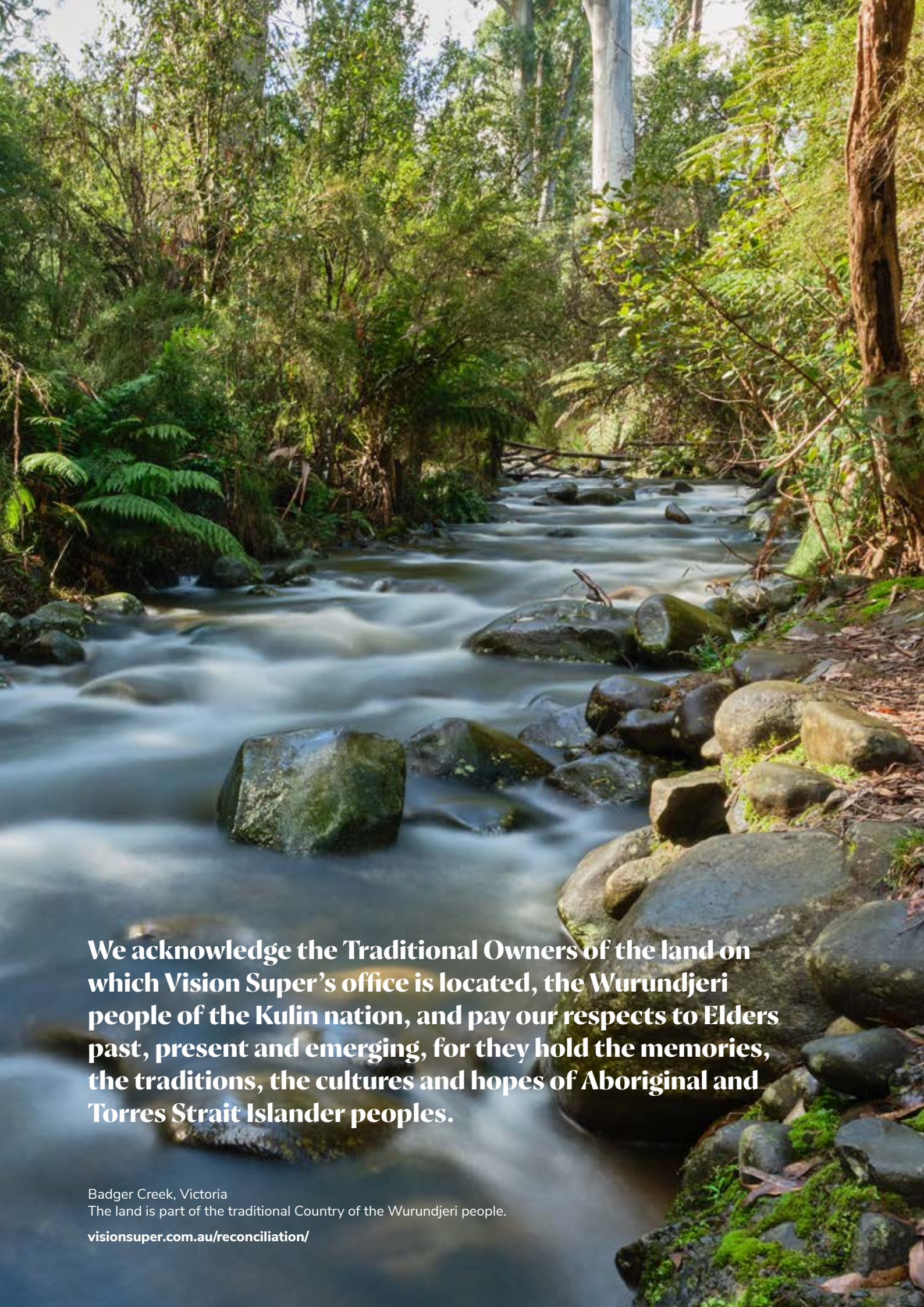
for the year ended 30 June 2023



This annual report has been prepared and issued by Vision Super Pty Ltd ABN 50 082 924 561, AFSL 225054, RSE Licence L0000239 the Trustee of the Local Authorities Superannuation Fund ABN 24 496 637 884 (together 'Vision Super', 'the Fund', 'we', 'us' or 'our').

This report covers the operations and financial position for the period 1 July 2022 to 30 June 2023. This annual report has been prepared on 22 November 2023. While it has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. All forecasts and estimates are based on certain assumptions which may change.

This report includes general information and does not contain any personal advice. It is provided for general information only, to help you understand Vision Super's products, services, policies and procedures. The information was correct at the time of publication, but may have changed since. It does not take into account your personal objectives, financial situation or needs. You should consider whether it is appropriate for you and your personal circumstances before acting on it and, if necessary, you should seek professional financial advice. Before making a decision to invest in any Vision Super product, you should read the appropriate Vision Super Product Disclosure Statement (PDS) and Target Market Determination (TMD). Past performance is not an indication of future performance.

A long-exposure photograph of a river flowing over rocks in a lush forest. The water is blurred, creating a sense of motion. The rocks are dark and mossy. The forest is dense with green foliage and tall trees.

We acknowledge the Traditional Owners of the land on which Vision Super's office is located, the Wurundjeri people of the Kulin nation, and pay our respects to Elders past, present and emerging, for they hold the memories, the traditions, the cultures and hopes of Aboriginal and Torres Strait Islander peoples.

Badger Creek, Victoria
The land is part of the traditional Country of the Wurundjeri people.

visionsuper.com.au/reconciliation/

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Highlights 2022-23



Top performer (1 year to 30 June 2023)

2nd

MySuper (Balanced growth) option in the SuperRatings Fund Crediting Rate survey*



Member accounts

84,414

member accounts serviced and supported as at 30 June 2023



Funds under management

\$12.8b

as at 30 June 2023



Contact Centre

84,380

total interactions by our Melbourne based team



76 years' experience

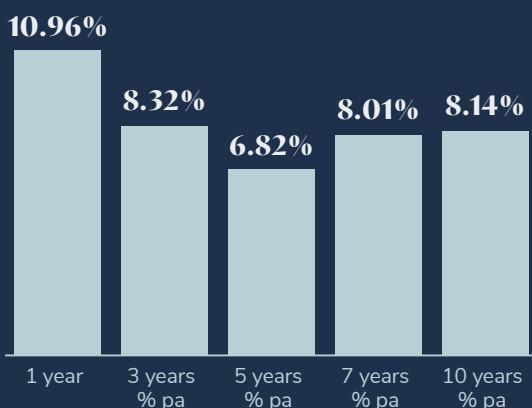
supporting members' retirement outcomes since 1947



9.08

member satisfaction from a possible score of 10 from surveys undertaken throughout the financial year

Balanced growth performance (to 30 June 2023)



Comparison of annual fees and costs[~]

Our fees and costs[#]
\$393



Median
MySuper[^] fees and costs
\$479

Example is based on a \$50,000 balance

[~] Fees and costs per year for a MySuper account with a balance of \$50,000.

[#] Vision Super fees and costs at July 2023.

[^] Median – APRA Quarterly statistics June 2023 – Statement of other fees and costs for a representative member (\$50,000) for MySuper products with single investment strategy.

“ I would like to thank you for the friendly and efficient service I received when I rang your office today. It was a refreshing change to dealing with other call centres. ”

Susan

* SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2023

Chair's message



Lisa Darmanin, Chair

Our Board and everyone at Vision Super are focused on delivering the best possible retirement outcome for every member

This year – my second as Vision Super Chair – has had a number of highlights. Most importantly, the Fund delivered very strong results for our members, both for the year and over the longer term. Our Board and everyone at Vision Super are focused on delivering the best possible retirement outcome for every member, and it's great to see that shine through in our investment results.

Another highlight was signing a Heads of Agreement to merge with Active Super, the traditional fund for local government in New South Wales – we sent you an email to let you know, and you may have seen some media coverage. What you didn't see was the enormous amount of work from the staff of both funds to get us to that point – an extensive due diligence process was undertaken, along with the development of a target operating model for the merged fund to harness the efficiencies that can come from being a larger organisation.

Together we aim to create a fund of the future where we're stronger, bigger and able to attract more members and give them exceptional service and strong retirement outcomes. Our target operating model provides optimal outcomes for our existing members and helps position us as a competitive fund that can continue to grow and satisfy members' best interests.

Vision Super will still be the fund that's managed retirement savings for members in the local government and authorities sectors and beyond for more than 76 years – we'll just be serving a larger membership that's more geographically diverse.

Our target merger date is in the second half of next year – we will keep you updated as that date gets closer. Active Super will be moving their members and data onto Vision Super's existing systems, which creates a lot of work in designing and programming and making sure there's a smooth and accurate migration. I hope when I write my introduction next year we'll be in the final stages of transition.

Until then, all the best for the coming year and I hope to see many of you at our Annual Members' Meeting in November.

CEO's message



Stephen Rowe, CEO

Our MySuper Balanced growth option is top 10 over 1, 3, 5, 7 and 10 years*

Vision Super achieved very strong investment results for our members this year, with our MySuper Balanced growth option (our largest product and the default option for Super Saver members) one of the top two MySuper options over the year.*

But it's always important to keep a long-term perspective when you're looking at a long-term investment like your super – which is why I'm even more pleased for our members that Balanced growth is also in the top ten MySuper options over 3, 5, 7 and 10 years, with top quartile returns.*

We've been talking to you for a few years now about merger, and it's been great to see that strategic goal progressed over the last year. Vision Super is an effective, efficient fund with a history of strong returns and exceptional member service. A merger with Active Super is looking prospective. Subject to establishing equivalent rights for Vision Super members, and that transition is in the best financial interests of our members, Vision Super will move to execute a successor fund transfer deed and merge with Active Super in the second half of 2024.

Merger is one of the strategies the Board has put in place to grow the Fund, because growth means efficiencies and opportunities to serve our members even better. Another strategy is our new brand campaign, which you may have seen on TV, or on a billboard or social media. Our campaign reflects our name and our purpose – a vision of our members' futures, and keeping a sharp eye out for better ways to help you achieve the best possible retirement.

I want to take this opportunity to thank every single member of our Vision Super team for the effort you put in every day for your fellow members. Your embodiment of our values of Trust, Commitment, Citizenship and Care, and your contribution to making Vision Super a diverse, inclusive and friendly workplace make me very proud and make this a truly special place to work.

Finally I want to thank my fellow Vision Super members – managing your retirement savings is a huge responsibility, and we appreciate and value the trust you place in us.

Vision Super's MySuper (Balanced growth) net return over*#:

Period	1 year	3 years	5 years	7 years	10 years
Rank	2nd	9th	5th	5th	7th
Return (% pa)	10.96%	8.32%	6.82%	8.01%	8.14%

* SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2023.

Performance as at 30 June 2023. Past performance is not a reliable indicator of future performance.

Chief Investment Officer's report

Chief Investment Officer's update
Top stock holdings

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Chief Investment Officer's update

After a difficult 2021/22, the last financial year was a better environment for most superannuation funds.

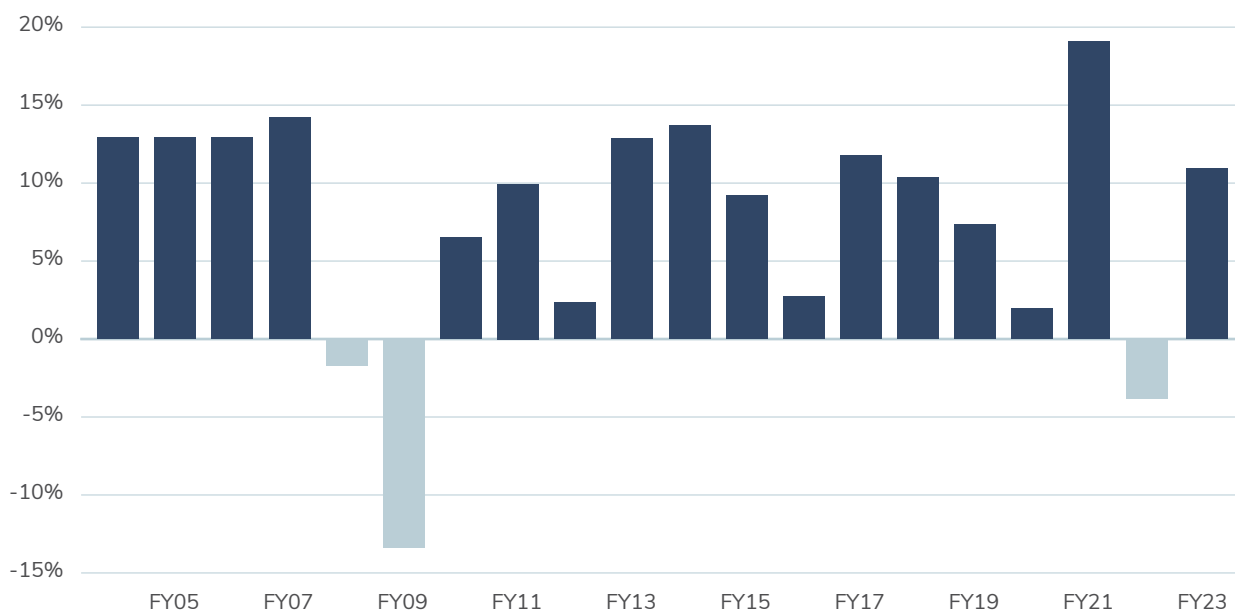
For the 2022/23 financial year, Vision Super's default MySuper (Balanced growth) investment option generated a favourable return of 10.96%*, which was high compared with most peer super funds assessed by SuperRatings. Within the SuperRatings SR50 MySuper Index category, our MySuper Balanced growth option was rated second out of 41 investment options for the year. The medium-term performance of our MySuper option is also favourable relative to peers (for the five years to June 2023, it is ranked fifth of 39 options and for ten years, it is seventh out of 29).

Most of Vision Super's investment options produced decent positive returns in 2022/23. Vision Super's pension members in the Balanced growth pension option received a return of 11.7% for the financial year. Pension returns are often higher, due to more favourable tax treatment.

All of Vision Super's other premixed options also had positive returns for 2022/23. The Infrastructure and Property options had positive returns, and Cash was also modestly positive on the back of rising interest rates. The exception was the Diversified bonds option, which produced a slightly negative return of -1.80%. As interest rates rise, income from this option also rises but capital losses are experienced for longer-term investments in this option. On the positive side, with higher yields, the outlook for this option is now more favourable than it has been for many years.



Financial year returns for the MySuper (Balanced growth) investment option as at 30 June[#]



* SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2023.

[#] Returns are for each financial year ending 30 June, and are net of relevant fees, costs and taxes, as applicable from time to time. Past performance is not a reliable indicator of future performance.

The investment environment

The investment environment in 2022/23 had two general phases: falling equity markets during the first few months; and then rebounding equity markets over the remainder of the period.

