



Annual Report

2020–21



Nick
Spirit Super member



Contents

Thanks for taking the time to read our latest *Annual Report*. We're proud to show you what we're doing for you and other hard-working Aussies.

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Superannuation Fund Pty. Limited
AFSL 238718
ABN 14 008 650 628 (Trustee)

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A copy of the *Financial services guide* for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide or by calling us on 1800 005 166.

This *Annual Report* may contain general advice that has been prepared without taking into account your objectives, financial situation or needs. Before acting on it, you should consider the appropriateness of the advice having regard to your objectives, financial situation or needs and refer to the PDS.



Margaret
Spirit Super member

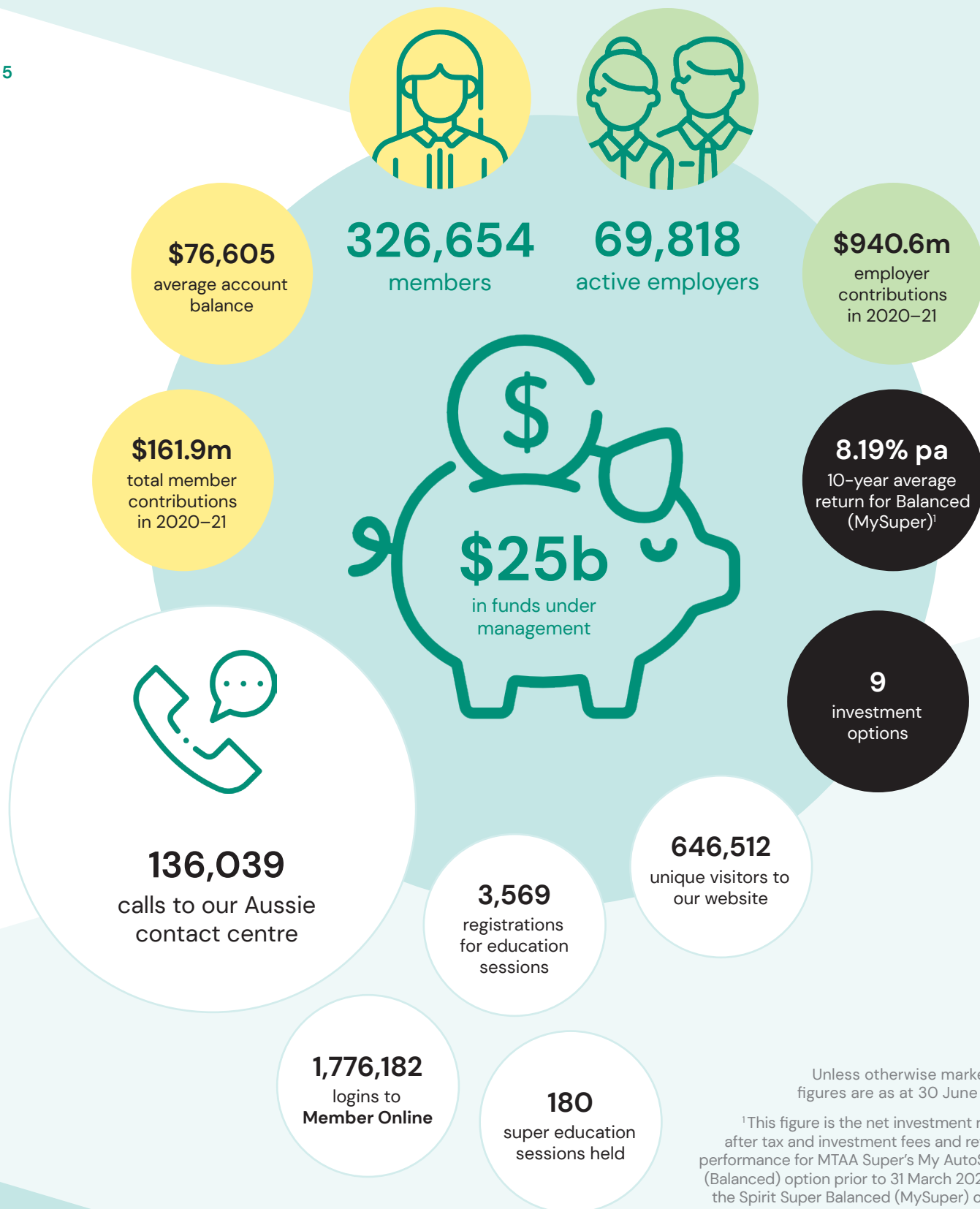
A fund update

Spirit Super at a glance

It all starts with spirit

Super changes

Spirit Super at a glance



Unless otherwise marked, all figures are as at 30 June 2021.

¹This figure is the net investment return after tax and investment fees and reflects performance for MTAA Super's My AutoSuper (Balanced) option prior to 31 March 2021 and the Spirit Super Balanced (MySuper) option thereafter. Past performance is not a reliable indicator of future performance.

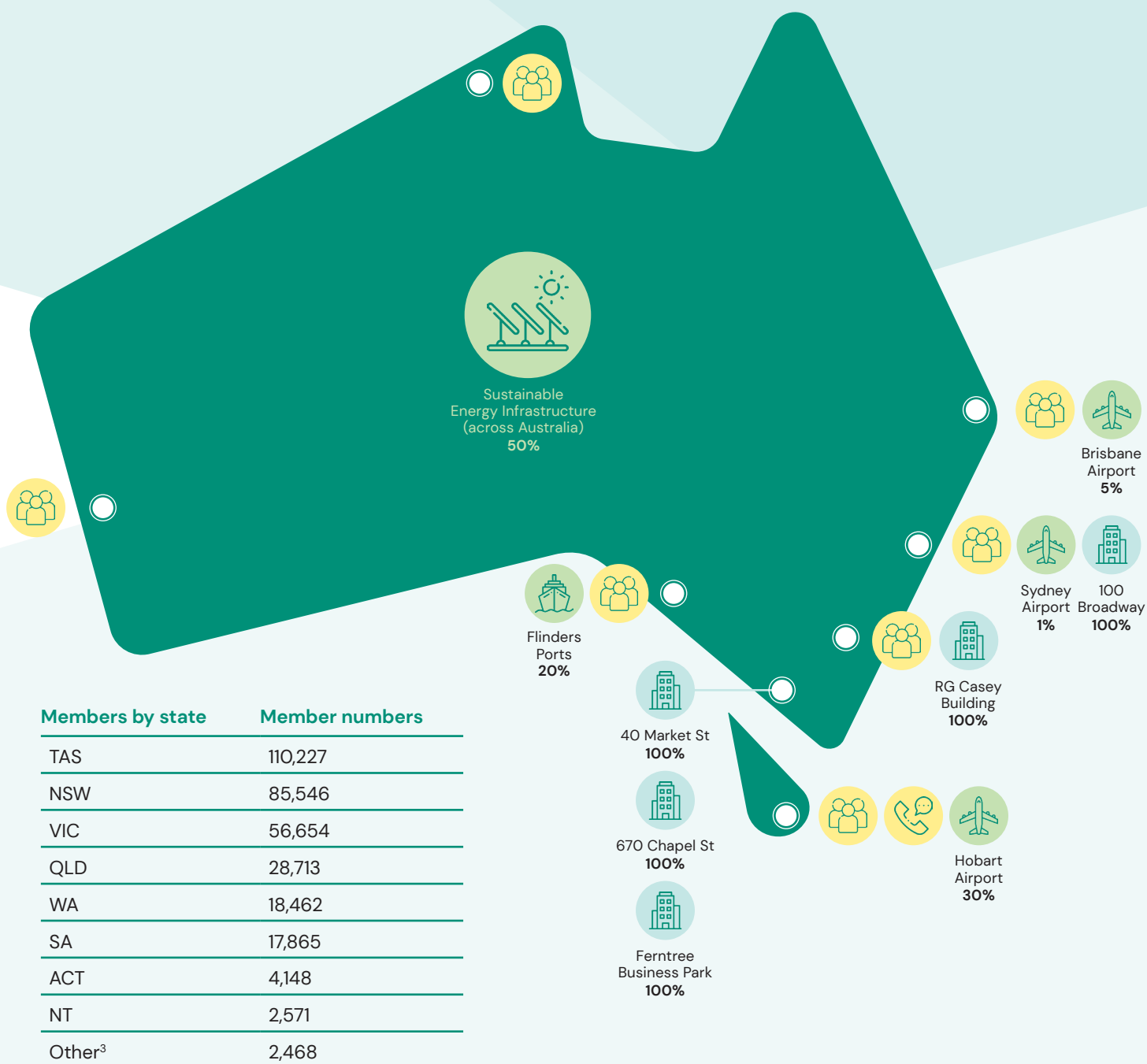
On 1 April 2021, MTAA Super and Tasplan merged to become Spirit Super.



195,263
members²



126,729
members²



Contact centre



National offices



Investment assets

Unless marked, all figures are correct as at 30 June 2021.

² As at 31 December 2020.

³ Members located overseas or those who we don't have an address for.