In the first three months of the financial year, equity markets performed poorly on inflation fears. Australian equities did better, led by resource companies, even as oil prices fell sharply. Europe was concerned about how it would get through the winter given energy shortages and the UK went through three prime ministers in a matter of months with much economic turmoil during the process. Then signs that inflation was peaking provided support to markets. The European winter proved to be mild, ameliorating energy concerns, and China began to emerge from its long Covid lockdown in late 2022. The US passed the Inflation Reduction Act, focused on reducing carbon emissions, lowering healthcare costs and improving US tax compliance.

Against this background, equity markets rallied from October onwards as central banks continued to raise rates (albeit at a reduced pace in the US). Rising interest rates have impacted bond markets and led to another year of negative returns for these markets, a sharp contrast to equity market strength.

In March 2023, banking issues emerged in the US and several mid-sized and small banks failed in a short period. The US Federal Reserve and the US Federal Government reacted quickly by guaranteeing deposits in these banks and allowing banks access to funding if required. Equity initially fell when the issues first emerged, but concern was short-lived with the main impact on the stock prices of the banks most affected by the issues. While investors are now less concerned about US bank issues, there is potential for these issues to re-emerge (for example, through ratings agencies downgrading some of the US banks).



US Federal Reserve effective funds rate[^]

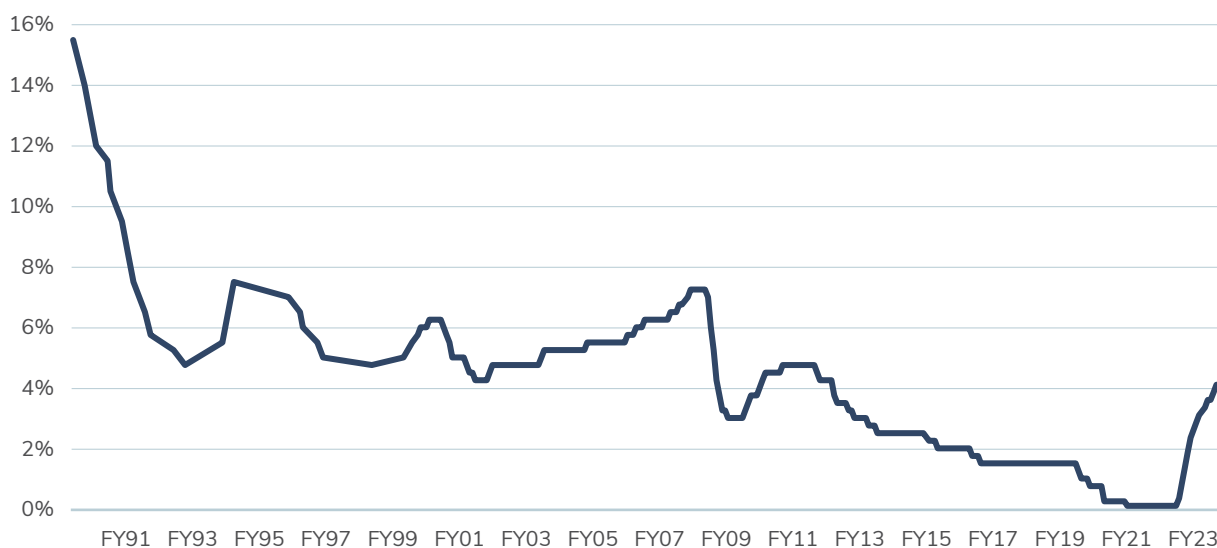


[^] Source: Bloomberg

Chief Investment Officer's update continued



RBA cash rate target[^]



While China came out of lockdown, its economy has continued to struggle due to continued issues in its property markets and trade tensions with the US. China does not appear to be able to stimulate its economy materially given its current high levels of debt.

In November 2022 ChatGPT, a general artificial intelligence program, was released for public use. It sparked huge public interest and many associated technology companies had a very strong first half of 2023 as a result. Nvidia, a graphics process unit manufacturer, was the posterchild for this wave and more than doubled in value over this period.

In the US, Republicans took back control of the House in the November 2022 midterms, signaling likely gridlock ahead. There was the usual brinkmanship over the US debt ceiling. However, a surprisingly long agreement was made, with the issue not due to come up again until after the next US presidential election in 2024.

Outlook

After the global economy was surprisingly resilient in 2022/23, the question is where to from here? At the time of writing, a conflict in Israel/Gaza is underway but so far has had limited impact on financial markets. If the conflict broadens to include countries such as Iran, the market reaction would likely increase.

Global economic growth remains reasonable, although is slowing in some regions. Interest rates appear to be close to their peak levels, as leading indicators suggest inflation will continue to fall. We are also likely to see increased government spending in the US from the Inflation Reduction Act with some other countries likely to follow suit. The chart on the previous page shows that the increase in US interest rates has been unusually rapid. Leading indicators such as US bank lending conditions and the US yield curve suggest that a US recession is likely to commence within the next 12 months. However, given the level of household and corporate savings, the likelihood of declining inflation and likely government spending it may be that this time a recession doesn't occur or if it does that it is mild.

While this section of the Annual Report focuses on 2022/23 and the outlook for 2023/24, medium to long-term performance of your super should be your key focus. Vision Super continues to assess the investment environment and investment opportunities, looking for ways to enhance the performance of your retirement savings.

[^] Source: Bloomberg

Top stock holdings*

Top 20: Australian equity portfolio – combined managers

Rank	Security	% of asset class	% of ASX300 index	% over/under weights
1	BHP Group	10.19	10.42	-0.23
2	Commonwealth Bank of Australia	6.92	7.73	-0.81
3	CSL	6.57	6.11	0.45
4	National Australia Bank	4.04	3.78	0.25
5	Macquarie Group	3.43	2.95	0.48
6	Wesfarmers	2.99	2.56	0.43
7	ANZ Group Holdings	2.77	3.25	-0.49
8	Aristocrat Leisure	2.13	1.16	0.97
9	Rio Tinto	1.99	1.95	0.04
10	Woolworths Group	1.96	2.21	-0.26
11	Transurban Group	1.95	2.01	-0.06
12	Westpac Banking Corporation	1.91	3.42	-1.51
13	Woodside Energy Group	1.48	2.99	-1.51
14	James Hardie Industries	1.36	0.80	0.56
15	Resmed	1.36	0.59	0.78
16	Telstra Group	1.33	2.27	-0.94
17	Mineral Resources	1.32	0.56	0.77
18	QBE Insurance Group	1.14	1.07	0.07
19	Ampol	1.09	0.33	0.76
20	Fortescue Metals Group	1.03	1.72	-0.69
Total		56.95	57.86	-0.91

* Data as at 30 June 2023. For more details on the underlying investments for each of our investment options, see visionsuper.com.au/invest/portfolio-holdings-information/

Top stock holdings*

Top 20: International equity portfolio – combined managers

Rank	Security	% of asset class	% of MSCI index	% over/under weights
1	Apple	3.45	4.92	-1.47
2	Microsoft Corporation	2.90	3.86	-0.97
3	Amazon Dotcom	1.88	1.93	-0.05
4	Nvidia Corporation	1.63	1.68	-0.05
5	Alphabet - Class A	1.38	1.14	0.24
6	Taiwan Semiconductor Manufacturing	1.37	0.73	0.64
7	Meta Platforms - Class A	1.35	1.02	0.33
8	Mercedes-Benz Group	1.21	0.11	1.10
9	Alphabet - Class C	1.14	1.04	0.10
10	BNP Paribas	0.96	0.11	0.85
11	Tesla	0.93	1.20	-0.27
12	United Health Group	0.92	0.72	0.20
13	Samsung Electronics	0.87	0.42	0.45
14	Novartis	0.79	0.33	0.46
15	Charter Communications - Class A	0.74	0.06	0.68
16	HCA Healthcare	0.73	0.10	0.63
17	Bank Of America	0.71	0.33	0.38
18	Alibaba Group Holding	0.69	0.28	0.41
19	Fiserv	0.66	0.13	0.54
20	JPMorgan Chase & Co	0.66	0.68	-0.02
Total		24.96	20.80	4.16

*Data as at 30 June 2023. For more details on the underlying investments for each of our investment options, see visionsuper.com.au/invest/portfolio-holdings-information/

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Investment strategy

Vision Super has a long and successful history of managing members' assets. The Fund uses both passive and active investment strategies.

The Trustee determines the strategic asset allocation (SAA) for each investment option, with each SAA formally reviewed at least annually. SAAs are set considering long-term equilibrium attributes for asset classes and aspects such as changing member demographics and any other relevant long-term factors.

The Trustee also undertakes regular reviews of the targeted asset allocation of investment options throughout the year using a dynamic approach. These reviews consider factors such as current market pricing, economic and market trends, and an assessment of the potential risks embedded in markets and economies. For each option, the aim of the dynamic asset allocation process is to achieve better risk-adjusted returns over the medium term than would be generated by the SAA.

The Fund's portfolio is closely monitored by the Trustee. The defined benefit component of the Fund is very sensitive to market movements; therefore it is vital to monitor defined benefit assets and liabilities regularly.

Over the longer-term, investments in our premixed options are generally designed with the aim of outperforming inflation and delivering real returns to members.

Rebalancing policy

Our rebalancing approach aims to achieve an appropriate balance between limiting exposure to unintended market risk and limiting the impact of transaction costs and taxation on the portfolio.

The asset allocation of an option will rarely be aligned exactly with its dynamic or SAA target. For liquid asset classes, Vision Super aims to limit the variance from the dynamic asset allocation target to be within +/- 1%. For illiquid asset classes, this range is generally expected to be +/- 2%. During times of significant market movements, asset allocations may be allowed to vary outside these tolerance ranges with the aim of reducing transaction costs.

Our rebalancing approach aims to achieve an appropriate balance between limiting exposure to unintended market risk and limiting the impact of transaction costs and taxation



Investment management

Vision Super appoints investment managers and manages the asset allocation of each option to its target allocation.

Investment management

Vision Super offers members a range of premixed and single sector investment choice options. Each option has investment objectives, which are reviewed at least annually. For the investment options that have return benchmarks that are linked to inflation, this review involves careful consideration of expected long-term future risks and returns.

A dynamic asset allocation framework is also applied to all of our premixed investment options, except for the Balanced low cost option. This framework is applied throughout the year and considers market valuations, economic and market trends as well as an assessment of potential risks embedded in economies and markets. The target asset allocations may change during the year as a result of this review process with the aim of improving risk-adjusted returns. Any changes affecting the PDSs may be updated on our website.

A rebalancing process is used with the aim of ensuring that each investment option is sufficiently aligned with its target asset allocation and within SAA ranges. Multi-asset class investment options are rebalanced periodically.

Use of derivatives

Derivative instruments may be used for gaining exposure to equities, currency and bonds to assist with efficient implementation of asset allocation. Derivatives may also be utilised to provide some protection from steep falls in equity markets for the defined benefit plans. The Fund's currency overlay manager uses derivatives to manage foreign currency exposures.

The equity futures positions are fully backed by cash at the asset class level, using an implementation manager for this purpose. External fund managers of discrete mandates are only authorised to use derivative instruments under agreed guidelines. These guidelines allow fund managers to use derivatives to control risk and reduce or increase exposure to investment markets. Fund managers are not authorised to use derivative instruments for the purposes of leveraging the portfolio or for speculation.

Vision Super invests in several pooled investment funds. The managers of these pooled investment funds may use derivative instruments to leverage their portfolios. Vision Super does not have additional liability associated with these pooled funds beyond the amounts committed. We do not use derivative instruments in managing the internal cash portfolio.

The derivative charge ratio (the percentage of the Fund's assets being held as security for derivative investments) did not exceed 5% of all Fund assets at any time during the 2022/23 year.

Allocation of Fund earnings*

Fund earnings are allocated to your account through the unit pricing process.

When you invest in Vision Super, your contributions buy units in the investment option(s) that your account is invested in. The unit price is the dollar value of each unit in the investment option, and there is a unit price for each investment option.

Unit prices may go up or down daily, due to movements in the value of the assets underlying each investment option (after taking into account relevant fees, costs and tax, if applicable).

Unit prices for each investment option are calculated as at the end of each Victorian business day and are usually published on our website by 8.30pm the following business day. Unit prices are based on the most recently available information for the day, including market close prices for domestic markets and all applicable international markets.

No unit prices are struck on weekends and Victorian public holidays.

*If you are a defined benefit member, then this information only applies to any accumulation account you have.

Investment objectives and strategy

Tables on these pages show the investment objectives and strategic asset allocations of Vision Super's premixed and single sector investment options as at 30 June 2023.

Understanding the tables

Probability of a negative return allows members to select an option with a level of risk (as measured by volatility) they are comfortable with. The risk level is a standard risk measure, which is based on the estimated number of negative annual returns over any 20-year period. Figures in the tables are indications of long-term expectations. Investment markets go up and down and it is possible for negative returns to occur more frequently than shown.

Return objectives are higher for retirement pension than accumulation (super) products because they pay no tax on investment earnings. Performance objectives for non-commutable account based pensions (NCAPs) are the same as for super products.

The performance objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.

This information relates to Vision Super's super and pension products. Investments information relating to defined benefit plans is shown later in the report. Investment option objectives, strategic allocations and minimum timeframes may have changed since 30 June 2023. For details please refer to our website at visionsuper.com.au

Premixed options

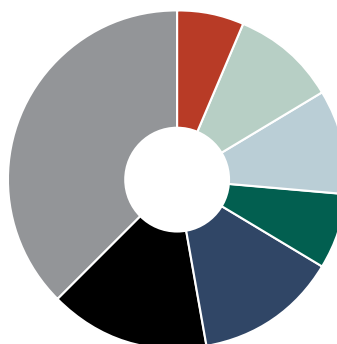
Conservative*

Return objectives – super¹, pensions²

To outperform (after fees and taxes) the rate of CPI increases by 1.0% pa over rolling 15-year periods for super (1.5% pa for pensions).

Probability of a negative return

The risk level of this option is low to medium. The expected frequency of a negative return is 1 to less than 2 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
Australian equities	6.5%
International equities	10%
Opportunistic growth [^]	0%
Infrastructure	10%
Property	7.25%
• Listed property	2.25%
• Unlisted property	5%
Alternative debt	13.5%
Diversified bonds	15.5%
Cash	37.25%
Other [^]	0%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

[^] While the benchmark allocation is nil, investments may be made in this asset class within the ranges set out in the Product Disclosure Statement.

* The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

Premixed options

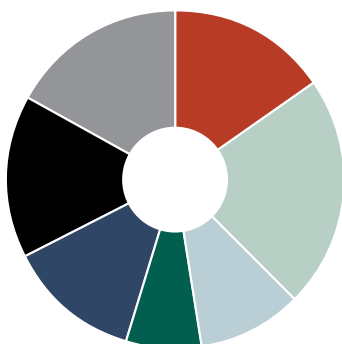
Balanced*

Return objectives – super¹, pensions²

To outperform (after fees and taxes) the rate of CPI increases by 2.0% pa over rolling 15-year periods for super (2.75% pa for pensions).