It all starts with spirit



**Leeanne
Turner**

CEO



**Naomi
Edwards**

Chair

With the successful merger of MTAA Super and Tasplan completed on 1 April 2021, we're thrilled to be embarking on an exciting new era for the fund and presenting to you the first Spirit Super Annual Report.

As the merger happened during the 2020–21 financial year, this *Annual Report* will include financial and investment activities for MTAA Super from 1 July 2020 to 31 March 2021 and Spirit Super from 1 April 2021 to 30 June 2021.

There's no doubt the merger has introduced a lot of change at the fund. We now have a new name, a new brand identity, new digital interfaces, and a suite of updates to our products and services.

These changes are designed to make engaging with your super easier and give you the tools and knowledge you need to get the most out of your retirement savings.

Thanks to all our members for your support and patience throughout the transition. We know the limited services period caused delays for some accessing their new account details. We're pleased to report these teething issues have been sorted, and we're now operating at full capacity.

Thanks also to our wonderful members who have appeared in our new branding materials on our website, banners, and product documents. As Spirit Super, we're committed to putting members first, so it was only fitting that you should be the face of everything we do.

Merger benefits

As Spirit Super, we now have over 326,000 members and over \$25 billion assets under management (as of 30 June 2021).

Our increased scale will enable us to provide greater efficiencies, more opportunities to improve our products and services, increased capability across the business, and has put us in a strong position for continued growth now and well into the future.

“We’re a truly national super fund with a passionate field force team committed to supporting and servicing rural and regional areas.”

On 1 April 2021, we reduced our flat-rate administration fee from \$1.50 per week to \$1.30 per week and our total administration fee cap from \$528 per year to \$517.60 per year.

This was a direct result of our increased membership numbers and moving all administration and processes in-house.

Importantly, we’re a truly national super fund, with offices in Canberra, Hobart, Launceston, Devonport, Sydney, Melbourne, Brisbane, Adelaide, and Perth and a passionate field force team committed to supporting and servicing rural and regional areas. Apart from providing better access to face-to-face support and advice to members across the country, this will allow us to offer more hands-on support to employers across all industries.

The merger has also introduced improvements to our digital services. Recently we launched live chat in **Member Online**, and our website and app have been updated to help you find the information and tools you need to access and manage your account anywhere, anytime.

At Spirit Super, we aim to be big enough to make a difference but small enough to care. That means maintaining the personal touch every step of the way.

Investment performance

Our investment returns over the 2020–21 financial year and throughout the merger transition have been very strong.

In the 12 months to 30 June 2021, we delivered a return of 17.4%⁴ for the Balanced (MySuper) investment option and 19.4% p.a.⁴ for our pension Balanced investment option. Our Growth option returned 22.0%⁴ for the financial year.

While these returns largely reflect the strong recovery in global share markets following the initial onset of COVID-19, over a longer time frame of seven years, our Balanced option has delivered a return of 8.7% p.a.⁴ (net of all fees and costs).

Our increased fund size is allowing us to investigate new investment opportunities and take advantage of strategies to add value and deliver real scale benefits.

Already we’re major investors in assets across Australia like the RG Casey Building in Canberra, Hobart and Brisbane Airports, Flinders Port in Adelaide, and many Australian small businesses. We aim to continue investing in essential infrastructure assets across the country with a focus on moving into the low carbon economy and supporting regional growth and employment.

Super changes

This year saw the introduction of some of the most significant super reforms in recent years.

On 1 July 2021, the super guarantee (SG) rate rose from 9.5% to 10%. This was the first increase to the minimum rate since 2014 and long overdue. Currently, the rate is set to increase to 12% by 2025.

⁴ Past performance is not a reliable indicator of future performance. The value of investments can rise or fall, and investment returns can be positive or negative. The figures shown are net investment returns, that is, after fees, costs and taxes have been paid.

A message from your CEO and Chair:

It all starts with spirit

Continued...

In May 2021, the Federal Government announced its *Your Future, Your Super* reforms. These changes came into effect on 1 July 2021 and aim to ensure the super system delivers better outcomes for members. Key measures include:

Account ‘stapling’

From 1 November 2021, members will be ‘stapled’ to the first super fund you join or the fund you’re currently with. This means you’ll automatically stay with your super fund when you change jobs (unless you choose a different fund).

YourSuper comparison tool

The government has introduced a new online comparison tool to help you compare fees and performance data on MySuper products across funds.

Performance test for MySuper products

From 31 August 2021, all MySuper products will be assessed against an annual performance test. Products that fail the test must write to members to let them know they’re in an underperforming product. Two consecutive failures may mean that product can’t accept new members.

Best financial interests duty

Super funds must act in the members’ best financial interests.

These changes will increase transparency and accountability across the industry and put greater pressure on underperforming funds to improve.

At Spirit Super, we’ve always put members’ interests first. We’re well placed to meet these new requirements and to continue delivering excellent retirement outcomes.

For more details about these and other super changes, see our *Super changes* section on page 11.

Thanks for your support

We’d like to thank our Board, Executive Team, staff, and service providers for their hard work, dedication, and professionalism throughout the year.

We’d especially like to acknowledge Trustee Director Sue Dahn, who was named the 2021 Trustee of the Year by the Australian Institute of Superannuation Trustees. This prestigious accolade recognises outstanding achievement by a profit-to-member fund trustee director in the previous 12 months and highlights the skills, experience and calibre of our entire team of directors.

Finally, thank you to our members and employers for your continued loyalty and support. Our name and logo may have changed, but our commitment to you and your super remains the same.

We look forward to bringing more improvements, better service, and greater value to your super now and well into the future.

Leeanne Turner
Spirit Super CEO

Naomi Edwards
Spirit Super Chair



Super changes

On 11 May 2021, the Australian Government handed down its annual Federal Budget. It included several proposed changes to super.

Proposed changes to super and pension accounts

The following proposed changes won't become active until passed into law.

For super members

Removal of \$450 monthly income threshold

Currently, you only get paid super if you earn more than \$450 in a calendar month. The government will remove this threshold to help low-paid workers receive mandatory super. It's estimated that 300,000 low paid workers — 63% female — will benefit from this change.

Impact on you: If you earn less than \$450 a calendar month, you'll be eligible for super.

Proposed start date: 1 July 2022

New threshold for *First home super saver scheme*

Currently, you can make voluntary contributions of up to \$15,000 a year and \$30,000 in total into super to save for a first home. The government will increase this amount to \$50,000 in total.

Impact on you: The amount of money you contribute to your first home will be increased. This increase is consistent with the increased cost of housing.

Proposed start date: 1 July 2022

Work test abolished for those aged between 67 and 74 years

Currently, if you're aged 67 to 74, you must work for at least 40 hours over 30 consecutive days during the financial year before you can make a concessional or non-concessional contribution into super.

The government will abolish the work test for people aged 67 to 74 years, allowing them to make super contributions regardless of how many hours they work.

Individuals aged 67 to 74 will still need to meet the work test to make personal deductible contributions.

The existing \$1.7 million cap on lifetime super contributions (from 1 July 2021) will also continue to apply, as will the annual concessional and non-concessional caps.

Impact on you: If you're 67–74 and aren't working, you can make a contribution to your super.

Start date: 1 July 2022

Transfer of super to the KiwiSaver scheme

From 2021–22, the government will provide \$11.0 million over four years (and \$1.0 million per year ongoing) to the Australian Taxation Office (ATO) to administer the transfer of unclaimed super directly to KiwiSaver accounts (the New Zealand equivalent of Australian super funds).

Start date: 1 July 2021

For pension members

New age threshold for downsizers

Retirees who downsize their family home will be able to contribute \$300,000 to super (\$600,000 for couples) at age 60. This is down from 65.

Downsizer contributions are non-concessional (after-tax). They're in addition to existing super rules and caps, including the total super balance cap of \$1.7 million (increased from \$1.6 million on 1 July 2021).

Impact on you: You can make downsizing contributions earlier.

Proposed start date: 1 July 2022

Legacy product conversions

People locked into legacy retirement products will have the option to transfer into more flexible financial products without penalty. Exits will be possible for two years commencing from the beginning of the first financial year after Royal Assent of the enabling legislation.

Throughout this period, individuals can exit their existing market-linked (also referred to as term allocated pension), life-expectancy and lifetime pension and annuity products and transfer into an accumulation product with a super fund. They can then decide if they want to stay in that super fund, take a lump sum benefit or move to a new retirement product.

The transferred capital won't count towards the concessional contribution cap and won't trigger excess contributions. However, it will be taxed as an assessable contribution of the fund (at 15%).

Products covered include market-linked (also referred to as term allocated pension), life-expectancy and lifetime products that commenced before 20 September 2007 from any provider, including self-managed superannuation funds (SMSFs).

Products not covered are flexi-pension products offered by any provider and lifetime products offered by large APRA-regulated defined benefit schemes or public sector defined benefit schemes.

Impact on you: If you're locked into a retirement product, you may be able to transfer into accumulation products and enjoy greater flexibility.