Probability of a negative return

The risk level of this option is medium to high. The expected frequency of a negative return is 3 to less than 4 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
Australian equities	15.5%
International equities	22%
Opportunistic growth [^]	0%
Infrastructure	10%
Property	7.25%
• Listed property	2.25%
• Unlisted property	5%
Alternative debt	13%
Diversified bonds	15.5%
Cash	16.75%
Other [^]	0%

Balanced growth (including MySuper default)*

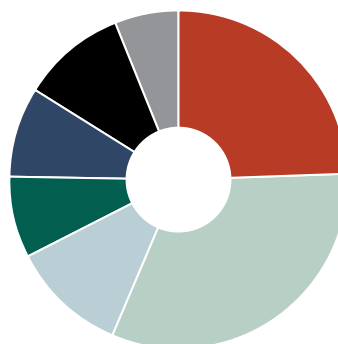
Return objectives – super¹, pensions²

To outperform (after fees and taxes) the rate of CPI increases by 3.0% pa over rolling 15-year periods for super³ (3.75% pa for pensions).

To outperform (after fees and taxes) the median default superannuation fund over rolling three year periods assessed using the SR50 MySuper Index from the SuperRatings Fund Crediting Rate Survey.³

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative annual return is 4 to less than 6 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
Australian equities	24.5%
International equities	32%
Opportunistic growth [^]	0%
Infrastructure	11%
Property	8%
• Listed property	2.5%
• Unlisted property	5.5%
Alternative debt	8.5%
Diversified bonds	10%
Cash	6%
Other [^]	0%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

3. This objective only applies to the MySuper option.

[^] While the benchmark allocation is nil, investments may be made in this asset class within the ranges set out in the Product Disclosure Statement.

* The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

Investment objectives and strategy continued

Premixed options

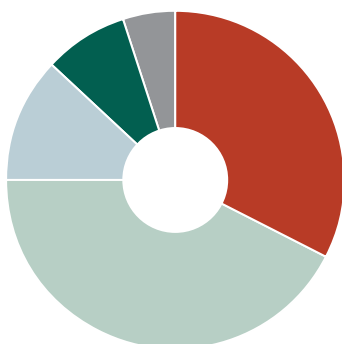
Growth*

Return objectives – super¹, pensions²

To outperform (after fees and taxes) the rate of CPI increases by 3.5% pa over rolling 15-year periods for super (4.25% pa for pensions).

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative annual return is 4 to less than 6 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
Australian equities	32.5%
International equities	42.5%
Opportunistic growth [^]	0%
Infrastructure	12%
Property	8%
• Listed property	2.5%
• Unlisted property	5.5%
Alternative debt	0%
Diversified bonds [^]	0%
Cash	5%
Other [^]	0%

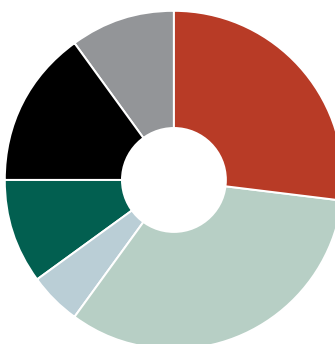
Balanced low cost^{#**}

Return objectives – super¹, pensions²

To outperform (after fees and taxes) the rate of CPI increases by 2.5% pa over rolling 15-year periods for super (3.25% pa for pensions).

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative annual return is 4 to less than 6 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
Australian equities	27%
International equities	33%
Infrastructure	5%
Property	10%
• Listed property	5%
• Unlisted property	5%
Diversified bonds	15%
Cash	10%
Other [^]	0%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

[#] This investment option was named Sustainable balanced prior to 1 October 2022.

[^] While the benchmark allocation is nil, investments may be made in this asset class within the ranges set out in the Product Disclosure Statement.

* The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

** The strategic asset allocations shown above apply from 1 October 2022 to 30 June 2023.

Single sector options

Cash*

Return objectives – super¹, pensions²

To outperform (after fees and before taxes) the Bloomberg Ausbond Bank Bill Index over rolling 3-year periods.

Probability of a negative return

The risk level of this option is very low. The expected frequency of a negative return is less than 0.5 in 20 years.

The return for the Cash option is heavily affected by the cash rate that the Reserve Bank of Australia (RBA) targets.



Strategic asset allocation

Asset class	Benchmark allocation
● Cash	100%

Diversified bonds*

Return objectives – super¹, pensions²

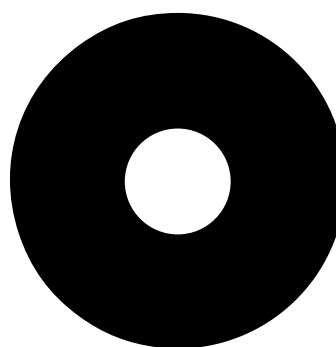
To outperform (after fees and before taxes) over rolling 5-year periods:

- > 50% Bloomberg Ausbond Composite All Maturities Bond Index
- > 50% FTSE World Government Bond Index ex Australia (Hedged in AUD).

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative return is 4 to less than 6 in 20 years.

Given that inflation risks are higher than normal as at the date of preparation of this report, there is greater chance of this option experiencing moderately negative returns than is typically the case.



Strategic asset allocation

Asset class	Benchmark allocation
● Alternative debt [^]	0%
● Diversified bonds	100%
● Cash [^]	0%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

[^] While the benchmark allocation is nil, investments may be made in this asset class within the ranges set out in the Product Disclosure Statement.

* The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

Investment objectives and strategy continued

Single sector options

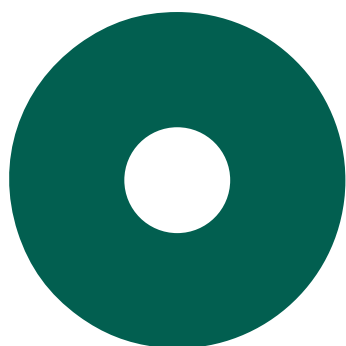
Property^{#*}

Return objectives – super¹

To outperform (after fees and taxes) the rate of CPI increases by 2.5% pa for super.

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative return is 4 to less than 6 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● Unlisted property	100%
● Cash [^]	0%

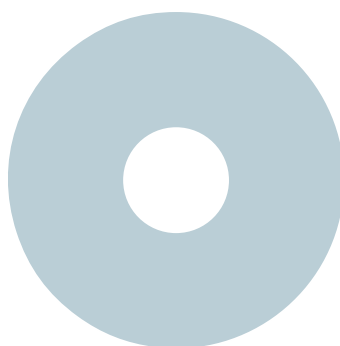
Infrastructure^{#*}

Return objectives – super¹

To outperform (after fees and taxes) the rate of CPI increases by 3.5% pa for super.

Probability of a negative return

The risk level of this option is high. The expected frequency of a negative return is 4 to less than 6 in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● Infrastructure	100%
● Cash [^]	0%

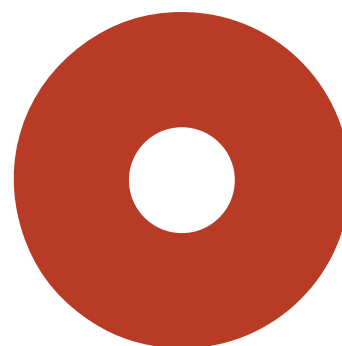
Australian equities^{*}

Return objectives – super¹, pensions²

To outperform (after fees and before taxes) the S&P/ASX 300 Accumulation Index over rolling 15-year periods.

Probability of a negative return

The risk level of this option is very high. The expected frequency of a negative return is 6 or greater in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● Australian equities	100%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

[#] These options aren't available to retirement pensions and NCAPs.

[^] While the benchmark allocation is nil, investments may be made in this asset class within the ranges set out in the Product Disclosure Statement.

^{*} The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

International equities*

Return objectives – super¹, pensions²

To outperform (after fees and before taxes) the MSCI All Countries World ex Australia Net Dividends Index, unhedged over rolling 15-year periods.

Probability of a negative return

The risk level of this option is very high. The expected frequency of a negative return is 6 or greater in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● International equities	100%

Innovation and disruption*

Return objectives – super¹, pensions²

To outperform (after fees and before taxes) the MSCI All Countries World ex Australia Net Dividends Index, unhedged over rolling 15-year periods.

Probability of a negative return

The risk level of this option is very high. The expected frequency of a negative return is 6 or greater in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● International equities	100%

Just shares*

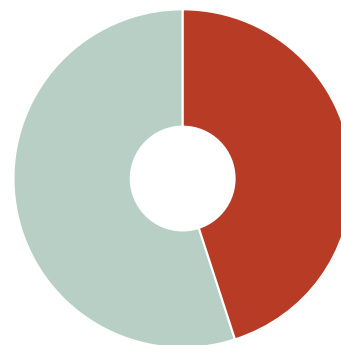
Return objectives – super¹, pensions²

To outperform (after fees and before taxes):

- > 45% S&P/ASX 300 Accumulation Index
- > 55% MSCI All Countries World ex Australia Net Dividends Index, unhedged over rolling 15-year periods.

Probability of a negative return

The risk level of this option is very high. The expected frequency of a negative return is 6 or greater in 20 years.



Strategic asset allocation

Asset class	Benchmark allocation
● Australian equities	45%
● International equities	55%

1. The earnings of super products and NCAPs are taxed.

2. Retirement pensions only. The earnings of retirement pension products are untaxed.

* The strategic asset allocations shown above apply from 1 July 2022 to 30 June 2023.

Investment performance to 30 June 2023 (Super and NCAP)

Refer to notes after tables for important explanations

1 year investment performance

Option name	1 year %	1 year median %	Above median?	1 year return objective %	Achieved objective?
Conservative	5.01%	4.63%	✓	7.08%	✗
Balanced	7.67%	6.93%	✓	8.14%	✗
Balanced low cost	10.25%	9.05%	✓	8.66%	✓
Balanced growth	10.96%	9.26%	✓	9.19%	✓
Growth	13.29%	11.18%	✓	9.72%	✓
Cash	2.67%	2.67%	✗	2.45%	✓
Diversified bonds	-1.80%	0.51%	✗	-0.70%	✗
Property	2.27%	0.57%	✓	8.66%	✗
Infrastructure	11.99%	N/A	N/A	9.72%	✓
Australian equities	14.81%	13.69%	✓	13.88%	✓
International equities	20.34%	17.60%	✓	18.36%	✓
Innovation & disruption	19.42%	17.60%	✓	18.36%	✓
Just shares	18.02%	13.77%	✓	16.41%	✓

3 year investment performance

Option name	3 years % pa	3 year median % pa	Above median?	3 year return objective % pa	Achieved objective?
Conservative	3.96%	3.15%	✓	6.59%	✗
Balanced	6.14%	5.33%	✓	7.62%	✗
Balanced low cost	6.93%	7.52%	✗	8.13%	✗
Balanced growth	8.32%	7.55%	✓	8.65%	✗
Growth	10.31%	9.34%	✓	9.18%	✓
Cash	0.97%	1.01%	✗	0.86%	✓
Diversified bonds	-3.23%	-2.31%	✗	-3.45%	✓
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	11.80%	11.20%	✓	10.84%	✓
International equities	11.72%	10.80%	✓	11.03%	✓
Innovation & disruption	-0.16%	10.80%	✗	11.03%	✗
Just shares	12.39%	10.63%	✓	11.57%	✓

5 year investment performance

Option name	5 years % pa	5 year median % pa	Above median?	5 year return objective % pa	Achieved objective?
Conservative	3.96%	3.14%	✓	5.19%	✗
Balanced	5.52%	4.61%	✓	6.01%	✗
Balanced low cost	5.59%	5.88%	✗	6.31%	✗
Balanced growth	6.82%	5.76%	✓	6.82%	✗
Growth	8.02%	6.92%	✓	7.34%	✓
Cash	1.20%	1.18%	✓	0.99%	✓
Diversified bonds	0.39%	0.46%	✗	0.19%	✓
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	7.95%	7.18%	✓	6.85%	✓
International equities	9.44%	8.60%	✓	8.39%	✓
Innovation & disruption	8.81%	8.60%	✓	8.39%	✓
Just shares	9.22%	7.60%	✓	8.07%	✓

7 year investment performance

Option name	7 years % pa	7 year median % pa	Above median?	7 year return objective % pa	Achieved objective?
Conservative	4.61%	3.79%	✓	5.01%	✗
Balanced	6.66%	5.58%	✓	5.74%	✓
Balanced low cost	6.37%	6.93%	✗	5.95%	✓
Balanced growth	8.01%	6.96%	✓	6.46%	✓
Growth	9.45%	8.38%	✓	6.98%	✓
Cash	1.39%	1.32%	✓	1.28%	✓
Diversified bonds	0.86%	0.91%	✗	1.28%	✗
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	9.35%	8.94%	✓	6.48%	✓
International equities	12.10%	10.24%	✓	7.58%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	11.18%	8.85%	✓	7.35%	✓

10 year investment performance

Option name	10 years % pa	10 year median % pa	Above median?	10 year return objective % pa	Achieved objective?
Conservative	5.02%	4.51%	✓	4.82%	✓
Balanced	6.93%	6.04%	✓	5.59%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	8.14%	7.51%	✓	6.26%	✓
Growth	9.40%	8.64%	✓	6.77%	✓
Cash	1.74%	1.57%	✓	1.45%	✓
Diversified bonds	1.99%	2.09%	✗	2.05%	✗
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	8.68%	8.68%	✗	6.38%	✓
International equities	12.08%	10.37%	✓	7.14%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	10.66%	9.21%	✓	6.98%	✓

Please note: In the tables above, the performance of each option is evaluated versus the respective return objective. The evaluation shown is for one, three-, five-, seven- and 10-year periods. This provides performance over periods that are typically shorter than the investment horizon. The investment horizon for each investment option is provided in the Investment objectives and strategy section. For example, the investment horizon for the Balanced growth option is 15 years.

For each of our investment options, the return objective can change from time to time. The return objective applying for a given period may therefore reflect a blending of the return objectives for the option that applied over that period.

These tables compare Vision Super returns (super and, where applicable, NCAP options) with median returns from the SuperRatings Fund Crediting Rate Survey. For the Balanced growth option, we use the median return from the SR50 MySuper index. For all other options, we use the median return from the SuperRatings SR50/25 index with a comparable investment strategy. SuperRatings is the most widely-used and accepted ratings firm in the Australian superannuation industry. SuperRatings does not assess all superannuation products or options.

Past performance is not an indicator of future performance.

Since 1 July 2017, NCAP is a taxed product. Prior to that, it was treated as untaxed. This was due to a change in legislation. The information relating to the 7 year and 10 year return objective does not reflect the more favourable tax treatment of NCAPs prior to 1 July 2017.