Proposed start date: 1 July 2022

Pension Loans Scheme

The Pension Loans Scheme will become more flexible. Participants will be able to access up to 26 fortnights' worth of top-up payments as a lump sum, and there will be a 'no negative equity guarantee'. This will provide immediate access to lump sums of around \$12,000 for singles and \$18,000 for couples.

The no negative equity guarantee means borrowers under the Pension Loans Scheme (or their estate) will never owe more than the market value of their property. This brings the Pension Loans Scheme in line with private-sector reverse mortgages.

Impact on you: You can access a lump sum advance payment and will never owe more than the value of your property.

Proposed start date: 1 July 2022



Super changes that have passed into law

Super guarantee increase

From 1 July 2021, the super guarantee (SG) rate has increased from 9.5% to 10%. The SG rate is scheduled to increase gradually to 12% by 2025.

Impact on you: The minimum amount of super your employer must pay on your behalf has increased by 0.5%.

Your Future, Your Super changes

The *Your Future, Your Super* measures proposed in last October's budget were passed into law in May 2021. Key measures include:

Account 'stapling'

From 1 November 2021, members will be 'stapled' to the first super fund you join or the fund you're currently with. This means you will automatically stay with your super fund when you change jobs (unless you choose a different fund).

YourSuper comparison tool

The Government has introduced a new online comparison tool to help you compare fees and performance data on MySuper products across funds.

Performance test for MySuper products

From 31 August 2021, all MySuper products will be assessed against an annual performance test. Products that fail the test must write to members to let them know they're in an underperforming product. Two consecutive failures may mean that product can't accept new members.

Best financial interests duty

Super fund trustees must perform their duties in the best financial interests of members.

Impact on you: You'll have access to more information to compare funds, and you'll stay with your existing super fund if you change jobs (unless you decide to change funds).

New cap thresholds

The thresholds for several existing super measures increased from 1 July 2021. This includes increases to how much you can voluntarily contribute to super through salary sacrifice or non-concessional contributions.

The key super rates and thresholds that changed on 1 July 2021 are:

- the concessional contributions cap is \$27,500, up from \$25,000
- the non-concessional contributions cap is \$110,000, up from \$100,000
- the general transfer balance cap is \$1.7 million, up from \$1.6 million.

Impact to you: You can now contribute more to your super before exceeding the contributions cap.

Need more information?

If you have any questions about how these changes may affect you, call us on **1800 005 166**.

Rebecca
Spirit Super member



Investments

Market update

Our investment strategy

Your options

Our assets and performance

Defined benefits funds

Market update



Ross Barry

Chief Investment Officer

Our Chief Investment Officer Dr Ross Barry talks about the year that was in investment markets.

A strong rebound

Financial markets recovered from the impact of COVID-19 in the 2020–21 financial year, with the Australian equity market index returning to its pre-pandemic level in May 2021. Equity markets in both Australia and the US have subsequently achieved record highs.

Despite these positive returns, markets remain volatile in the face of global uncertainty due to questions about the post-pandemic future and ongoing geopolitical tensions.

Spurred by stimulus

A key factor affecting financial markets across the last year has been fiscal and monetary stimulus. The size of the stimulus has been unprecedented, with G20 countries spending more than 10% of gross domestic product (GDP) to support their economies. This is more than triple the expenditure that followed the global financial crisis.

Despite lockdowns and travel bans, job protection and social security programs across developed nations have caused national incomes to increase. As a result, the initial COVID-19 recession was short-lived and disguised the economic impact of COVID-19 across the real economy.

Low interest rates

While providing equity markets with a tailwind across the last year, stimulus measures have contributed to a low interest rate environment. While this reduces the cost of capital for companies and increases returns for equities and unlisted assets such as property and infrastructure, low yields are expected across cash and fixed interest asset classes.

Elevated inflation

The stimulus has also elevated inflation across many developed economies. Supply chain bottlenecks and the increased spending power of consumers, along with extraordinary stimulus, were the main contributors. Usually, expectations of a return to higher interest in the coming years would hurt the value of risk assets, such as equities. However, the US Federal Reserve has seemingly taken a nonchalant view that this inflation will be transitory, so markets have assumed a 'lower-for-longer' official interest rate stance.

The US inflation rate stabilised at 5.37% to July 2021, compared with 5.39% across the year to June. These rates are starkly higher than the annual rate of 0.99% just 12 months ago and its long-term average of 3.22% per year.

If elevated inflation continues, the market may become concerned that it will be longer-lasting, and bond prices may decline.

“ **With the development and approval of vaccinations, financial markets have continued to perform well across 2021 as global vaccination rates increase.** ”

Impact of COVID-19

COVID-19 has been the dark cloud hanging over financial markets over the past year, with equity market returns highly correlated with key developments in COVID-19 infection rates and vaccines.

Following an initial post-COVID rally based on optimism that the pandemic would have a finite life, markets began to waiver across September and October as second wave infections were observed globally. The development and approval of vaccinations in late November and December provided another boost, and financial markets have continued to perform well across 2021 as global vaccination rates increase.

COVID-19 also brought about changes in human behaviour that have affected financial performance across the economy. These changes have highlighted the importance of active portfolio management, with dynamic rotations to and away from certain asset classes and market sectors throughout the year.

One notable change has been the global work from home (WFH) phenomenon, which has accelerated digital transformation and created a boon for businesses that support remote working. For example, Zoom video communications has more than tripled in value since the start of the pandemic. E-commerce companies have also benefitted from increased online shopping activity.

Lockdowns also saw a shift in consumption from services (such as restaurants and experiences) to products.

One of the greatest beneficiaries of this shift was the used car industry, with used car prices in the US increasing by upwards of 50 per cent over the past year. This rise was due to both elevated demand and the closure of factories due to COVID-19, which increased the price of new cars and car parts. The jury is still out whether the supply chain induced increase in inflation will be transitory or ongoing.

Domestically, JobKeeper and JobSeeker, along with other government initiatives, helped cushion the adverse impact of the initial COVID-19 lock-down phase during 2020. More recently, the delta variant has presented an even greater risk to the domestic economy especially given a more limited approach to providing relief for businesses and employees.

Emerging markets and parts of Europe look to have fared less well in their ability to both slow the virus's spread and gain access to vaccines. As a result, many of these countries have suffered extended waves of COVID-19 infections, particularly following the outbreak of the delta variant.

Investments:

Market update

Continued...

Political factors

19

Beyond COVID-19, the hard-fought US presidential election also affected financial markets.

One of the first policies enacted by President Biden was a USD 1.9 trillion spending program to support the economy. The market response to his expenditure was generally positive. However, this policy direction also provided more support for the inflationary concerns being voiced by market participants.

Geopolitical tensions have also affected markets.

Having supported the US's posturing towards China, Australia found itself on the receiving end of a political stoush. China has made a number of overtures that have adversely impacted the agricultural export sectors, including wine, beef and lobsters. China has also imposed an implicit ban on importing Australian coal and made proclamations that it wishes to lower the price of several commodities, including iron ore. These proclamations are beginning to be reflected in commodity prices, and it will be important to monitor how this plays out.

Despite these concerns, the RBA's *Index of Commodity Prices* remains well above its historical average, which has been a positive for the domestic economy across the last financial year, with the current trade surplus near record highs.

Looking forward

As re-openings continue across many developed markets with increasing vaccination rates, global consumption and GDP are expected to continue to grow, underpinned by fiscal and monetary stimulus.

The main concern remains a policy mistake, such as excess stimulus causing inflation, early withdrawal of stimulus denting confidence, or a new strain of COVID-19 resistant to existing vaccines.

At present, underlying economic fundamentals remain solid, and the belief of the ongoing provision of a reasonable level of government support should underpin investor confidence.

Growth is likely to be less pronounced in Australia compared with other developed economies due to the impact of recent lockdowns and low but growing vaccination rates across the short term, and geopolitical tensions with China affecting the domestic economy across the medium-to-long term.

Our investment strategy

Our investment strategy is to build a diversified portfolio of assets that balances investment risk and return. We achieve this by investing in a combination of growth investments (shares, infrastructure and property), where we expect to see growth in the capital value of the investments over time, and defensive investments (cash and fixed-interest), where we focus on generating stable and predictable cash flows with a relatively low level of risk.

Asset classes

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

Examples of asset classes held include:

Shares

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

Infrastructure

Infrastructure involves investing in assets that provide essential public facilities in Australia and overseas. This includes roads, airports, seaports, and power generation and distribution. This investment primarily involves exposure to unlisted companies or assets.

Relative to shares, infrastructure tends to have a slightly lower risk and return profile. Although returns should be less volatile than other share investments, infrastructure may also produce negative returns.

Property

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

Private equity

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

Investments:

Our investment strategy

Continued...

Fixed interest

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

Our investment in fixed interest securities may include government and credit securities of both a fixed and floating rate nature. Capital gains or losses may also be incurred from movements in the price of fixed-interest investments, primarily because of movements in interest rates. Fixed interest investments may provide higher returns than cash over the long term and are generally considered low to medium risk investments. Fixed interest may also have negative returns in certain market conditions.