"N/A" indicates that the investment option was not offered to members at all times during the period. The inception dates for Balanced low cost, Innovation and disruption, Property and Infrastructure were 29 June 2016, 14 February 2018, 30 September 2020 and 30 September 2020 respectively. The Property and Infrastructure options are not available to NCAPs. The Balanced low cost investment option was previously known as Sustainable balanced. This change was effective 1 October 2022.

Investment performance to 30 June 2023 (Retirement pensions)

Refer to notes after tables for important explanations

1 year investment performance

Option name	1 year %	1 year median %	Above median?	1 year return objective %	Achieved objective?
Conservative	5.83%	5.19%	✓	7.61%	✗
Balanced	8.85%	8.10%	✓	8.93%	✗
Balanced low cost	12.15%	10.06%	✓	9.46%	✓
Balanced growth	11.75%	10.06%	✓	9.98%	✓
Growth	14.87%	12.34%	✓	10.51%	✓
Cash	3.04%	3.06%	✗	2.89%	✓
Diversified bonds	-1.06%	0.49%	✗	-0.85%	✗
Australian equities	17.30%	15.36%	✓	15.76%	✓
International equities	22.38%	19.63%	✓	20.55%	✓
Innovation & disruption	21.06%	19.63%	✓	20.55%	✓
Just shares	20.19%	15.47%	✓	18.51%	✓

3 year investment performance

Option name	3 years % pa	3 year median % pa	Above median?	3 year return objective % pa	Achieved objective?
Conservative	4.38%	3.66%	✓	7.13%	✗
Balanced	6.89%	6.05%	✓	8.41%	✗
Balanced low cost	8.17%	8.44%	✗	8.92%	✗
Balanced growth	9.23%	8.44%	✓	9.45%	✗
Growth	11.56%	9.88%	✓	9.97%	✓
Cash	1.11%	1.18%	✗	1.01%	✓
Diversified bonds	-3.31%	-2.86%	✗	-4.07%	✓
Australian equities	13.68%	12.60%	✓	12.29%	✓
International equities	12.83%	11.53%	✓	12.26%	✓
Innovation & disruption	-0.05%	11.53%	✗	12.26%	✗
Just shares	13.81%	11.81%	✓	12.99%	✓

5 year investment performance

Option name	5 years % pa	5 year median % pa	Above median?	5 year return objective % pa	Achieved objective?
Conservative	4.47%	3.45%	✓	5.92%	✗
Balanced	6.27%	5.14%	✓	6.89%	✗
Balanced low cost	6.91%	6.48%	✓	7.19%	✗
Balanced growth	7.65%	6.48%	✓	7.71%	✗
Growth	9.07%	7.59%	✓	8.11%	✓
Cash	1.34%	1.35%	✗	1.16%	✓
Diversified bonds	0.72%	0.49%	✓	0.17%	✓
Australian equities	9.46%	8.08%	✓	7.65%	✓
International equities	10.20%	9.25%	✓	9.26%	✓
Innovation & disruption	11.68%	9.25%	✓	9.26%	✓
Just shares	10.19%	8.09%	✓	8.96%	✓

7 year investment performance

Option name	7 years % pa	7 year median % pa	Above median?	7 year return objective % pa	Achieved objective?
Conservative	5.21%	4.25%	✓	5.82%	✗
Balanced	7.48%	6.15%	✓	6.66%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	8.90%	7.76%	✓	7.39%	✓
Growth	10.54%	9.22%	✓	7.75%	✓
Cash	1.58%	1.55%	✓	1.40%	✓
Diversified bonds	1.20%	0.99%	✓	1.41%	✗
Australian equities	10.72%	9.89%	✓	7.20%	✓
International equities	12.97%	11.08%	✓	8.34%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	12.30%	9.71%	✓	8.13%	✓

10 year investment performance

Option name	10 years % pa	10 year median % pa	Above median?	10 year return objective % pa	Achieved objective?
Conservative	5.66%	5.08%	✓	5.70%	✗
Balanced	7.76%	6.61%	✓	6.54%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	9.05%	8.20%	✓	7.21%	✓
Growth	10.46%	9.44%	✓	7.59%	✓
Cash	1.98%	1.84%	✓	1.64%	✓
Diversified bonds	2.45%	2.44%	✓	2.40%	✓
Australian equities	10.10%	9.87%	✓	7.03%	✓
International equities	12.97%	11.38%	✓	7.83%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	11.77%	9.98%	✓	7.68%	✓

Please note: In the tables above, the performance of each option is evaluated versus the respective return objective. The evaluation shown is for one, three-, five-, seven- and 10-year periods. This provides performance over periods that are typically shorter than the investment horizon. The investment horizon for each investment option is provided in the Investment objectives and strategy section. For example, the investment horizon for the Balanced growth option is 15 years.

For each of our investment options, the return objective can change from time to time. The return objective applying for a given period may therefore reflect a blending of the return objectives for the option that applied over that period.

These tables compare Vision Super returns (pension options) with median returns from the SuperRatings Pension Crediting Rate Survey. For the Balanced growth option, we use the median return from the SRP50 Balanced (60-76) index. For all other options, we use the median return from the SuperRatings SRP50/25 index with a comparable investment strategy.

SuperRatings is the most widely-used and accepted ratings firm in the Australian superannuation industry. SuperRatings does not assess all superannuation products or options.

Past performance is not an indicator of future performance.

"N/A" indicates that the investment option was not offered to members at all times during the period. The inception dates for Balanced low cost and Innovation and disruption were 2 October 2017 and 14 February 2018 respectively. The Balanced low cost investment option was previously known as Sustainable balanced. This change was effective 1 October 2022.

Defined benefit plan update

Managing defined benefit obligations

Vision Super includes three defined benefit (DB) plans:

1 Local Authorities Superannuation Fund Defined Benefit (LASF DB) plan

2 City of Melbourne plan

3 Parks Victoria plan

The financial position of these plans is a key focus for Vision Super. Membership is slowly decreasing as the members age. As a result, investment returns are increasingly the most important source of asset growth as member and employer contributions dwindle. This makes the financial position of these plans increasingly susceptible to volatility in investment markets.

Vision Super monitors the financial position of each plan closely. On a quarterly basis, the vested benefit index (VBI) of each plan is calculated and made available to the relevant employers. When there is significant market volatility, the VBI position of each plan is monitored more frequently. A full actuarial review is undertaken every three years, and actuarial valuations are undertaken annually between the triennial reviews for the LASF DB plan as it provides lifetime pensions to eligible members.

The triennial actuarial investigation for the LASF DB plan as at 30 June 2023 was completed in September 2023 and presented at the September 2023 Board meeting. The triennial actuarial investigations for the remaining plans as at 30 June 2023 have also been completed and will be presented at the December 2023 Board meeting.

Vision Super's VBI positions

The VBI positions for each of the defined benefit plans are:

Plan	30 June 2022	30 June 2023
LASF DB	102.2%	104.1%
City of Melbourne	143.7%	146.8%
Parks Victoria	110.9%	112.4%

Prudential Standard – SPS 160

Under the defined benefit Prudential Standard SPS 160, Vision Super is generally required to develop a restoration plan for a plan if the VBI is under 100% for that particular plan.

The purpose of a restoration plan would be to restore the VBI to 100% within three years. The defined benefit prudential standard also allows funds to set a shortfall limit that is less than 100%.

A restoration plan would be required for a plan if its VBI falls below 100% at the time the Vision Super annual actuarial valuation/reviews occur (typically 30 June). At any other time, a shortfall limit will apply, which is 97% for the LASF DB plan, 100% for the City of Melbourne plan and 99% for the Parks Victoria plan.



Vision Super continues to work with employers to identify appropriate strategies to help them manage their defined benefit funding obligations

Defined benefit (DB) investment strategies

Vision Super has a customised investment strategy for each defined benefit plan. Vision Super looks to progressively de-risk each plan's portfolio to the extent possible, noting some of the plans continue to require investment earnings and therefore material investment risk to be taken. From time to time, investment strategies may be employed with the aim of reducing the extent of losses incurred in a market downturn.

Some of the plans require a material exposure to share markets to increase the likelihood of delivering on the long-term funding requirements. Full protection from share market downturns is not economically feasible. Rather, protection strategies may be employed with the aim of somewhat reducing the extent of losses incurred in a market downturn, rather than avoiding any market losses.

Each DB plan has negative cash flow, that is more money flowing out than in. As such Vision Super's investment strategies take account of liquidity needs with a view to ensuring adequate liquidity with a margin of safety to pay all benefits as they fall due.

Ongoing monitoring

Vision Super continues to monitor the VBIs for all DB plans at least quarterly. Taking into account the funding position, Vision Super continues to consider if and when it is appropriate to further de-risk each DB plan's assets.

At times, when the expected investment outlook merits, additional risk will be taken with the aim of achieving better returns and lowering funding costs.

Vision Super continues to work with employers to identify appropriate strategies to help them manage their defined benefit funding obligations. Updates on the defined benefit plans are provided regularly to employers.

Investment objectives and strategy for the DB plans at 30 June 2023

The investment objectives for each DB plan are:

1

To achieve a return that aims to meet plan liabilities and is consistent with the actuarial rate of return for the plan. The actuarial rate of return differs for each plan.

2

To have a high likelihood that the plan will have adequate liquidity to pay benefits and costs at all times as they become due.

3

To have a probability of the VBI falling below 100% of less than 25% over the life of the plan.

Investment returns to 30 June 2023[^]

Plan name	1 year %	1 year objective* %	Achieved objective 1 year	3 year % pa	3 year objective % pa	Achieved objective 3 years
LASF DB	11.2%	5.8%	✓	8.0%	5.6%	✓
City of Melbourne	2.4%	1.8%	✓	2.2%	1.1%	✓
Parks Victoria	5.1%	3.8%	✓	4.2%	3.3%	✗

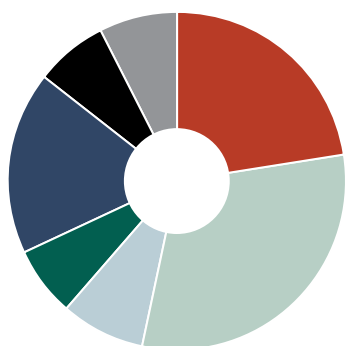
* Actuarial rate of return for the period to 30 June 2023.

[^] The return objectives for our DB plans may change from time to time. In the above table, the return objective % for each period (1 and 3 years) is another measure we use to regularly monitor investment performance and has been calculated based on monthly benchmark returns, which reflect the return objective applying in each month. The result is therefore a blended return objective, which reflects the return objectives applying throughout the period. Past performance is not an indicator of future performance.

Defined benefit plan update continued

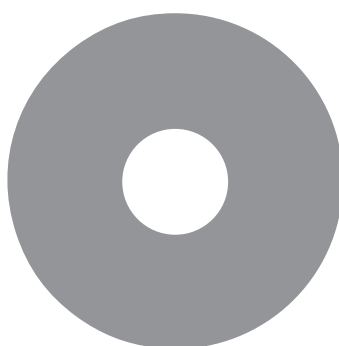
Benchmark allocations as at 30 June 2023

LASF DB



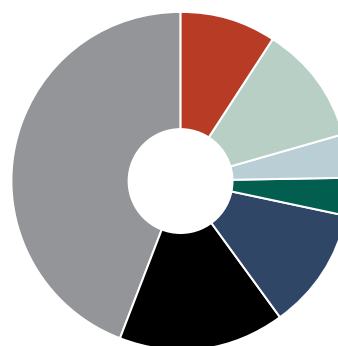
Asset class	SAA
• Australian equities	22.5%
• International equities	31%
• Opportunistic growth	0%
• Infrastructure	8%
• Property	6.75%
• Listed property	1.75%
• Unlisted property	5%
• Alternative debt	17.5%
• Diversified bonds	7%
• Cash	7.25%
• Other	0%

City of Melbourne



Asset class	SAA
• Australian equities	0%
• International equities	0%
• Opportunistic growth	0%
• Infrastructure	0%
• Property	0%
• Listed property	0%
• Unlisted property	0%
• Alternative debt	0%
• Diversified bonds	0%
• Cash	100%
• Other	0%

Parks Victoria



Asset class	SAA
• Australian equities	9.25%
• International equities	11.5%
• Opportunistic growth	0%
• Infrastructure	4%
• Property	3.75%
• Listed property	1.75%
• Unlisted property	2%
• Alternative debt	11.5%
• Diversified bonds	16%
• Cash	44%
• Other	0%

Investment managers¹

Traditional investments

Investments	30 June 2023		30 June 2022	
	\$ million	%	\$ million	%

Growth

Australian shares

First Sentier Investors Realindex – Small Companies	262.3	2.1	213.2	1.8
IFM Investors – Enhanced Index Strategy (Low carbon emission mandate)	1,329.9	10.4	1,183.4	10.1
Magellan Asset Management (Airlie Funds Management) – Australian Equities	522.0	4.1	478.9	4.1
Wavestone Capital – Australian Equities	539.4	4.2	462.5	4.0
Total Australian shares	2,653.6	20.8	2,338.0	20.0

International shares

Baillie Gifford Overseas Ltd – Long-Term Global Growth Equities	267.8	2.1	220.4	1.9
Harris Associates – Global Value Equity Strategy	526.7	4.1	430.1	3.7
Sanders Capital, LLC – Global Value Equity Strategy	430.1	3.4	349.9	3.0
Sands Capital – Emerging Markets Growth Strategy	157.9	1.2	141.7	1.2
SSgA – Enhanced Passive (Low carbon emission mandate)	2,079.0	16.2	1,719.2	14.7
UBS Securities Australia (transition manager)	0.0	0.0	0.0	0.0
Total international shares	3,461.5	27.0	2,861.3	24.5

Currency

Mesirow Financial Investment Management, Inc.	5.9	0.1	-44.7	-0.4
Total currency	5.9	0.1	-44.7	-0.4

1. These tables show managers of underlying investments. Includes outstanding settlements receivable/payable and financial liabilities at fair value through profit and loss disclosed in the Statement of Financial Position as at date shown (% expresses a % of the Fund's total assets).

Investment managers continued

Traditional investments continued

Investments	30 June 2023		30 June 2022	
	\$ million	%	\$ million	%

Growth continued

Property

Dexus ADPF ²	-	-	61.2	0.5
ISPT Core Fund	600.0	4.7	458.3	3.9
Resolution Capital – Global Real Estate Investment Trust Strategy	260.0	2.0	325.9	2.8
SSgA Australian Real Estate Investment Trust	12.9	0.1	19.8	0.2
Total property	872.9	6.8	865.2	7.4

Defensive

Cash

Internal management (Vision Super Pty Ltd)	1,588.8	12.4	2,150.6	18.4
Total cash	1,588.8	12.4	2,150.6	18.4

Diversified bonds

Amundi Singapore – Australian & International Inflation Linked Bonds	0.0	0.0	2.4	0.0
Amundi Singapore – Australian & International Passive Fixed Interest	1,512.9	11.8	1,024.8	8.8
Total diversified bonds	1,512.9	11.8	1,027.2	8.8

Total traditional investments	10,095.6	78.9	9,197.6	78.7
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2. Dexus ADPF is comprised of two stapled registered schemes — Dexus Wholesale Property Trust 3 (DWPT 3) and Dexus Wholesale Property Trust 4 (DWPT 4).