Absolute return

Absolute return strategies cover a broad range of investments with exposure to both fixed interest and share markets. Investments may use multi-strategy funds and hedge funds to employ strategies using derivatives, short selling and leverage. Absolute return strategies can exhibit a mixture of growth and defensive characteristics; however, the aim is to control risk through lower market risk exposure and lower return volatility. Absolute return strategies aim to generate higher returns than cash returns but may produce negative returns. A key focus of absolute return portfolios is to provide additional diversification during falling share markets and/or fixed interest bond markets.

Annual investment strategy review

We closely monitor our investment strategy's performance on an ongoing basis and conduct a comprehensive strategic review at least once every year. The investment strategy review considers expected risks and returns for the various asset classes that we invest in, in light of the outlook for economic and financial market conditions. We seek to ensure the fund's various investment options are appropriately positioned to achieve the investment return objectives within risk targets.

The investment strategy review considers all relevant aspects of the investment options, including the strategic asset allocation, risk and return objectives, the portfolio construction approach for each asset class and the currency hedging strategy.

We also formally re-assess the investment strategy portfolio settings every quarter to ensure these remain appropriate for the current circumstances.

Lower return, higher risk environment for 2020–21?

A key focus over the 2020–21 financial year and our investment strategy review for the coming year is to maintain exposure to underlying growth dynamics in anticipation of an eventual re-opening of the economy. However, growth will likely be lower than that witnessed over the past six to nine months.

The outlook is also not without significant risk. The settings in place have proven resilient over the past financial year and have provided the scope to participate in the strong market rebound. However, we continue to monitor key risks regarding geopolitical tensions, the potential for a policy misstep coming out of the COVID-19 lockdowns, and the real possibility that COVID-19 variants continue to spread. We continue to seek out appropriate levels of diversification and enhance resilience across the portfolio to look to navigate the current markets.

As per our standard process, we reviewed and updated the standard risk measure for each investment option. This is the measure of expected negative annual returns that may occur over a 20-year period for each investment option.

The new standard risk measures for our pre-mix options are:

Conservative	Negative returns expected in 1.1 years in 20.
Moderate	Negative returns expected in 2.7 years in 20.
Balanced (MySuper) and Balanced	Negative returns expected in 3.5 years in 20.
Sustainable	Negative returns expected in 3.5 years in 20.
Growth	Negative returns expected in 4.1 years in 20.

Engaging in sustainable investment

As global investors, we understand the impact our investments can have on the environment and communities, including sustainable growth challenges such as climate change.

We're committed to sustainable investment practices and believe integrating environmental, social, and governance (ESG) analysis into our investment activities improves our understanding of investment risk and increases awareness of the sustainability of our investments.

ESG assessment is a core platform of our investment process when considering investment opportunities. It enhances our understanding of likely negative impacts and determines strategies to mitigate these risks. Furthermore, it helps identify investment opportunities likely to deliver positive impacts on society from their response to key sustainability challenges.

Monitoring and managing ESG factors allows us to make better risk-based judgements to protect and grow the value of our investments and, by extension, your retirement savings.

It also allows us to have a positive influence on the governance, policies, practices, and management of these investments to ensure they're run in a sustainable fashion. This gives us the opportunity to champion positive outcomes for the environment and your community.

Spirit Super is a signatory to the United Nations Principles for Responsible Investment (UNPRI), which signifies our commitment to invest your savings in a sustainable fashion. When engaging investment managers, their ability to integrate ESG risks into their investment process is a key criterion for their appointment and retention.

Your investment options

Pre-mixed investment options

Growth

Description

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

Type of investor

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

Investment return objective⁶

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

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

Minimum suggested time frame

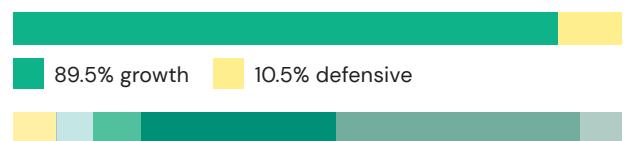
10 years.

Risk level⁷

High: Risk band 6.

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

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ⁵	7	0–10
Fixed interest	0	0–10
Credit income	0	0–10
Absolute return	0	0–25
Property	6	0–20
Infrastructure	8	0–20
Australian shares	32	15–50
Global shares	40	20–50
Private equity	7	0–20

The super objective for the 2020–21 year was to outperform (after fees and tax) the Consumer Price Index by 4.0% a year over rolling 10-year periods. The super option returned 9.04% a year over the 10-year period to 30 June 2021 against an investment objective of 5.80%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

⁵ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

⁶ The investment return objective is after investment fees and taxes. The Growth investment return objective was updated on 1 April 2021.

⁷ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Sustainable

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets with additional social and environmental screens.

Type of investor

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

Investment return objective⁹

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

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

Minimum suggested time frame

7 years.

Risk level¹⁰

Medium to high: Risk band 5.

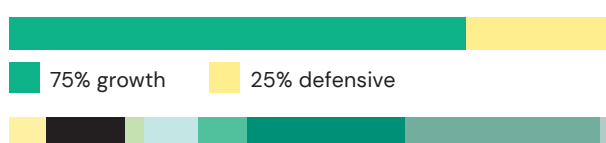
You may expect 3–4 negative annual returns in a 20-year period.

⁸ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

⁹ The investment return objective is after investment fees and taxes.

¹⁰ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ⁸	6	0–20
Fixed interest	13	0–30
Credit income	3	0–20
Absolute return	0	0–20
Property	9	0–25
Infrastructure	8	0–25
Australian shares	26	5–35
Global shares	32	5–45
Private equity	3	0–20

The super objective for the 2020–21 year was to outperform (after fees and tax) the Consumer Price Index by 3.0% a year over rolling 7-year periods. The option currently doesn't have a performance history over this period, though the super option returned 8.51% a year over the 5-year period to 30 June 2021 against an investment objective of 4.84%. The investment performance prior to 1 April 2021 is for the Tasplan Sustainable option and reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan. Past performance is not a reliable indicator of future performance.

Investments:

Your options

Continued...

Balanced (MySuper)

Description

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

Type of investor

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

Investment return objective¹²

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

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

Minimum suggested time frame

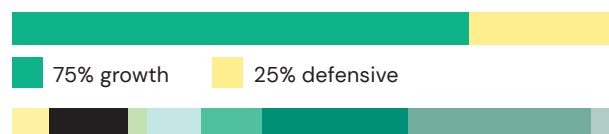
7 years.

Risk level¹³

Medium to high: Risk band 5.

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

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ¹¹	6	0–20
Fixed interest	13	0–30
Credit income	3	0–20
Absolute return	0	0–20
Property	9	0–25
Infrastructure	10	0–25
Australian shares	24	5–35
Global shares	30	5–40
Private equity	5	0–20

The super objective for the 2020–21 year was to outperform (after fees and tax) the Consumer Price Index by 3.0% a year over rolling 7-year periods. The super option returned 8.70% a year over the 7-year period to 30 June 2021 against an investment objective of 4.69%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

¹¹ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

¹² The investment return objectives are after investment fees and taxes.

¹³ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Moderate

Description

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

Type of investor

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

Investment return objective¹⁵

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

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

Minimum suggested time frame

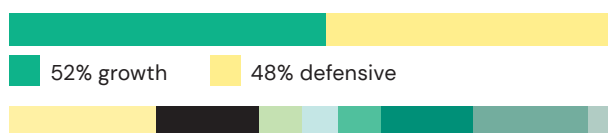
5 years.

Risk level¹⁶

Medium: Risk band 4.

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

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ¹⁴	24	0–40
Fixed interest	17	0–40
Credit income	7	0–20
Absolute return	0	0–20
Property	6	0–20
Infrastructure	7	0–20
Australian shares	15	0–30
Global shares	19	0–35
Private equity	5	0–15

The super objective for the 2020–21 year was to outperform (after fees and tax) the Consumer Price Index by 2.0% a year over rolling 5-year periods. The option currently doesn't have a performance history over this period, though the super option returned 6.36% a year over the 5-year period to 30 June 2021 against an investment objective of 3.84%. The investment performance prior to 1 April 2021 is for the Tasplan Moderate option and reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan. Past performance is not a reliable indicator of future performance.

¹⁴ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

¹⁵ The investment return objectives are after investment fees and taxes.

¹⁶ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Investments:

Your options

Continued...

Conservative

Description

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

Type of investor

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

Investment return objective¹⁸

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

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

Minimum suggested time frame

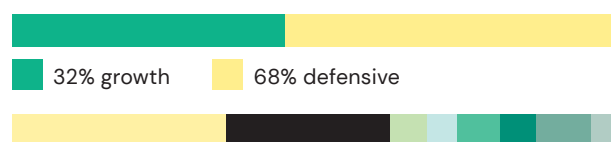
4 years.

Risk level¹⁹

Low to medium: Risk band 3.

You may expect 1–2 negative annual returns in a 20-year period.

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ¹⁷	35	20–50
Fixed interest	27	15–60
Credit income	6	0–15
Absolute return	0	0–20
Property	5	0–15
Infrastructure	7	0–15
Australian shares	6	0–20
Global shares	9	0–25
Private equity	5	0–10

The super objective for the 2020–21 year was to outperform (after fees and tax) the Consumer Price Index by 1.0% a year over rolling 4-year periods. The super option returned 4.48% a year over the 4-year period to 30 June 2021 against an investment objective of 3.04%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

¹⁷ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

¹⁸ The investment return objectives are after investment fees and taxes. The Conservative investment return objective was updated on 1 April 2021.

¹⁹ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Asset class investment options

Australian shares

Description

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

Type of investor

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

Investment return objective

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

Minimum suggested time frame

10 years.

Risk level²¹

High: Risk band 6.

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

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ²⁰	0	0–10
Australian shares	100	90–100

The option returned 11.87% a year (before fees and taxes) over the 10-year period to 30 June 2021 against a benchmark return of 10.78%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

²⁰ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

²¹ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Investments:

Your options

Continued...

International shares

Description

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

Type of investor

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

Investment return objective

To meet or exceed the return to the MSCI All Countries World Index, partially hedged to Australian dollars before fees and tax.

Minimum suggested time frame

10 years.



Risk level²³

High: Risk band 6.

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

Asset allocation



Asset class	Strategic asset allocation %	Range %
 Cash ²²	0	0–10
 Global shares	100	90–100

The option returned 12.91% a year (before fees and taxes) over the 10-year period to 30 June 2021 against a benchmark return of 13.29%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

²² The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

²³ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Diversified fixed interest

Description

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

Type of investor

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

Investment return objective

To meet or exceed the return to a weighted average of Australian and international bond indices, hedged to Australian dollars before fees and tax.

Minimum suggested time frame

5 years.

Risk level²⁵

Low to medium: Risk band 3.

You may expect 1–2 negative annual returns in a 20-year period.

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ²⁴	0	0–10
Australian fixed income	35	0–60
Global fixed income	65	40–100

The option returned 3.36% a year (before fees and taxes) over the 3-year period to 30 June 2021 against a benchmark return of 3.40%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

²⁴ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

²⁵ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Investments:

Your options

Continued...

Cash

Description

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

Type of investor

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

Investment return objective

To deliver the return to the Bloomberg AusBond Bank Bill Index before fees and tax.

Minimum suggested time frame

0 years.


Risk level²⁷

Very low: Risk band 1.

You may expect less than 0.5 negative annual returns in a 20-year period.

Asset allocation

100% defensive

Asset class	Strategic asset allocation %	Range %
 Cash ²⁶	100	NA

The option returned 0.22% a year (before fees and taxes) over the 1-year period to 30 June 2021 against a benchmark return of 0.06%. The investment performance prior to 1 April 2021 is for the MTAA Super investment options: Conservative, My AutoSuper (Balanced) [now Balanced (MySuper)], Growth, Cash, Diversified fixed interest, Australian shares and International shares. Crediting rates with MTAA Super prior to 2017 have been converted to unit prices. Before 22 April 2017, MTAA Super used crediting rates to apply the returns for investment options to members. Past performance is not a reliable indicator of future performance.

²⁶ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

²⁷ Refer to our *Investment guide* or *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Long-term

The Long-term investment option is only available within the Managed Pension.

Description

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

Investment return objective²⁹

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

Minimum suggested time frame

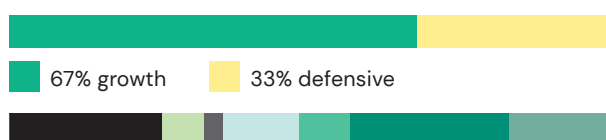
5 years.

Risk level³⁰

Medium to high: Risk band 5.

You may expect 3-4 negative annual returns in a 20-year period.

Asset allocation



Asset class	Strategic asset allocation %	Range %
Cash ²⁸	0	0-10
Fixed interest	25	0-50
Credit income	7	0-15
Absolute return	3	0-15
Property	12.5	0-20
Infrastructure	8.5	0-20
Australian shares	26	5-35
Global shares	17	5-35
Private equity	1	0-15

The option returned 16.43% a year (after fees and taxes) over the 1-year period to 30 June 2021 against a benchmark return of 6.85%. The investment performance prior to 1 April 2021 is for the Tasplan Long-term option and reflects the fees, costs and investment earnings allocation arrangements of Tasplan up until 31 March 2021, based on information provided to us by Tasplan. Past performance is not a reliable indicator of future performance.

²⁸ The cash asset class may hold term cash, including instruments such as term deposits and other short-term cash instruments.

²⁹ The investment return objectives are after investment fees and taxes.

³⁰ Refer to our *Pension guide* available from spiritsuper.com.au/pds for more information about risk measures.

Our assets and performance

33

Cash/Short term deposits	June 2020 (\$ million)	June 2021 (\$ million)
Cash at account	36.27	478.06
Macquarie Cash	839.44	1,213.47
CBA Capital Growth Account	439.58	0.00
Term cash ³¹	0.00	826.73
Fixed interest		
Macquarie Global Bond Fund	149.90	0.00
Blackrock Australian Indexed Bond Fund	462.97	840.98
Wellington Global Floating Rate Credit	438.99	495.47
Alliance Bernstein Global Floating Rate Credit	466.30	0.00
AXA Global Fixed Income ³¹	0.00	388.58
TCW Global Fixed Interest ³²	0.00	619.42
Pendal Fixed interest Fund ³¹	0.00	147.29
ORFR Deposits	33.59	0.00
Credit income		
Shenkman Four Points Multi-Strategy Credit ³¹	0.00	159.62
Wellington Emerging Market ³¹	0.00	142.50
QTIM Mortgages ³¹	0.00	124.27
Metrics Credit Partners Senior Loans Fund ³¹	0.00	158.47
Yorkshire Water ³¹	0.00	60.95
TDF Term Loan	49.00	49.24
Alpha Trains Junior Debt	51.81	50.00

Refer to footnotes on page 37.

Australian shares	June 2020 (\$ million)	June 2021 (\$ million)
Ausbil Australian Equities	466.42	1,072.22
BlackRock Australian Equities	704.69	872.01
DNR Australian Equities	286.59	444.26
State Street Global Advisers Australian Value Small Cap Index	246.33	0.00
Bennelong Funds Management	292.22	361.29
VINVA Investment Management	931.71	667.09
IFM Australian Core Equities ³¹	0.00	1,073.04
Pendal Sustainable Share Fund ³¹	0.00	31.99
Celeste Aust small companies Fund ³¹	0.00	311.42
Eight IP Small Companies ³¹	0.00	315.73
Schroder Australian Equities ³¹	0.00	799.15
Tasfoods Limited ³¹	0.00	3.72
Wavestone Aust Equity ³¹	0.00	802.92
Nikko Australian Share Income Fund	15.29	0.00
International shares		
Blackrock Indexed Emerging Markets IMI Equity Fund	700.14	0.00
AQR Global Equity	1,080.99	0.00
MFS Global Equity	621.49	817.65
RealIndex Global Equities	596.86	603.47
Magellan Global Sustainable Equities ³¹	0.00	27.89
CFS Generation Global Share Fund ³¹	0.00	11.63
Ninety One EM Equities ³¹	0.00	182.15
T. Rowe Price EM markets equity Fund ³¹	0.00	177.94
SSGA Transition Account ³¹	0.00	298.68
Robeco Low Volatility ³¹	0.00	286.14
Schroder Core Plus Global Equity ³¹	0.00	706.05
Ninety One Global Equity ³¹	0.00	517.05
Pzena Global Focused Value ³¹	0.00	514.48
Baillie Gifford ³¹	0.00	583.80
Wasatch Global Small Cap Growth ³¹	0.00	478.13
HSBC Global Enhanced Index ³²	0.00	1,874.78
Wellington Global Equity	521.56	640.20

Refer to footnotes on page 37.

Investments:

Our assets and performance

Continued...

Absolute return	June 2020 (\$ million)	June 2021 (\$ million)
Insight Diversified Inflation Plus Fund ³¹	0.00	113.78
Pinebridge Global Dynamic Absolute Return Fund	95.50	354.09
Schroders Real Return Fund	250.24	203.55
Elementum Zephyrus Catastrophe Bond Fund ³¹	0.00	83.44
GSA Trend Fund ³¹	0.00	36.82
Private equity		
Allegro Private Equity Fund I	0.03	0.03
ANU Connect Ventures	24.82	30.66
CM Capital Venture Trust Nos 3 & 4	12.86	10.49
Directly Managed ³³	1.37	1.36
Industry Super Holdings ³⁴	90.64	119.14
Stafford Sustainable Capital Fund	12.28	8.57
ROC Partners Private Opportunities Fund	29.93	29.35
South Australian Life Science Advancement Fund	0.32	0.30
Adams Street Partners PE Fund	48.22	138.40
Harbourvest US FoF No 9 Buyout ³¹	0.00	5.03
ROC AIT IV Portfolio ³¹	0.00	0.58
Stepstone TS Opportunity Fund ³¹	0.00	99.37
Lexington Secondaries FoF 7 ³¹	0.00	4.44
Harbourvest Non US FoF HIPEP 6 ³¹	0.00	10.56
Harbourvest US FoF 9 Venture	0.00	6.79
ICG Europe Fund 6 ³¹	0.00	27.44
Avenue Europe 3 ³¹	0.00	17.03
AMP Select Property 3 ³¹	0.00	18.48
Lexington Capital Partners VIII ³¹	0.00	29.67
IFM International Private Equity ³¹	0.00	0.37

Refer to footnotes on page 37.