Alternative investments

Investments	30 June 2023		30 June 2022	
	\$ million	%	\$ million	%

Opportunistic growth (previously private equity)

Allegro Funds – Private Equity Fund I	-	-	0.1	0.0
Generation Investment Management – Climate Solutions Fund	3.1	0.0	2.1	0.0
IFM Investors – Australian Private Equity Fund III	0.3	0.0	1.0	0.0
IFM Investors – International Private Equity Funds I, II & III	4.3	0.0	6.1	0.1
IFM Investors – Special Situations Credit Fund	115.5	0.9	89.5	0.8
Industry Super Holdings	47.2	0.4	42.6	0.4
Private Equity Trust ³	7.6	0.1	9.8	0.1
ROC Partners – Alternative Investment Trusts IV & V	4.3	0.0	3.6	0.0
Stafford Capital Partners – Private Equity 2, 3 & 4 Funds	3.7	0.0	5.6	0.0
StepStone VC Global Partners (previously known as Greenspring Global Partners IV, L.P.)	13.0	0.1	16.5	0.1
VenCap 12	48.2	0.4	69.6	0.6
Total opportunistic growth	247.2	1.9	246.5	2.1

Infrastructure

Copenhagen Infrastructure Partners – Infrastructure IV AUS Trust	53.3	0.4	34.3	0.3
IFM Investors – Australian & International Infrastructure	1,135.6	8.9	1,178.5	10.1
IFM Investors - Net Zero Infrastructure Fund (AWUT) A	183.8	1.4	-	-
Total infrastructure	1,372.7	10.7	1,212.8	10.4

3. Private Equity Trust - Property Opportunistic is part of the Private Equity Trust and has been shown as a single line item in the above table. The Private Equity Trust consists of BlackRock Europe Property Fund III, Shroder Adveq Management AG Europe III LP, Lexington Capital Partners VI-B and Mesirow Financial Private Equity Partnership.

Investment managers continued

Alternative investments continued

Investments	30 June 2023		30 June 2022	
	\$ million	%	\$ million	%
Alternative debt				
Barings – Global Loan and High Yield Bond Fund	168.9	1.3	154.7	1.3
Brandywine Global Investment Management – Global Opportunistic Fixed Income	290.5	2.3	296.9	2.5
Finisterre EDM Total Return Fund	106.6	0.8	95.7	0.8
IFM Investors – Specialised Credit Fund Floating	299.0	2.3	281.5	2.4
Metrics Credit Partners – Diversified Australian Senior Loan Fund	230.2	1.8	213.5	1.8
Total alternative debt	1,095.2	8.5	1,042.3	8.8
Total alternative investments	2,715.1	21.1	2,501.6	21.3
Total investments	12,810.7	100.0	11,699.2	100.0

Investment manager changes

During the year, the Fund reviewed manager configuration strategies for each asset class



Investments added during the year ended 30 June 2023

- > IFM Net Zero Infrastructure Fund (AWUT) A (September 2022)



Investments liquidated, sold or wound up during the year ended 30 June 2023*

- > Allegro Funds – Private Equity Fund (July 2022)
- > Dexus ADPF (March 2023)

* In addition, our private equity commitments continue to mature as assets are realised and exited via trade sales.

Investing in the clean energy transition[^]

Vision Super has invested \$110 million in the IFM Net Zero Infrastructure Fund (AWUT) A. During the 2022/23 financial year, the Net Zero Infrastructure Fund continued growing its participation in infrastructure assets that seek to accelerate the world's transition to a net zero economy.

As of 30 June 2023, the IFM Net Zero Infrastructure Fund has deployed over US\$1 billion into three renewable energy platforms (SQ Renewables (ERG), Swift Current Energy and Nala Renewables) and has completed its first investment in the low carbon fuel sector through GreenGas.



Biogas from organic waste

GreenGas is a fully integrated renewable natural gas platform that utilises mature technologies to capture, purify and transport biogas from existing organic waste streams for its end use as pipeline quality RNG. GreenGas has over 1,000 MMBtu per day of RNG production capacity in operations and a highly visible near-term pipeline supported by existing feedstock partners.

Renewable energy

Vision Super has invested €60 million in Copenhagen Infrastructure Partners' (CIP) renewable energy fund IV (CIP IV). CIP IV has total committed funds of €7.2 billion and is developing and constructing renewable energy projects in countries including the US, Canada, Western Europe, and Australia.

The fund is fully dedicated to offshore and onshore wind projects, solar, thermal, and other renewable energy projects. At this early stage of the life of CIP IV, the fund is returning above expectations. This may or may not continue.


Offshore wind

In Australia, CIP IV is the majority owner of the Star of the South offshore wind development project in Victoria – the first offshore windfarm in Australia. Star of the South is expected to be one of the world's largest offshore windfarms.

Star of the South is expected to play a significant role in Victoria's transition to renewable energy, and take an active part in creating a new industry for Victoria and Australia and supporting new job creation.

Onshore wind

CIP IV has multiple additional prospective projects in Australia, including Lotus Creek, an onshore wind project in Queensland that is 100% owned by CIP IV seeking to connect to a strong part of the Queensland grid that is close to major load centres in South-East Queensland (including Gladstone and Brisbane) where a significant amount of coal-fired power plant capacity is expected to retire.

 **\$110m**

invested by Vision Super in the IFM Net Zero Infrastructure Fund (AWUT) A[^] as at 30 June 2023

 **€60m**

invested by Vision Super in Copenhagen Infrastructure Partners' (CIP) renewable energy fund IV (CIP IV) as at 30 June 2023

[^] Information about the clean energy transition via underlying investments is based on third party sources, which we have not verified

Considering climate risk[~]

Burning fossil fuels is the main driver of climate change.¹ Globally, most electricity is generated by burning coal, oil, or gas, which produces carbon dioxide and nitrous oxide – powerful greenhouse gases that blanket the Earth and trap the sun's heat.

Governments globally are starting to act to address the deadly effects of climate change. As this process continues, we expect fossil fuels to represent poorer investment choices, due to the restrictions and costs that are likely to be imposed on such businesses.

We consider these issues in line with our overarching obligations to manage investment risks (including risks from climate change) and act in the best financial interests of members.

43%



Our listed equities relative carbon footprint is around 43% lower than the index as at 30 June 2023

What is the greenhouse effect?

Greenhouse gases in the atmosphere, including water vapour, carbon dioxide, methane, and nitrous oxide, absorb heat energy and emit it in all directions (including downwards), keeping Earth's surface and lower atmosphere warm. Adding more greenhouse gases to the atmosphere enhances the effect, making Earth's surface and lower atmosphere even warmer.

The carbon footprint of our listed equities portfolio

We compare our listed equity portfolio's carbon emissions and intensity with the MSCI All Countries World Index (ACWI) – MSCI's flagship global equity index (excluding Australia), which is designed to represent performance of the full opportunity set of large and mid-cap stocks across 22 of 23 developed markets and 24 emerging markets countries. As of August 2023, it covers more than 2,875 constituents; the index covers approximately 85% of the global equity opportunity set outside Australia.

Our climate impact assessment, is evaluated through the methodology of our ESG Data service provider Institutional Shareholder Services (ISS) ESG. They break down Vision Super's listed equities portfolio holdings to an individual sector and company level. Here are some of the highlights.

ISS analysis – 1.5 degree Paris aligned targets

The ISS ESG data service is used to assess where Vision Super's listed equity portfolio is positioned compared with the Paris aligned targets. The 'Portfolio overview' table below shows this comparison for Vision Super's overall listed equity portfolio.

Vision Super's listed equity portfolio is currently significantly better than the index and aligned with IEA Sustainable Development Scenario (SDS) budget until 2036 – we will need to do further work to remain aligned with the SDS budget, but we are currently on track according to ISS ESG climate scenario alignment analysis.

[~] Information about climate risk is based on third party sources, which we have not verified

¹ www.un.org/en/climatechange/science/causes-effects-climate-change

Climate impact assessment — portfolio overview*

	Disclosure number/weight	Emission exposure tCO ₂ e		Relative emission exposure			Climate performance weighted avg
		Scope 1 & 2	Incl. Scope 3	tCO ₂ e/invested	tCO ₂ e/revenue		
	Share of disclosing holdings			Relative carbon footprint [^]	Carbon intensity [^]	Weighted avg carbon intensity [^]	Carbon risk rating ^{^1}
Vision Super's portfolio	82.8%/94.3%	208,125	3,019,382	35.31	64.50	59.97	56
Benchmark index	75.5%/95.4%	362,537	2,761,560	61.50	135.69	104.64	58
Net performance	7.2p.p./-1.1p.p.	42.6%	-9.3%	42.6%	52.5%	42.7%	-

Top sectors to emission attribution exposure vs benchmark

Sector	Portfolio weight	Benchmark weight	Difference	Sector allocation effect	Issuer selection effect
Communication services	7.07%	7.28%	-0.21%	0.02%	-0.06%
Consumer discretionary	12.45%	11.35%	1.10%	-0.21%	0.14%
Consumer staples	5.92%	7.29%	-1.36%	0.46%	-1.07%
Energy	3.19%	4.61%	-1.42%	5.61%	-0.02%
Financials	21.33%	15.38%	5.95%	-0.50%	1.15%
Health care	12.16%	11.79%	0.37%	-0.02%	-0.51%
Industrials	8.57%	10.53%	-1.96%	1.40%	2.53%
Information technology	12.65%	22.14%	-9.49%	0.83%	-0.10%
Materials	11.93%	4.51%	7.42%	-53.48%	62.42%
Real estate	3.59%	2.34%	1.24%	-0.14%	0.01%
Utilities	1.13%	2.77%	-1.64%	19.15%	4.98%
Cumulative higher (-) and lower (+) emission exposure vs benchmark				-26.88%	69.47%
Higher (-) / lower (+) net emission exposure vs benchmark					43%

*Source: ISS ESG report, as at 30 June 2023 – MSCI ACWI benchmark

[^] For an explanation of each of these concepts, refer to ISS ESG Climate Solutions for further details at: issgovernance.com/esg/climate-solutions/climate-analytics/

¹ Note: Carbon risk rating data is current as of the date of ISS ESG report generation which was 23 October 2023.

Voting

We vote our shares at company annual general meetings (AGMs). We do this to be responsible corporate citizens and to encourage the companies we invest members' money in to adhere to good corporate standards and governance practices. This helps to maintain long-term shareholder value.

Over the 2022/23 financial year, Vision Super voted on 14,832 resolutions at 1,157 meetings across 46 markets around the world.

Of the meetings, 266 were Australian and the rest international (891). We voted at meetings across various industries, at annual, special, and ordinary company meetings.

We decide how to vote based on our voting policy and guidelines, which are regularly reviewed. You can read our latest policy and guidelines at visionsuper.com.au/invest/active-ownership/. We know that companies behaving sensibly and in accordance with community values can create long-term value for our members.

Where a company's management is acting in a way that promotes the long-term value of the company, we'll vote for their proposals. Where it's clear to us that they're not, we may vote against management recommendations. We use proxy advice to help inform our voting decisions.

During the 2022/23 year, we voted against company management recommendations 24% of the time.

We also supported various proposals during the year relating to climate change, transparency of political contributions/expenditure and advertising, diversity, and human rights. This included supporting proposals at the AGMs of Alphabet, QBE Insurance, Santos, Woodside, Amazon and Bank of America – to name a few.



1,157

proxy meetings voted at from 1 July 2022 to 30 June 2023



14,832

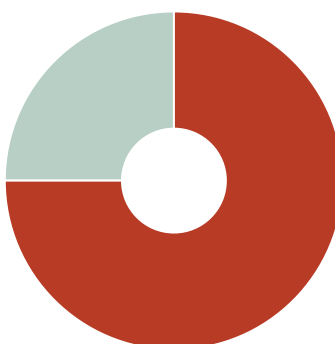
resolutions voted on from 1 July 2022 to 30 June 2023

Our voting

We consider each resolution on its merits. Our votes can help push companies towards:

- ☒ Gender diversity on Boards
- ☒ Better human rights and other labour disclosures
- ☒ Proposals asking companies to develop greenhouse gas reduction goals, recycling programs, and other proactive means to mitigate their environmental footprint
- ☒ Better climate change disclosures
- ☒ Proposals requesting that a company consider energy efficiency and renewable energy sources
- ☒ Increased disclosure on public health and safety issues
- ☒ Proposals asking companies to stop political spending.

You can always find our votes one business day after the relevant meeting at: **viewpoint.glasslewis.com/WD/?siteId=Vision%20Super**



Vote alignment with company management*

● Number of votes with management	72%
● Number of votes against management	24%

* Note, figures don't reconcile to 100% as votes relating to abstained, take no action, or 1 and 2-year votes are not included.

Examples

1 Amazon.com Inc

Meeting date: 24 May 2023

Shareholder proposal on third-party assessment of freedom of association

Freedom of association, including the right to join a union, is a fundamental human right. We voted for this resolution and against management's recommendation because of the apparent misalignment between the company's commitment and its reported conduct, which represents reputational and operational risks and may negatively impact the company's long-term performance.

2 Glencore PLC

Meeting date: 26 May 2023

Shareholder proposal on climate action transition plan at the 2024 AGM (co-filed by Vision Super)

The requested disclosure at next year's AGM will allow an informed vote on Glencore's 2024 climate plan. Glencore has failed to make progress on demonstrating the specific alignment of its thermal coal business with the Paris Agreement, or to demonstrate Paris-aligned capex commitments on coal. Glencore's failure in this regard has hurt its strategic plans. As Teck noted: "Thermal coal mines are contrary to the global decarbonization agenda. The Glencore proposal would force Teck shareholders to hold massive thermal coal exposure, which would be value destructive, drive away current and future investors who cannot hold thermal coal assets, and result in Teck's world-class steelmaking coal business trading at a discount." Statement from Teck Resources, on behalf of the Board and independent Special Committee, 3 April 2023.