Property	June 2020 (\$ million)	June 2021 (\$ million)
Resolution Global Property Fund ³¹	0.00	356.90
Blackstone Real Estate Partners VI	2.89	0.96
Directly Managed Property Portfolio ³⁵	725.96	711.98
Investa Commercial Property Fund	187.20	191.63
Charter Hall Prime Retail Fund	126.23	172.58
HISOT ³¹	0.00	10.34
AMP Diversified Property Fund ³¹	0.00	186.67
Investa Commercial Property Fund ³¹	0.00	95.13
Lend Lease APPF Commercial Fund ³¹	0.00	237.78
Lend Lease APPF Retail Fund ³¹	0.00	77.61
Charter Hall Prime Industrial Fund ³¹	0.00	243.66
Goodman Australian Industrial Partners ³¹	0.00	104.93
Lend Lease Community Fund ³¹	0.00	0.88
Tasmanian Growth and Development Fund ³¹	0.00	4.40
Tasmanian Growth and Development Fund 2 ³¹	0.00	19.64
Infrastructure		
Directly Managed ³⁶	1,269.01	1,505.65
Latin Power III Fund	0.05	0.00
Macquarie Global Infrastructure Funds II	4.24	3.70
Macquarie Infrastructure Partners	0.05	30.99
Antin Infrastructure Fund I ³¹	0.00	9.81
Utilities Trust of Australia ³¹	0.00	211.22
AMP Cap Diversified Infrastructure Fund ³¹	0.00	90.41
IFM Global Infrastructure Fund ³¹	0.00	158.26
IFM Australian Infrastructure Fund ³¹	0.00	173.67
Macquarie Infrastructure Partners	0.05	30.99
CURRENCY HEDGE ³⁷	62.86	-69.48
EQUITY HEDGE ³⁸	45.44	7.12
TOTAL	12,447.62	26,147.10

Refer to footnotes on page 37.

Investments:

Our assets and performance

Continued...



Ross and Ruvinda
Spirit Super members

Footnotes, pages 33 to 36

³¹ These assets were transferred from Tasplan to Spirit Super on 1 April 2021.

³² These assets were new mandates from 1 April 2021.

³³ Includes Spirit Super's investment in:

- BT Imaging Pty Limited, NSW
- Mantara Inc, USA.

³⁴ Includes Spirit Super's interests in:

- Members Equity Bank Pty Limited
- Industry Funds Services.

³⁵ Includes Spirit Super's investment in:

- Alkimos Estates, WA
- Flagstone City, QLD
- Flagstone Rise, QLD
- Spring Mountain Estate, QLD
- Flinders Ports Wine Shed, SA
- 121 Marcus Clarke Street, ACT
- The R.G. Casey Building, ACT
- 40 Market Street, VIC

- 670 Chapel Street, VIC
- Ferntree Business Park
- 100 Broadway Property Trust, NSW.

³⁶ Includes Spirit Super's investment in:

- Arqiva, UK
- Brisbane Airport, QLD
- Flinders Ports, SA
- Southern Water, UK
- Sydney Airport, NSW
- Worsley Co-gen, WA
- Sustainable Energy Infrastructure, Australia
- ITE College West, Singapore
- Pioneer Public Properties, Norway
- Tasmanian Gateway Holdings, Tas.

³⁷ Foreign currency hedge managers:

- Mesirow Financial Investment Management. Inc
- Macquarie Investment Management Limited.

³⁸ Equity Hedge overlay managers:

- Perennial Value Management
- State Street Global Markets.

As at 30 June 2021, the following investment managers were engaged to manage investments that were in excess of 5% of total fund assets:

- HSBC Global Asset Management (UK) Limited
- Schroder Investment Management Limited
- BlackRock Investment Management (Australia) Limited
- IFM Investors Pty Ltd.

Top 20 Australian shareholdings

Top 20 listed Australian shareholdings as at 30 June 2021			
Rank	Asset	Security name	% Total ³⁹
1	BHP	BHP Group	7.16%
2	CBA	Commonwealth Bank of Australia	6.22%
3	CSL	CSL Limited	5.27%
4	NAB	National Australia Bank	3.99%
5	ANZ	Australia and New Zealand Banking Group Limited	3.27%
6	WBC	Westpac Banking Corporation	3.00%
7	MGQ	Macquarie Group Ltd	2.51%
8	ALL	Aristocrat Leisure Ltd	2.29%
9	RIO	Rio Tinto Ltd	2.19%
10	WOW	Woolworths Group Limited	2.03%
11	TLS	Telstra Corporation Ltd	1.93%
12	WES	Wesfarmers Limited	1.81%
13	JHX	James Hardie Industries PLC CDI	1.47%
14	GMG	Goodman Group	1.39%
15	QBE	QBE Insurance Group Limited	1.37%
16	TCL	Transurban Group	1.33%
17	STO	Santos Limited	1.10%
18	SEK	Seek Limited	0.98%
19	S32	South32 Limited	0.96%
20	BXB	Brambles Ltd	0.93%

³⁹ The percentage of each company held within Spirit Super's total listed Australian shares portfolio.

Investments:

Our assets and performance

Continued...

Returns and investment performance

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

Members have a beneficial interest in those assets, which we've summarised on pages 33 to 36.

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

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

Unit pricing

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

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

Daily unit prices are calculated for each investment option and represent the net asset value for a particular investment option divided by the number of units issued for that option at a point in time. The estimated value of your account balance at any point in time will be the number of units you hold multiplied by the sell price for the relevant investment option/s at that point in time. Unit prices for each investment option and estimated returns are typically published on our website each business day.

Annual earning rates for super and pension members

Investment option	2019–20		2020–21	
Pre-mixed options	Super	Pension	Super	Pension
Conservative	0.57%	0.57%	6.49%	7.48%
Moderate ⁴⁰	n/a	n/a	3.49%	3.93%
Sustainable ⁴⁰	n/a	n/a	5.12%	5.76%
Growth	-1.14%	-1.41%	21.97%	24.52%
Balanced (MySuper) or Balanced	-0.94%	-1.18%	17.43%	19.49%
Long-term ⁴¹	n/a	0.73%	n/a	16.43%
Asset class options				
Cash	0.96%	1.14%	0.22%	0.28%
Diversified fixed interest	2.18%	2.58%	0.61%	0.67%
Australian shares	-4.52%	-4.86%	24.82%	30.69%
International shares	-1.99%	-1.55%	30.25%	33.53%

⁴⁰ The Moderate and Sustainable options are based on the commencement date of 1 April 2021.

⁴¹ The Long-term option is only available as part of the Managed Pension.
Past performance is not a reliable indicator of future performance.

Compound returns for super members

Investment option	1 year %	3 years %	5 years %	10 years %	Since inception	Year of inception
Pre-mixed options						
Conservative	6.49%	4.20%	4.72%	4.95%	5.09%	1998
Moderate ⁴²	3.49%	–	–	–	3.49%	2021
Sustainable ⁴²	5.12%	–	–	–	5.12%	2021
Growth	21.97%	9.34%	10.61%	9.04%	7.58%	1998
Balanced (MySuper)	17.43%	7.79%	8.74%	8.19%	7.76%	1989
Asset class options						
Cash	0.22%	0.99%	1.27%	1.94%	3.10%	2003
Diversified fixed interest	0.61%	2.74%	2.37%	3.69%	4.45%	2003
Australian shares	24.82%	8.72%	11.01%	9.34%	9.75%	2003
International shares	30.25%	11.13%	12.29%	10.94%	6.93%	2003

Compound returns for pension members

Investment option	1 year %	3 years %	5 years %	10 years %	Since inception	Year of inception
Pre-mixed options						
Conservative	7.48%	4.77%	5.34%	5.74%	4.69%	2006
Moderate ⁴²	3.93%	–	–	–	3.93%	2021
Sustainable ⁴²	5.76%	–	–	–	5.76%	2021
Growth	24.52%	10.23%	11.64%	10.16%	6.78%	2006
Balanced	19.49%	8.65%	9.70%	9.21%	5.72%	2006
Long-term ⁴³	16.43%	–	–	–	8.30%	2019
Asset class options						
Cash	0.28%	1.18%	1.50%	2.30%	3.35%	2006
Diversified fixed interest	0.67%	3.20%	2.75%	4.44%	5.31%	2006
Australian shares	30.69%	10.49%	12.72%	11.07%	8.44%	2006
International shares	33.53%	12.36%	13.44%	12.45%	6.21%	2006

⁴² The Moderate and Sustainable option are based on the commencement date of 1 April 2021.

⁴³ The Long-term option is only available as part of the Managed Pension.