3 JP Morgan Chase &Co

Meeting date: 16 May 2023

Shareholder proposal on political expenditures and values congruency

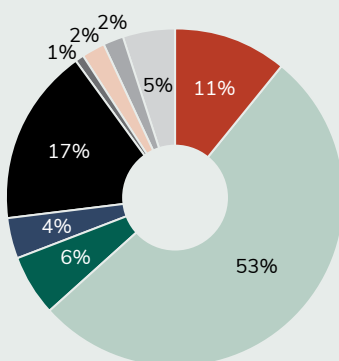
We voted in favour of the resolution, against management's recommendation. We believe that companies should provide transparency about and justification of any political donations and partisan political advertising. Vision Super votes against any resolution relating to political contributions/donations and for any non-binding resolutions. Political donations proposals relate to the Political Parties, Elections and Referendums Act 2000 (PPER) (UK Law). In our view, political donations should be restricted to individual citizens. The general purpose of PPER is to require directors of companies to seek the approval of the company making political donations to political parties or organisations or to the incurring of expenditure for political purposes at a general meeting. All these resolutions are general waivers, they do not give specific examples of where donations might be made. We note that newspapers are exempt, trade associations don't count nor do multiparty parliamentary bodies.

4 Amazon.com Inc

Meeting date: 24 May 2023

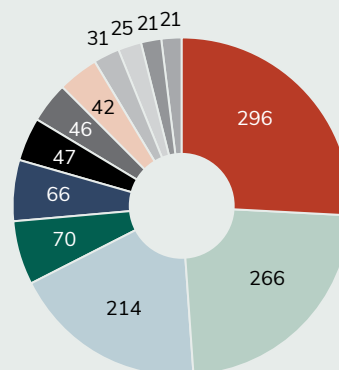
Shareholder proposal on report on working conditions

We voted in favour of the resolution (and against management) on the grounds that given the troubling reports and allegations concerning Amazon's working conditions, we believe that additional, independent scrutiny on this matter is warranted.



Resolution types global

Audit/financials	11	Compensation	17
Board related	53	M&A	1
Capital management	6	Meeting administration	2
Changes to company statutes	4	Other	2
		Shareholder proposals	5



Meetings voted by market — Top 10

United States	296	India	66
Australia	266	Cayman Islands	47
Other	214	Japan	46
China	70	United Kingdom	42

Engagement

Vision Super is a full member of the Australian Council of Superannuation Investors (ACSI)

ACSI engages with ASX listed companies on a range of issues on behalf of members like Vision Super. Vision Super registered for 37 ACSI engagement meetings in the 2022/23 financial year, to raise issues of concern for Vision Super and our members, and question management and directors of companies on their direction and activities.

In the 2022/23 financial year, ACSI conducted 306 engagement meetings with 194 ASX300 companies, and another 13 meetings with NGOs to gain better insight into their concerns about company activities. Each year, ACSI sets priority themes for engagement. For the financial year ended 30 June 2023, these were:

- > Environmental factors including:
 - Climate change, biodiversity and the circular economy.
- > Social factors including:
 - Workforce (including modern slavery, just transitions*, safety and worker underpayments)
 - Cultural heritage and First Nations issues
 - Corporate culture (conduct, sexual harassment, responsible gaming). Responsible gaming continues to be a priority area for ACSI following on from the public inquiries into Australia's two largest casino groups and ACSI's research into the issues of transparency and governance.
- > Governance factors including:
 - Board diversity, accountability and remuneration.

Under each of these themes, specific goals are set for individual companies based on the materiality of an issue to the company and their investors, or where there is evidence of poor practices or outcomes.

Many of these goals are multi-year aims.

During the 2022/23 financial year, improvements were made in 89% of priority issues across the ESG thematic areas.

Climate change

Through, and in collaboration with ACSI, we worked towards ensuring company strategies and actions are aligned to the goals of the Paris Agreement to limit climate change to well below 2°C and, ideally, to 1.5°C. This includes engagement to drive the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) framework, a net zero commitment and accompanying pathways to achieve those aims.

Investor engagement has contributed to more companies publicly disclosing various net zero targets, with 121 companies in the ASX200 adopting some form of net zero commitments (being 80% of the ASX200 market capitalisation) as of March 2023.

By the end of FY23, all 30 of ACSI's climate priority companies have also now either committed to or already public report its climate risks and opportunities using the TCFD guidelines, and a majority of the priority companies explicitly link or commit to link its executive incentive pay to climate change objectives.



* A 'just transition' means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.

Advocacy

During the year, Vision Super:

- ✓ Made a submission on proposed changes to Topic 740 of the FASB Accounting Standards Codification®
- ✓ Met with the AASB as part of their AASB 1056 – post implementation review to discuss potential changes (including ESG type reporting)
- ✓ Participated in the ACSI/RIAA nature webinar with ACF and ALCA
- ✓ Participated in the ACSI Taskforce on Nature-related Financial Disclosures Framework
- ✓ Made a submission to government in response to their better targeted superannuation concessions consultation
- ✓ Made a submission on APRA's proposed class exemption to remove the need for a certain class of RSE licensee directors to obtain approval to own or control an RSE licensee
- ✓ Met with the Minister for Superannuation and the office of the Treasurer to advocate for our members' interests
- ✓ Made a submission to government in response to their objective of superannuation consultation
- ✓ Made a submission to government in response to their consultation on changes to the performance test.

We believe that advocating for higher standards and better governance in our own industry and in the industries in which we invest helps to secure our members' financial futures.



Modern Slavery Act update

Modern slavery refers not only to people who are not paid for their work, but also to situations where people cannot refuse to work or leave their work because of threats, violence, coercion, abuse of power or deception.

The Modern Slavery Act commenced in Australia in January 2019. Under the Act, organisations must report on the risks of modern slavery in their operations and supply chains, and the actions they are taking to reduce the risks. We support efforts to end modern slavery. Our second report was finalised in December 2022 and is available on our website at visionsuper.com.au/wp-content/uploads/slavery-statement-2022.pdf

We are in the process of preparing our third report. Having regard to our broader obligations, we will continue to advocate for companies – both suppliers and the companies we invest in – to improve their human rights records and working conditions.



Building relationships

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Vision Super insurance*

Reliable value-for-money insurance you can tailor to suit your needs continues to be our focus. We regularly review the insurance we offer members, to make sure it continues delivering value for money insurance cover that meets members' needs and aligns with changing regulatory requirements.



The cost of insurance

Vision Super previously had a two-year guarantee for our insurance rates. On 31 December 2022 this two-year period expired, so we reviewed our insurance arrangements with our Insurer MLC Life Insurance (MLCL). Based on our claims experience, we obtained a 29.9% premium reduction for income protection cover and a 5.3% premium increase for death and/or total and permanent disability cover.

As part of the review, several other changes were made to the terms and conditions of our insurance policies effective 1 January 2023. As part of the changes we:

- > Revised the schedule of medical conditions definitions to reflect modern medical practice and terminology
- > Adjusted the suicide exclusion wording to better reflect the intent of the policy and our operational practices following the implementation of PMIF legislation
- > Improved the clarity of the unemployment term within the income protection policy
- > Removed all gender-specific policy references
- > Expanded the 'life events' definition to include de facto relationships.

These changes were not considered to be detrimental to members and, in some cases, simply provided clarity of our policy provisions and actual practices.

Service improvements

Over the last year we have worked with MLCL to streamline and reconstruct various steps in the claims process to deliver a simplified and efficient claims service model.

Launched in March 2023, our claim lodgement process was streamlined by directing various administration functions of lodging a claim from Visions Super's office straight to MLCL. Within 72 hours of being notified MLCL now aims to contact members directly to initiate the claim process, offering members the opportunity to choose to apply for their claim through a teleclaim, digital or the traditional paper process.

The process ensures their case manager gets an upfront understanding of the member's personal circumstances, can offer pre-claim support and/or additional rehabilitation services, explain the claims process and answer any questions the member may have.

We expect these changes to improve our members' experience through their claims process while also helping reduce the time it takes to obtain a decision.

VIVO: Health, wellness and recovery

During the year we also worked closely with MLCL to support the introduction of their health, wellness and recovery program known as VIVO Virtual Care. Replacing the Best Doctors offering from April 2023, the program offers a range of services to support physical and mental wellbeing for Vision Super members and their immediate families at no extra cost.

Additional support and access to the full range of services is available to insured members who need help recovering from illness or injury – before, during or after a claim.

*When making any decision about insurance cover, consider the latest Product Disclosure Statement and Insurance guide available from our website. Insurance fees apply. Insurance cover is subject to terms and conditions. This report includes general information and does not contain any personal advice. It is provided for general information only, to help you understand Vision Super's products, services, policies and procedures. The information was correct at the time of publication, but may have changed since. It does not take into account your personal objectives, financial situation or needs. You should consider whether it is appropriate for you and your personal circumstances before acting on it and, if necessary, you should seek professional financial advice.

The Trustee supports

1 Australian Council of Superannuation Investors (ACSI) – full member
Seeks improvements in the performance of companies and super funds.

2 Australian Institute of Superannuation Trustees (AIST) (now defunct)
Represented the not-for-profit superannuation sector.

3 Paris Pledge for Action – signatory
A major initiative from many organisations around the world, demonstrating our commitment to lowering greenhouse gas emissions sufficiently to keep a global temperature rise to below two degrees Celsius above pre-industrial levels as set out by the Paris Agreement.

4 Principles of Responsible Investment (PRI) – signatory
The world's leading advocate for responsible investment, demonstrating our commitment to six PRI principles.

5 The Melbourne Chamber of Commerce – member
Independent professional body providing representation for its members to all levels of government, together with training and technical support for its members.

6 Tobacco-Free Finance pledge – signatory
A global sustainability framework and initiative of the United Nations Environment Programme Finance Initiative.

We belong to organisations that seek to:



Influence the outcomes of public policy debates and legislative and regulatory changes



Improve the standards of fund governance



Maintain the skills and professional development obligations of Directors and employees

Getting help

We have established procedures to deal fairly with enquiries and complaints from members, employers and beneficiaries.

Our process for managing enquiries and complaints is candid and transparent. Complaints can be made by telephone, email or letter (addressed to the Resolutions Officer). A complaint is an expression of dissatisfaction. If an enquiry or complaint is made by telephone, we will endeavour to answer it immediately.









Our aim is to provide a timely and satisfactory response to any complaint. You may take your complaint to the Australian Financial Complaints Authority (AFCA). Usually, AFCA will not consider your complaint until it has been through our internal complaints process.

AFCA is a fair and independent dispute resolution body established by the government to help resolve financial complaints. AFCA provides a free service.

Our complaints procedure can be found on our website at: visionsuper.com.au/about/complaints

We have to acknowledge complaints within one business day and have 45 days to resolve the complaints (90 days for death distribution complaints). For the year ended 30 June 2023, we received a total of 201 complaints, and there were 17 complaints registered with AFCA. The main reasons were for the complaints were: Service (41% of complaints), Information Provided (16% of complaints) and Insurance (15% of complaints). All complaints were acknowledged within the required time frame and were dealt with on average within 10 days.

Important contacts

Vision Super – Resolutions Officer	The Office of the Australian Information Commissioner (privacy complaints only)	Australian Financial Complaints Authority
 PO Box 18041, Collins Street East VIC 8003	 GPO Box 5218, Sydney NSW 2001	 GPO Box 3, Melbourne VIC 3001
 resolutions@visionsuper.com.au	 oaic.gov.au	 afca.org.au
 1300 300 820 (and ask to speak with the Resolutions Officer)	 1300 363 992	 1800 931 678

Governance framework

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Governance framework

Vision Super Pty Ltd is the Trustee of the Local Authorities Superannuation Fund (the Fund).

In December 2022, minor amendments were made to clauses A.20.1 and A.1.1 of the trust deed to facilitate the proposed merger with Active Super. This amendment has no impact on member benefits and entitlements, obligations of sponsoring-employers or the operations of the Fund.

The Fund is governed by a trust deed

This is available at visionsuper.com.au/about/fund-details/ under the heading 'Governance (assets, members, trust deed)'.

The governance framework for the Trustee and the Fund includes various frameworks, charters and policies that drive best practice governance. These include:

- > Overarching governance framework
- > Code of conduct
- > Conflicts management framework
- > Board charter
- > Committee charters
- > Fit and proper policy
- > Environmental, Social and Governance policy
- > Board appointments, renewal and appointments policy
- > Risk management framework
- > Investment management framework
- > Insurance management framework.



Collectively, these frameworks/charters/policies drive the behaviours of the Trustee Board, senior management and staff in maintaining the integrity of our operations.

They also prescribe how, as an organisation, we can best protect the interests of our members and conduct our interactions with other key stakeholders through adherence to policies, procedures, legislation and regulatory guidance.

We seek to attain best practice governance through other measures, including the maintenance of:

- > A register of interests and duties for Directors and responsible officers
- > A gifts/entertainment register for all Directors, responsible officers and staff
- > A training register
- > A conflicts register for staff.

We also apply further voluntary best practice standards. For example, we are a signatory to the Principles of Responsible Investment, and subscribe to the responsible investment philosophy underpinning the PRI. As part of this, we are a signatory of the Paris Pledge for Action.

We hold indemnity insurance to help protect the Fund, our Directors and Officers from legal action (subject to the terms and conditions of the applicable policy).

We believe in transparency

A copy of our 2023 remuneration report and an extract of our register of relevant interests and duties are available on our website at visionsuper.com.au/about/fund-details/ under the heading 'Governance (assets, members, trust deed)' and the sub-heading 'Register of relevant interests and duties', and 'Legal (SEN, voting, actuarial investigation)' and the sub-heading 'Reports and policies' respectively.



Our governance framework underpins everything we do and helps protect our members' interests

Overview of the Board

Vision Super Pty Ltd has nine Directors, four nominated by the Australian Services Union (ASU), four nominated by employer associations MAV, VWIA and VECCL, and one independent Director nominated by the Board.

The directors during the 2022/23 year were:



Lisa Darmanin
Chair

Member representative

Bachelor of Business (Industrial Relations and HR Management), Diploma of Community Development

Lisa Darmanin was appointed as Chair of the Vision Super Board on 1 July 2021 and was Deputy Chair prior to that date. Lisa started as a Director 6 March 2018 as a member representative having been nominated by the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch (the ASU). Lisa is Executive President of the ASU. Prior to this role, Lisa worked as an ASU Organiser and has previously been a trustee director of HESTA and an alternative director of Vision Super.



Graham Sherry
Deputy Chair

Employer representative

LL B (Hons), BComm Melbourne, OAM for service to the country through Employer Organisations and the AFL

Graham Sherry was appointed as Deputy Chair of the Vision Super Board on 1 July 2021. Graham was appointed as a Director in September 2012, on the nomination of VECCL. Graham as an employer representative, served as President of VECCL from 1999 to 2001, and has a long and continued involvement with employer organisations including the Melbourne Chamber of Commerce, the Australian Chamber of Commerce and Industry, and the Australian Thai Business Council. For over 40 years he has practised in many aspects of general commercial law.



Vijaya (VJ) Vaidyanath

Employer representative

BA (Economics) Uni. of Bangalore, MA (Economics) Uni. of Bangalore, MBA Graduate School of Business Pittsburgh, USA, Senior Executive Fellow, Harvard Uni.

VJ was appointed to the Vision Super Board on 1 January 2022 as an employer representative and was nominated by the Municipal Association of Victoria (MAV). VJ has more than 25 years in executive leadership roles in the local government sector. She is the inaugural CEO of Homes Melbourne and previously the CEO of the City of Yarra in Melbourne since 2012.



Peter Wilson

Employer representative

BComm (Hons), MA (Hons)

Peter Wilson was appointed as an employer representative to the Vision Super Board in July 2012, on the nomination VWIA. Peter has previously served as Chairman of Yarra Valley Water and has been involved with the water industry for several years. He is the former National President of the Australian Human Resources Institute and holds a range of public and private directorship and advisory roles.

Peter's appointment ended on 30 September 2022. We thank Peter for a decade of service to Vision Super members as a Director and Chair of the fund.



Peter Gebert

Member representative
RG 146

Peter was appointed to the Vision Super Board in August 2018 as a member representative. Peter was nominated by the ASU. Peter has over 30 years' experience in the superannuation industry, which includes working at one of Australia's largest superannuation funds and fund administrators. Peter is currently a Local Laws Officer with Nillumbik Shire Council.



Casey Nunn ASM

Member representative
Bachelor of Business,
Bachelor of Health Science

Casey Nunn was appointed as a member representative Director to the Vision Super Board in July 2017 on the nomination of the ASU. Casey has been a Councillor with the Hume City Council and was Mayor from 2013 to 2014. Casey is heavily involved with her local community and is a member of the Country Fire Authority (CFA), Ambulance Victoria and the Salvation Army Advisory Board (Northern Region).



Joanne Dawson

Independent
BComm, MBA, Diploma of Financial
Planning, CA

Joanne Dawson was appointed as an Independent Director of the Vision Super Board in August 2014. She is an experienced financial adviser and Director.



Diane Smith

Member representative
National Diploma in Business
and Finance (UK)

Diane was appointed to the Vision Super Board in August 2018 as a member representative. Diane was nominated by the ASU. Diane has previously worked in the banking industry in the UK and is currently working within the Home and Community Care department of the City of Whittlesea.



Kerry Thompson

Employer representative
BComm (Hons), MA (Hons) Bachelor of
Business (RMIT), Graduate Diploma in
Management (RMIT), Diploma – AICD

Kerry was appointed to the Vision Super Board on 1 January 2020 as an employer representative. Kerry was nominated by the Municipal Association of Victoria (MAV) and has more than 20 years in executive leadership roles in the local and state government sectors. Prior to joining MAV, Kerry was acting Chief Executive of VicRoads and has previously been the CEO at Wyndham City Council and Maribyrnong City Council.



Stephen Brown

Employer representative
Bachelor Business (Bendigo), FCA,
Registered Company Auditor,
Diploma of Financial Planning

Stephen Brown was appointed as a Director of Vision Super on 17 October 2022 as an employer representative. He was nominated by VWIA. Stephen has held senior management and executive positions in the banking and finance industry during his career of over thirty years. He is currently the Chair of North East Water and is employed by the Bendigo and Adelaide Bank.

Committees of the Board

Vision Super Pty Ltd has a number of Committees that are responsible for assisting the Board to review and make decisions on specific areas in respect of the Fund.

As at 30 June 2023, the committees were:

Audit Committee	
Chair:	Casey Nunn
Members:	Joanne Dawson, Diane Smith, Kerry Thompson, Stephen Brown
<p>The Audit Committee assists the Trustee in fulfilling their audit responsibilities and provides an open avenue of communication between auditors, management and Trustees.</p> <p>The Committee assists the Board by providing an objective non-executive review of the effectiveness of the financial reporting.</p> <p>The Committee met five times during the financial year.</p>	

Benefits Committee	
Chair:	Peter Gebert
Members:	Diane Smith, Graham Sherry, Vijaya (VJ) Vaidyanath
<p>The Benefits Committee assesses death and disability claims and made recommendations to the Vision Super Board on policies affecting benefits.</p> <p>The Committee reviews and recommends appropriate policy settings, as well as monitoring the payment of discretionary benefits and any trends in these payments.</p> <p>The Committee met seven times during the financial year.</p>	

Governance, Risk and Appointments Committee	
Chair:	Kerry Thompson
Members:	Lisa Darmanin, Graham Sherry, Casey Nunn
<p>The Governance, Risk and Appointments Committee assists the Board by providing an objective non-executive review of the effectiveness of the governance and risk management frameworks.</p> <p>The Committee also makes recommendations to the Board on the appointment of Directors.</p> <p>The Committee met five times during the financial year.</p>	

Investment Committee	
Chair:	Joanne Dawson
Members:	Lisa Darmanin, Graham Sherry, Peter Gebert, Stephen Brown
<p>The Investment Committee analyses, reviews and makes decisions within its delegated powers and/ or recommendations to the Board on investment strategy, performance and manager selection.</p> <p>The Committee provides a communication forum for investment related issues between directors, management, investment advisers, investment managers, and other related investment service providers.</p> <p>The Committee met five times during the financial year.</p>	

Remuneration Committee	
Chair:	Graham Sherry
Members:	Lisa Darmanin, Kerry Thompson, Casey Nunn, Vijaya (VJ) Vaidyanath
<p>The Remuneration Committee reviews and makes recommendations to the Board on the remuneration of directors and executives.</p> <p>The Committee monitors the Remuneration policy to ensure the Trustee complies with its regulatory and legislative obligations.</p> <p>The Committee met three times during the financial year.</p>	

Board and committee attendance

Vision Super Pty Ltd – Board and Committee meeting attendance 1 July 2022 to 30 June 2023

Directors	Board	Audit	Benefits	Governance, risk and appointments	Investments	Remuneration
Attended/eligible to attend						
Peter Wilson	3/4	1/1	-	-	0/1	-
Casey Nunn	15/15	5/5	-	5/5	-	3/3
Graham Sherry	12/15	1*	7/7	5/5	5/5	3/3
Joanne Dawson	15/15	5/5	-	-	5/5	-
Lisa Darmanin	15/15	1*	-	3/5	5/5	2/3
Peter Gebert	15/15	1*	7/7	1*	5/5	-
Diane Smith	15/15	5/5	7/7	-	-	-
Kerry Thompson	13/15	5/5	-	5/5	-	2/3
Vijaya (VJ) Vaidyanath	15/15	1*	7/7	-	-	3/3
Stephen Brown	10/10	4/4	3*	-	4/4	-

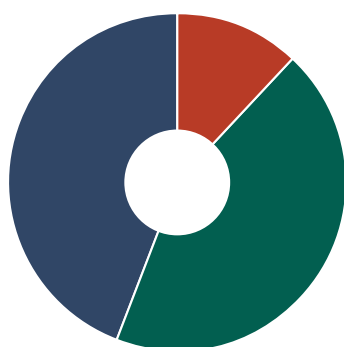
* Not a committee member. Attended as an observer.

About our Board

as at 30 June 2023

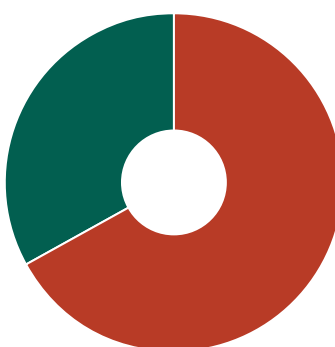
Age

Age	%
30-45 years	11%
45-60 years	44%
> 60 years	44%



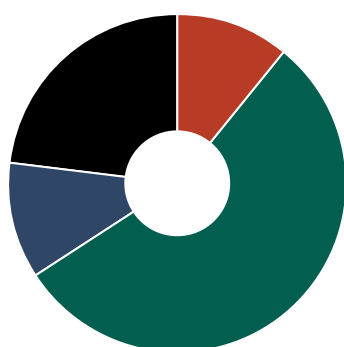
Gender

Gender	%
Female	67%
Male	33%



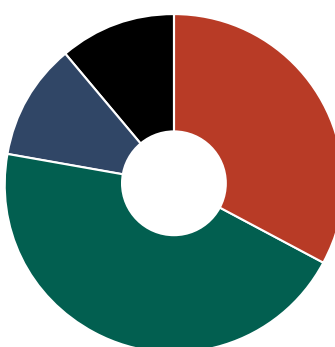
Training

Training	%
< 30 hours	11%
30-40 hours	55%
40-50 hours	11%
> 50 hours	22%



Tenure

Tenure	%
< 3 years	33%
4-6 years	44%
7-9 years	11%
> 10 years	11%

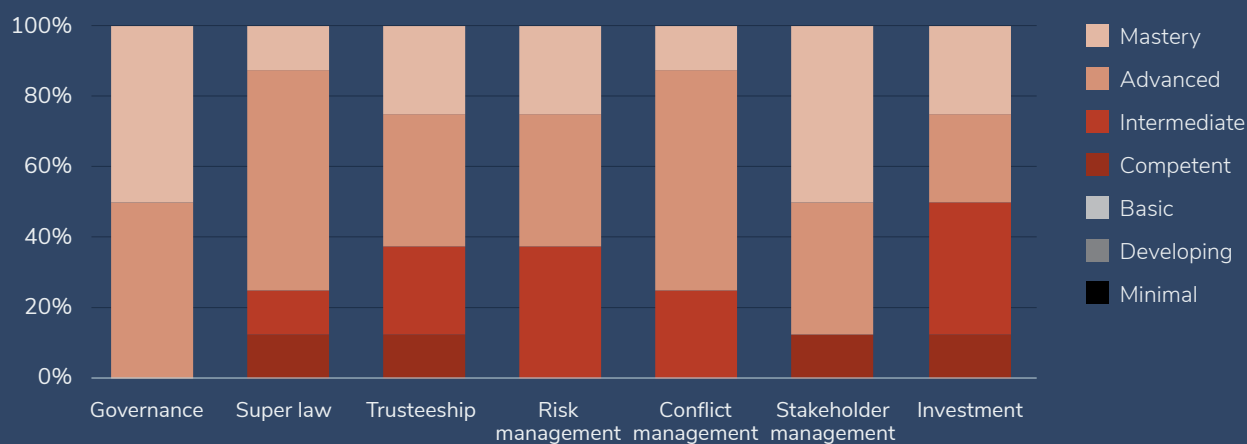


Director representation by Victorian Local Government Area

Greater Bendigo



Director skills matrix



Executive profiles

as at 30 June 2023



Stephen Rowe
Chief Executive Officer

*B.A (Hons) (Public Administration),
MA Industrial Relations, Grad. Dip. Applied
Finance and Investment, Grad. Cert.
Financial Planning & Graduate AICD*

Stephen manages the entire Vision Super team. Stephen's financial services experience in senior management positions has included seven years as CEO of a medium sized industry super fund, and four years as the General Manager of a large South Australian-based government superannuation scheme.



Michael Wyrsh
Chief Investment Officer
and Deputy CEO

BSc(Hons) (Mathematics)

Michael is responsible for providing strategic investment advice to the Trustee, as well as being responsible for operational investment matters, providing investment advice and assistance to the CEO and Trustee as required. Michael has over 25 years' experience in financial services, having worked in analytical and advisory roles. Previously, Michael was a Senior Investment Consultant at a leading investment advisory firm.



Noelle Kelleher
Chief Financial Officer

B.Com, CAF, CPA, FASFA

Noelle is responsible for financial matters of the Vision Super. Noelle has over 30 years' experience in the financial services industry, with a particular focus on superannuation. Prior to joining Vision Super, Noelle was a partner at two of the 'Big Four' professional services firms.



Nikki Schimmel
Chief Risk Officer

*Masters of Tax, Bachelor of Law (Honours),
Bachelor of Science, Advanced Certificate
in Public Administration (Taxation)*

Nikki leads Vision Super's Quality and Risk team. She manages the risk and compliance functions of the Fund, ensuring Vision Super complies with relevant legislative and regulatory requirements, maintaining strong corporate governance.



Sean Ellis
General Manager Strategy
and Growth

MBA, RG 146

Sean is responsible for fund growth, and leads the teams that provide service to our members and employers. He has substantial management experience at large industry funds and one of the industry's leading administrators.



Steven Leach
General Manager Operations
and Transitions

ASFA 100, PS 146

Steve Leach has overall responsibility for fund administration, technology and the project management office. Steve joined Vision Super from UniSuper and has over 25 years' experience in the superannuation industry. Steve has spent the last 20 years in the profit-to-members superannuation sector and possesses a strong track record of successfully delivering stepped and sustainable improvements in business and customer outcomes.



Rebekka Power

Head of Communications

*Masters of History, Bachelor of Arts,
Diploma of Superannuation, RG 146*

Rebekka is responsible for corporate communications, public policy and PR. Rebekka has 20 years' experience as a communications professional in the financial services industry, and has worked as a communications and policy adviser to two cabinet ministers and a Prime Minister.



Emma Robertson

General Manager Data and Analytics

BSc (Mathematical Statistics and Applied Mathematics), Graduate Diploma Information Technology (Internet Software Development), Associate of the Institute of Actuaries of Australia

Emma has more than 25 years' experience in superannuation, having worked in senior analytical and consulting roles with Deloitte, Ernst & Young, Mercer and Towers Perrin. She also worked for a software development company for five years.



Mark Newman

Head of Fund Administration Business Operations

BBus (Business Administration), Dip Superannuation Management, Grad Cert Management, Adv Dip Fin Serv (Superannuation), Dip Fin Serv (Financial Planning), FASFA

Mark Newman has overall responsibility for the superannuation administration, insurance and business support functions. He has substantial experience in the management of defined benefits, pensions, accumulation accounts and claims management.



Nick Pratley

Head of Human Resources

Bachelor of Arts, Postgraduate Diploma in Human Resource Management (HRM)

Nick is responsible for the management of the HR function and providing strategic advice to the CEO and managers on all human resources matters. He has spent over 20 years as a human resources professional, spanning the financial services, professional services and technology sectors in Australia and the UK. Nick has extensive experience in partnering across the entire employment lifecycle in publicly listed and privately owned businesses with international operations.

For a current list of Executives, please see our website at:
visionsuper.com.au/about/directors-and-executives/

Advisers and service providers

Our advisers and service providers are helping us achieve the best outcomes for our members, and reach our goal of being the best super fund in Australia

Fund administration	
Chief Executive Officer	Stephen Rowe
Company Secretary	Noelle Kelleher
External auditor	BDO Audit Pty Ltd
Internal auditor	Ernst & Young
Principal advisers	
Fund actuary	Willis Tower Watson
Investments	Frontier Advisors
Lawyers	Greenfields, Mills Oakley, King & Wood Mallesons, MinterEllison
Tax	PwC Australia
Service providers	
Custodian	NAB Asset Servicing (NAS)*
Insurer	MLC Life Insurance
Insurance consulting services	IFS Insurance Solutions
Professional indemnity insurer and other corporate insurers	QBE Lloyd's Syndicate 1886 (Hamilton, Sompo International and Aviva) and K2 Insurance International (Pioneer) Underwriters. Allied World Assurance Company, Axis Specialty Europe SE and QBE Insurance (Australia) Ltd Vero Insurance Chubb Insurance Australia Limited Emergence Insurance Tarian
Hosting of Vision Super website	WP Engine
Ongoing technical support for website	24 Digital
Clearing house	Westpac Banking Corporation

* During November 2022, the National Australian Bank (NAB) has made the decision to exit the custody business over the next three years. Vision Super is currently undertaking due diligence on a replacement custodian and expects to appoint a replacement custodian in the 2024 calendar year.