Past performance is not a reliable indicator of future performance.

Defined benefits funds

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The Quadrant Defined Benefits fund, Hobart City Council Defined Benefits fund and Launceston City Council Defined Benefits fund were transferred to Spirit Super as part of the merger between Tasplan and MTAA Super on 1 April 2021. These defined benefit funds are closed and consists only of those members who haven't exited or transferred from the funds. There were no changes to member accounts, benefit calculations or how the fund was invested when transferred to Spirit Super.

Interest crediting rates

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

The crediting rates as at 30 June 2021 for the defined benefit funds are shown below. Past performance is not a reliable indicator of future performance.

Fund	2020–21	2019–20	2018–19	2017–18	2016–17	Five-year average
Quadrant Defined Benefits fund	12.47%	0.92%	5.70%	9.30%	9.40%	7.56%
Hobart City Council Defined Benefits fund	18.24%	-0.20%	8.30%	9.30%	9.40%	9.01%
Launceston City Council Defined Benefits fund	19.04%	0.60%	9.10%	10.10%	10.20%	9.81%

Asset allocation

The following table shows how money was split between the different asset classes in the Quadrant Defined Benefits fund, Hobart City Council Defined Benefits fund and Launceston City Council Defined Benefits fund as at 30 June 2021.

The asset allocation for the Quadrant Defined Benefit Fund was changed in November 2018 due to the favourable financial position of the fund. Prior to this date all the defined benefit funds were invested in the same asset allocation.

	Quadrant Defined Benefits fund	Hobart City Council Defined Benefits fund and Launceston City Council Defined Benefits fund
Asset class	Strategic asset allocation	
Cash	10.5%	3.5%
Fixed interest	20.5%	13.5%
Credit income	6.0%	6.0%
Absolute return	3.0%	3.0%
Property	11.5%	11.5%
Infrastructure	9.0%	8.5%
Australian shares	18.0%	23.5%
International shares	20.5%	27.5%
Private equity	1.0%	3.0%
Total	100.0%	100.0%

Fees and costs

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

Indirect costs are calculated based on the actual costs incurred for the overall fund and apportioned to the defined benefits funds. The indirect costs for the year ended 30 June 2021 were:

Fund	Indirect costs
Quadrant Defined Benefits fund	1.37%
Hobart City Council Defined Benefits fund	1.44%
Launceston City Council Defined Benefits fund	0.64%

The administration fee for Launceston City Council Defined Benefit members is an expense of the Launceston City Council Defined Benefits fund and isn't paid by the members.

Alysia
Spirit Super member



Governance

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Naomi Edwards

Independent Chair
BSc(Hons), FIA, FIAA, FAICD

Appointed 1 April 2021

- Bachelor of Science (Honours), University of Canterbury
- Fellow, Institute of Actuaries (London)
- Fellow, Institute of Actuaries Australia
- Fellow, Australian Institute of Company Directors

Naomi was the Chair of Tasplan from 2011 until the fund merged to become Spirit Super in April 2021.

Naomi is a Director of the Tasmanian Development Board, Australian Institute of Company Directors, Propel Funeral Partners and the Institute of Actuaries Australia. Naomi sits on the Audit and Risk committees of the Department of State Growth Tasmania and of Yarra Capital Management. Naomi was formerly Independent Chair of Australian Ethical Investments and Director at Trowbridge Consulting and the Australian Institute of Superannuation Trustees. She was previously an actuarial consultant and Partner at Deloitte.



Susanne Dahn

Independent Director
BCom, MBA, GDipAppFinInv, Dip Company Director

Appointed 1 January 2012

- Bachelor of Commerce, University of Melbourne
- Master of Business Administration (MBA), University of Melbourne
- Graduate Diploma of Applied Finance and Investment, SIA
- Graduate Certificate Risk Management and Corporate Governance
- Company Directors Diploma, AICD

Susanne has extensive experience in super and financial services, including over 20 years as non-executive director on three super boards. Susanne is an investment specialist who founded the Investment Advisory practice for Pitcher Partners Melbourne. She serves on the board of AIA Australia, Australian Communities Foundation and Victorian Traditional Owners Funds Limited and the Investment Committee of Trinity College at the University of Melbourne. Susanne also serves as a Council member of the Victorian Institute of Company Directors.



Anne O'Donnell

Independent Director
MBA, BBus(Banking&Finance), SF FIN, FAICD

Appointed 1 March 2017

- Master of Business Administration
- Bachelor of Banking and Finance
- Senior Fellow, FINSIA
- Fellow, AICD

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

Anne is a Director of Equity Trustees Ltd, Agriculture Innovation Australia Ltd and the Winston Churchill Memorial Trust. Anne is also a member of the Compliance Committee of UBS Global Asset Management (Australia) Ltd and Chair of the Audit Committee of IP Australia. She's also a member of the Audit Committee for the National Capital Authority and the Banking Industry Representative on the Banking Code of Compliance Committee.



David Smith

Member-Representative Director
DipBus (Frontline Management),
Cert IV in Assessment and Workplace Training

Appointed 13 September 2012

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

David has over 25 years' experience as a union official and is an AMWU Assistant National Secretary and the Chairperson for the Federation of Vehicle Industry Unions.

Governance:

Our Board

Continued...



Jessica Munday

Member-Representative Director BA (Political Science/Public Policy)

Appointed 1 April 2021

- Bachelor of Arts (Political Science/Public Policy), University of Tasmania
- Certificate IV – Unionism

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

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



Rhonda O'Donnell

Member-Representative Director MAppSc, GradDiplInnov&ServMgt

Appointed 25 May 2015

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

Rhonda has extensive local and global experience in financial services, telecommunications, information technology, education, government and utilities. Rhonda has been an executive and board member in both the private and public sectors and has received several industry awards, including the Victorian Telstra Business Woman of the Year in 1999.



Tom Lynch

Member-Representative Director MAICD

Appointed 1 April 2021

- Member, Australian Institute of Company Directors

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



Peter Savige

Employer-Representative Director

Appointed 1 January 2018

- Diploma and Certificate of Membership, Australian Institute of Export

Peter is an experienced Director with extensive knowledge and involvement in the motor industry. He remains active in the industry as principal of Hilton Motor Company and is a licensed motor car trader.

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

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

Governance:

Our Board

Continued...



Susan Parr

Employer-Representative Director
BA, GradDipEd(EC), MAICD

Appointed 1 April 2021

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

Susan was a Director of Tasplan from 2015 until the fund merged to become Spirit Super in April 2021. Susan was the CEO of St Ann's Homes from 1997 to 2016. She has participated in the Harvard Business School Program on Negotiation. Susan has over 30 years' experience in leadership positions on a range of boards including Aged and Community Services Tasmania, and was previously Chair of the Tasmanian Chamber of Commerce and Industry.



Geoffrey Lowe

Employer-Representative Director
MBA, GDipMgt

Appointed 1 March 2019

- Master of Business Administration, AIB
- Graduate Diploma of Management, AIB
- Finance and Governance Training, AICD and Western Woodley Robertson
- Equivalent of a Bachelor of Science in Industrial Management – certified by the Trustforte Corporation, New York

Geoff has extensive experience in the automotive industry, particularly in compliance, finance and accounting, marketing, and business management. Geoff is a Board Member of the Motor Traders Association of NSW and has held the positions of President and Treasurer and is currently the Chair of the Governing Council. He is a Director of Gateway Health and Deputy Chair of Regional Development Australia (RDA) – Murray. Geoff's previous roles included Member of Minister of Fair Trading's Motor Vehicle Advisory Council. He is the owner and CEO of Proven Products Pty Ltd and supports a number of local charitable initiatives.



John Mazengarb

Employer-Representative Director **BCom, FCA, FGIA, FCIS, MAICD, RG146**

Appointed 1 April 2021






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

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

John is a past National President (2020), Non-Executive Director, National Councillor and member of the Tasmanian State Council of the Governance Institute of Australia. He's Chair of the Clarence City Council Audit Committee and Independent Member of the TasBuild Limited Investment Committee and former Chair of the Tasmanian Catholic Education Commission Centralised Long Service Leave Fund Investment Committee. John is a Non-Executive Director of Mafematica Pty Ltd and Executive Director of GSD Advisors Pty Limited.