Financial management

Prudent financial management underpins our efforts to achieve Vision Super's strategic objectives, in particular reducing costs for members and ensuring we maximise the net benefit delivered to members

Net benefit

Our aim is to maximise the net benefit we deliver to our members. Continuous review of financial controls and procedures forms part of Vision Super's commitment to risk management and keeping costs low and within budget.

Annual budget process

The annual budgeting process integrates with the annual business planning cycle. Together they establish expenditure and financial frameworks that commit Vision Super's financial resources to business-as-usual activities and strategic initiatives. The annual budget is reviewed, endorsed and monitored by the Board.

Annual financial reports

The annual financial reports for the Fund are prepared by the Vision Super Finance team. The reports are based on Vision Super's general ledger balances and Vision Super's custodian investment and taxation reports, together with members' fund information sourced from Vision Super's administration system.

The financial reports include a Statement of Financial Position, an Income Statement, a Statement of Changes in Member Benefits, a Statement of Changes in Reserves/Equity, a Statement of Cash Flows and Notes to the financial statements.

The reports also include a Trustee declaration and Auditor's report. The reports are prepared in accordance with Australian Accounting Standards, legislative requirements and the requirements of the Fund's trust deed. Abridged financial information is shown in the following pages.

Financial statement inputs

Independent and internal reviews are conducted to support the financial statements. Six key inputs support the completeness and accuracy of the financial statements:

1 Existence and valuations of investments

Vision Super's assets are invested through our appointed investment managers. An independent audit of the Fund's investments held in the name of the custodian and reflected in the Fund's Statement of Financial Position and Notes to the financial statements is completed.

2 Investment administration controls

An independent audit of the internal controls and procedures the custodian has over the Fund's custody, investment administration, unit registry and related information technology services is completed. The internal controls and procedures audited support investment-related information reflected in the Fund's financial statements and Notes to the financial statements.

3 Member administration controls

An independent audit of the internal controls and procedures over the member administration system is completed. The internal controls and procedures audit supports information reflected in the financial statements and Notes to the financial statements relating to member benefits.

4 Tax review

A review of the key tax numbers in the financial statements is completed by Vision Super's internal team in conjunction with our tax advisers and external auditor. In-house tax expertise assists in maintaining a comprehensive tax management framework and accuracy of the tax expense within the Fund.

5 External audit clearance

Vision Super's external auditor conducts an independent audit of the financial statements and Notes to the financial statements to provide an opinion as to whether the financial statements are presented fairly.

6 Internal audit

Vision Super's internal auditor completes reviews of the internal controls and procedures over key Fund and member administration transactions represented in the financial statements and Notes to the financial statements.

Statement of financials

Statement of financial position as at 30 June 2023

Financial position	2023 \$'000	2022 \$'000
Assets		
Cash and cash equivalents	102,189	99,965
Contributions receivable	316	1,484
Other receivables and prepayments	659	650
Outstanding settlements receivable	62,253	103,625
Income tax receivable	-	11,840
Financial assets held at fair value through profit or loss	12,804,434	11,753,242
Deferred tax assets	52,669	40,169
Total assets	13,022,520	12,010,975
Equity		
Operational risk financial requirement reserves	29,947	29,947
Administration reserves	21,298	24,733
Insurance reserves	12,379	13,060
Other reserves	17,936	19,656
Defined benefits that are over/(under) funded	157,115	127,327
Unallocated surplus/(deficit)	114,752	155,949
Total equity	353,427	370,672
Liabilities		
Benefits payable	35,404	54,175
Other payables	13,635	16,778
Income tax payable	1,009	-
Outstanding settlements payable	44,024	85,989
Financial liabilities at fair value through profit and loss	11,992	71,717
Deferred tax liabilities	175,777	83,569
Total liabilities excluding member benefits	281,841	312,228
Member benefit liabilities		
Defined contribution member liabilities	10,285,497	9,220,664
Amounts not yet allocated	13	224
Defined benefit member liabilities	2,101,742	2,107,187
Total member benefit liabilities	12,387,252	11,328,075
Total equity and liabilities	13,022,520	12,010,975

Income statement for the year ended 30 June 2023

Income statement	2023 \$000	2022 \$000
Superannuation activities		
Net changes in fair value of financial assets and liabilities held at fair value	839,112	(922,819)
Interest income	76,018	27,788
Distribution income	100,251	146,168
Dividend income	186,680	250,182
Other income	3,943	3,177
Total net income	1,206,004	(495,504)
Expenses		
General administration expenses	(29,796)	(26,578)
Investment expenses	(34,068)	(38,807)
Total expenses	(63,864)	(65,385)
Result from superannuation activities before income tax expense	1,142,140	(560,889)
Income tax (expense)/benefit	(58,367)	113,758
Results from superannuation activities after income tax expense	1,083,773	(447,132)
Net benefits allocated to defined contributions members	(918,342)	374,341
Net change in defined benefit member liabilities	(181,062)	(85,990)
Operating result after income tax	(15,631)	(158,781)

Statement of changes in member benefits for the year ended 30 June 2023

Member benefit changes	DC members \$000	DB members \$000	Total \$000
Opening balance as at 1 July 2021	9,366,972	2,227,697	11,594,669

Contributions:			
Employer	372,507	24,422	396,929
Member	162,451	2,312	164,763
Transfers from other superannuation plans	158,320	179	158,499
Income tax on contributions	(54,402)	(3,552)	(57,954)
Net after tax contributions	638,876	23,361	662,237

Net benefits allocated comprising:			
Net investment income	(355,483)		(355,483)
Net administration fees	(18,858)		(18,858)
	(374,341)		(374,341)
Benefits paid to members/beneficiaries	(304,668)	(93,975)	(398,643)
Transfers to other superannuation plans	(203,089)	(23,301)	(226,390)
Transfer to the ATO	(2,009)	(1)	(2,010)
Internal transfers from membership categories	112,184	(112,184)	-
Insurance premiums charged (including amounts transferred to the insurance reserves)	(22,475)	(154)	(22,629)
Other fees charged to members/DB sub-plans	(36)	(246)	(282)
Death and disability benefits credited to members	9,434	-	9,434
Transfers from reserves to members	40	-	40
Net change in defined benefit member liabilities	-	85,990	85,990
Closing balance as at 30 June 2021	9,220,888	2,107,187	11,328,075
Opening balance as at 1 July 2022	9,220,888	2,107,187	11,328,075

Contributions:			
Employer	401,165	21,659	422,824
Member	164,928	2,047	166,975
Transfers from other superannuation plans	137,666	-	137,666
Income tax on contributions	(59,757)	(3,144)	(62,901)
Net after tax contributions	644,002	20,562	664,564

Net benefits allocated comprising:			
Net investment income	937,647		937,647
Net administration fees	(19,306)		(19,306)
	918,341		918,341
Benefits paid to members/beneficiaries	(387,277)	(91,794)	(479,071)
Transfers to other superannuation plans	(193,499)	(19,229)	(212,728)
Transfer to the ATO	(1,970)	-	(1,970)
Internal transfers from membership categories	95,690	(95,690)	-
Insurance premiums charged (including amounts transferred to the insurance reserves)	(21,101)	(108)	(21,209)
Other fees charged to members/DB sub-plans	(14)	(248)	(262)
Death and disability benefits credited to members	10,419	-	10,419
Transfers from reserves to members	31	-	31
Net change in defined benefit member liabilities		181,062	181,062
Closing balance as at 30 June 2023	10,285,510	2,101,742	12,387,252

Statement of changes in reserves/equity for the year ended 30 June 2023

	Operational risk financial requirement reserve \$000	Insurance reserves \$000	Administration reserve \$000	Other reserves \$000	Total reserves \$000	DB that are over/ (under) funded \$000	Unallocated surplus/ deficit \$000	Total reserves/ equity \$000
Opening balance as at 1 July 2021	20,991	13,644	21,906	17,886	74,427	300,077	158,714	533,218
Net transfers from/(to) DC member accounts	-	-	(40)	-	(40)	(960)	(92,074)	(3,074)
Net transfers from/(to) DB plans	-	-	-	-	-	-	(691)	(691)
Operating result	8,956	(584)	(2,867)	1,770	13,009	(171,790)	-	(158,781)
Closing balance as at 30 June 2022	29,947	13,060	24,733	19,656	87,396	127,327	155,946	370,672
Opening balance as at 1 July 2022	29,947	13,060	24,733	19,656	87,396	127,327	155,946	370,672
Net transfers from/(to) DC member accounts	-	-	(31)	-	(31)	39,613	(30,898)	8,684
Net transfers from/(to) DB plans	-	-	-	-	-	-	(10,298)	(10,298)
Operating result	-	(681)	(3,404)	(1,720)	(5,805)	(9,825)	(1)	(15,631)
Closing balance as at 30 June 2023	29,947	12,379	21,298	17,936	81,560	157,115	114,752	353,427

A copy of the Fund's full audited financial statements (including the audit report) is available to download at: visionsuper.com.au/resources/forms-and-publications under the heading 'Financial statements'.

A copy of the Trustee's audited financial statements (including the audit report) is also available to download at: visionsuper.com.au/resources/forms-and-publications under the heading 'Financial statements'.

Reserves

The Trustee has a reserving policy that sets out the reserves and the payments that can be made from these reserves. A number of reserves are held in the Fund including:

Insurance reserves

Insurance reserves consist of all insurance premiums deducted from insured members plus any rebates received from the insurer. From this, Vision Super:

- > Pays the insurer (MLC Life Insurance) its premiums
- > Funds our insurance claims reduction strategies aimed at generating a long-term improvement in the claims ratio
- > Funds development and implementation costs associated with the delivery of improved insurance offerings.

Insurance premiums reserves

These reserves consist of the insurance premiums deducted from member accounts, which are used to pay MLCL its premiums. These reserves are invested in the Balanced growth investment option.

Financial year ended	\$M
30 June 2023	0.05
30 June 2022	(0.62)
30 June 2021	(0.62)

Internal insurance reserves

The Fund Actuary determines the adequacy of the insurance reserves and reviews the self-insurance arrangements annually. These insurance reserves are managed under a policy approved by the Vision Super Board.

i) Vision Super account-based members

Effective from 1 July 2010, all death and disability cover for Vision Super Saver members was outsourced to CommInsure (the previous insurer).

This insurance reserve is used to meet the cost of claims that existed or arose from illnesses or injuries prior to 1 July 2010 and for other expenses required to provide this insurance cover.

In addition, this reserve is used to meet any additional payments that the Trustee approves and other expenses required to manage the member insurance arrangements of the Fund. This reserve is invested in the Balanced growth investment option.

ii) LASF DB

The LASF DB provides death and disablement benefits that are significantly higher than the resignation/retirement benefits. The Fund self-insures this risk. This continues to be appropriate in light of the LASF DB size, experience, present membership and benefit levels.

This reserve was established on 1 July 2013 and is invested with the LASF DB assets. Prior to that date, the self-insurance arrangement was not separated from the LASF DB plan and was included in the DB asset pool.

Financial year ended	Account based ¹ \$M	LASF DB scheme \$M
30 June 2023	5.70	5.00
30 June 2022	6.88	5.00
30 June 2021	7.65	5.00

¹ For pre 1 July 2010 cover.

Insurance proceeds reserve

Insurance proceeds received from the insurer in relation to insurance claims are included in this reserve. These proceeds are used to pay insured benefits to the relevant member/beneficiaries once the Trustee approves payment of the insurance claim. This reserve is invested in the Cash investment option. This reserve was established during the 2015/16 financial year.

Financial year ended	\$M
30 June 2023	1.63
30 June 2022	1.80
30 June 2021	1.61

Administration fee reserve

This reserve consists of all the administration fees deducted from member accounts and is used to pay the administration costs of the Fund. This reserve is invested in the Balanced growth investment option. This reserve was established during the 2015/16 financial year.

Financial year ended	\$M
30 June 2023	21.30
30 June 2022	24.73
30 June 2021	21.90

Operational risk financial requirement reserves

The operational risk financial requirement (ORFR) reserves were established to meet APRA Prudential Standards effective from 1 July 2013.

The purpose of the ORFR reserves is to ensure that there are adequate financial resources to cover operational risks where one or more beneficiaries have sustained a loss or have been deprived of a gain to which they otherwise would have been entitled. It includes legal risk but excludes strategic and reputational risk.

The ORFR reserves operate under an ORFR policy approved by the Board, which details the annual reviews, transitional and replenishment arrangements along with the investment strategy of the ORFR reserves.

The APRA guidelines impose an ORFR target level, which has been attained. Top-ups occur as required to maintain ORFR funding at this level.

The amount of the ORFR maintained in the Fund is invested in cash.

Financial year ended	\$M
30 June 2023	29.95
30 June 2022	29.95
30 June 2021	20.99

Other reserves

A number of other reserves, which are funded by the fees deducted from member accounts and other amounts, are held by the Fund. These reserves may also include deductions made from certain payments to the Fund such as employer contributions.

These reserves are used specifically for the purposes for which the amounts are deducted and include:

Contribution tax reserve

This reserve consists of the contributions tax deducted from all taxable contributions received by the Fund and any other relevant receipts that are subject to contributions tax. This reserve is used to pay the contributions tax of the Fund.

Any tax rebates provided to members are funded from this reserve. This reserve is invested in the Balanced growth investment option and was established during the 2015/16 financial year.

Financial year ended	\$M
30 June 2023	0.49
30 June 2022	1.01
30 June 2021	(0.72)

General reserve

This reserve was established during the 2017/18 financial year and is used for general purposes within the Fund. It includes (from the 2018/19 financial year) amounts charged to members via a reserving margin accrued in daily unit prices (if a reserving margin applied). Since the 2021/22 financial year to the date of this report, a reserving margin has not been applied. This reserve is invested in the Balanced growth investment option and cash.

Financial year ended	\$M
30 June 2023	17.91
30 June 2022	17.87
30 June 2021	17.86



We're here to help.

Member hotline 1300 300 820

8:30am – 5:00pm Monday to Friday AEST

Vision Super Pty Ltd ABN 50 082 924 561 AFSL 225054 RSE licence number L0000239 is the Trustee of the Local Authorities Superannuation Fund ABN: 24 496 637 884. Level 15, 360 Collins Street, Melbourne. PO Box 18041, Collins Street East, Victoria 8003. visionsuper.com.au. Member hotline 1300 300 820, Employer hotline 1300 304 947, Retirement hotline 1300 017 589.