Committee members

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Spirit Super Committee composition					
Trustee Board (11 members)	Investment Committee (6 members)	Finance, Audit and Compliance Committee (4 members)	Member Benefits and Services Committee (5 members)	Remuneration and Nominations Committee (5 members)	Risk Committee (5 members)
Naomi Edwards (Chair)	✓		✓ 	✓	
Sue Dahn	✓ 		✓		
Anne O'Donnell	✓	✓			✓ 
Tom Lynch		✓		✓	
Peter Savage	✓				✓
Geoff Lowe	✓	✓			
Rhonda O'Donnell			✓	✓ 	✓
David Smith			✓	✓	
Susan Parr				✓	✓
John Mazengarb		✓ 			✓
Jessica Munday	✓		✓		



Committee chair



Committee member

Directors' attendance

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Meetings for period 1 July 2020 to 31 March 2021

Director	Trustee Board	Investment Committee	Finance, Audit and Compliance Committee	Risk Committee	Operations and Insurance Committee	Marketing Committee	Remuneration and Nominations Committee
John Brumby (Chair)	5/5	6/6				3/3	2/2
Anne O'Donnell	5/5	5/6	3/3	3/3			
Susanne Dahn	5/5	6/6	3/3	3/3			
Geoff Lowe	5/5	6/6	3/3		3/3		
Peter Savage	5/5	5/6	2/3			2/3	1/2
Don Rowland	4/5	5/6	2/3	2/3			
Susan Walpole	5/5	4/6		2/3	3/3		
Rhonda O'Donnell	5/5	6/6			3/3	3/3	2/2
David Smith	5/5	6/6		3/3	3/3	3/3	

Meetings for period 1 April 2021 to 30 June 2021

Director	Trustee Board	Investment Committee	Finance, Audit and Compliance Committee	Risk Committee	Member Benefits and Services Committee	Remuneration and Nominations Committee
Naomi Edwards (Chair)	3/3	2/2			1/1	2/2
Anne O'Donnell	3/3	2/2	2/2	1/1		
Susanne Dahn	3/3	2/2			1/1	
Geoff Lowe	3/3	2/2	2/2			
Peter Savage	3/3	2/2		1/1		
Jessica Munday	3/3	2/2			1/1	
John Mazengarb	3/3		2/2	1/1		
Rhonda O'Donnell	3/3			1/1	1/1	2/2
David Smith	3/3				1/1	2/2
Thomas Lynch	3/3		2/2			2/2
Susan Parr	3/3			1/1		2/2

Director and Executive remuneration

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Performance assessments

Spirit Super staff (including senior management) are covered by two different *Performance review programs* as a result of the recent merge between MTAA Super and Tasplan. Both programs align the goals and actions of individual staff members with the trustee's values, strategic objectives and risk management objectives. The programs are designed to reduce the risk of misconduct and reward great performance. Performance reviews are conducted annually and reviewed periodically before final reviews. These programs are under review and it's expected that a new program will be launched in line with a new *Enterprise Agreement* in July 2022.

In accordance with the program, an assessment of the performance of all staff (including senior management) was undertaken during 2020–21.

Remuneration

The remuneration practices are set out in the trustee's *Remuneration policy*. The information provided in this report summarises the objectives of Spirit Super's *Remuneration policy* which are to:

- attract, retain and motivate the right talent for the trustee's business operations
- align the activities of Responsible Persons to the interests of Spirit Super's beneficiaries, the long-term financial soundness of the trustee and Spirit Super and the trustee's risk management framework
- maintain fair and reasonable rates of pay for Responsible Persons, taking into account the remuneration practices of comparable super funds and
- encourage, recognise and reward individual, team and business performance.

Director remuneration

Spirit Super Directors are remunerated for their services to the trustee and Spirit Super. For 2020–21, the Chair and Directors were paid a fixed annual fee as compensation for their services on the trustee Board and its Committees.

In recognition of the responsibilities and additional duties required, Board Committee Chairs received an additional flat fee. Directors are also reimbursed for any reasonable expenses incurred in carrying out their duties for the trustee.

During the 2020–21 financial year, directors from MTAA Super took a 10% fee reduction for six months from 1 July 2020. Together with a portion of the CEO's 2020–21 short-term performance incentive, the saved fees were donated to the Australian Communities Foundation to establish a one-off MTAA Super Scholarship program. This program provided individuals working in the automotive and related industries and whose careers were adversely affected by COVID-19 the chance to pursue further education and training within their industry. Overall, 15 individual scholarships were awarded.

Executive remuneration

Executive remuneration is reviewed annually against independent comparative salary benchmark data, and consideration is given to external economic indicators, individual performance and contribution to Spirit Super.

As a result of the merger between MTAA Super and Tasplan, some executives were paid redundancy packages and the remuneration of these executives in the relevant period reflect these payments. These payments were made in accordance with relevant contracts and the law.

In 2020-21, Spirit Super adopted MTAA Super's short-term incentive program, whereby Executives would be eligible to earn a further variable remuneration component upon achieving set key performance indicators (KPIs) which were endorsed by the trustee. A review of the achievement of KPIs and the percentage of variable remuneration attained will be determined and paid in 2020-21.



Jonathan
Spirit Super member

Governance:

Director and Executive remuneration

Continued...

Spirit Super Director remuneration earnings for 1 July 2020 to 30 June 2021

Director	Short-term benefits		Post-employment benefits	
	Cash and monetary benefits ⁴⁴ \$	Non-monetary benefits ⁴⁶ \$	Super ⁴⁷ \$	Total remuneration \$
John Brumby ^{45, 48}	109,056	0	10,360	119,416
Don Rowland ^{45, 48}	57,434	0	5,456	62,890
Sue Walpole ^{45, 48}	64,332	0	6,112	70,444
Sue Dahn ^{45, 49}	96,236	0	9,143	105,379
David Smith ⁴⁹	82,299	0	7,818	90,117
Rhonda O'Donnell ^{45, 49}	84,457	0	8,023	92,480
Anne O'Donnell ^{45, 49}	86,721	0	8,239	94,960
Peter Savige ⁴⁵	75,400	0	7,163	82,563
Geoff Lowe ⁴⁵	84,023	0	7,982	92,005
Naomi Edwards ⁵⁰	36,273	0	3,446	39,719
Tom Lynch ⁵⁰	17,967	0	1,707	19,674
John Mazengarb ⁵⁰	20,664	0	1,963	22,627
Jessica Munday ⁵⁰	17,967	0	1,707	19,674
Susan Parr ⁵⁰	17,967	0	1,707	19,674

⁴⁴ Includes all salary sacrifice amounts. For Directors marked with ⁴⁵, during the 2020–21 financial year and in consideration of the economic difficulties being experienced because of the COVID-19 pandemic, the Directors resolved to take a 10% fee reduction for six months from 1 July 2020. The fees saved were processed as a salary sacrifice, with funds donated to establish the Spirit Super Scholarship program.

⁴⁶ Includes car, car parking and group salary continuance insurance.

⁴⁷ Includes super guarantee contributions.

⁴⁸ MTAA Super Director ceased 31 March 2021.

⁴⁹ MTAA Super Director from 1 July 2020 to 31 March 2021 and commenced as Spirit Super Director from 1 April 2021.

⁵⁰ Spirit Super Director commenced 1 April 2021.

Spirit Super Executive team remuneration earnings for 1 July 2020 to 30 June 2021

		Short-term benefits			Post-employment benefits	
	Cash and monetary benefits ⁵¹ \$	Bonus ⁵² \$	Termination Payments ⁵³ \$	Non-monetary benefits ⁵⁴ \$	Super ⁵⁵ \$	Total remuneration \$
Phil Brown ⁵⁶	216,952	42,749	433,411	1,834	24,672	719,618
Michael Irving ⁵⁷	178,190	29,937	208,534	3,140	19,772	439,573
Chris Porter ⁵⁷	178,830	32,434	286,058	3,601	20,070	520,993
Michael Sykes ⁵⁷	219,610	61,308	376,614	3,225	24,974	685,731
Leeanne Turner ⁵⁸	489,302	69,247	0	7,458	32,545	598,552
Kathleen Crawford ⁵⁹	64,402	0	0	642	6,118	71,162
Ningning Lyons ⁵⁹	64,571	0	0	642	6,118	71,331
Ross Barry ⁶⁰	220,673	31,963	0	0	24,000	276,636
Robyn Judd ⁵⁹	61,731	0	0	642	5,815	68,188
Amy Ward ⁵⁹	56,308	0	0	967	5,349	62,624
Grace Angeles ⁶¹	216,682	14,437	0	3,400	21,956	256,475
Alan Thuaux ⁵⁹	44,812	0	0	4,458	4,257	53,527
Shaun O'Malley ⁵⁹	55,135	0	0	886	5,238	61,259
Sally Tallentire ⁵⁹	43,404	0	0	845	4,123	48,372
Alex Mehl ⁶²	104,995	0	0	1,017	9,975	115,987

⁵¹ Includes all salary sacrifice amounts.

⁵² Bonus paid relates to short term incentive payments.

⁵³ Executives received termination payments when made redundant because of the merger. The termination payments are made up of redundancy payments and the pay out of any accrued leave entitlements.

⁵⁴ Includes car, car parking and group salary continuance insurance.

⁵⁵ Includes super guarantee contributions.

⁵⁶ MTAA Super Executive ceased 16 October 2021.

⁵⁷ MTAA Super Executives ceased 31 March 2021.

⁵⁸ MTAA Super Chief Executive Officer from 1 July 2020 to 31 March 2021, Spirit Super Chief Executive Officer from 1 April 2021.

⁵⁹ Spirit Super Executive commenced 1 April 2021.

⁶⁰ MTAA Super Chief Investment Officer commenced 28 September 2020 to 31 March 2021, Spirit Super Chief Investment Officer from 1 April 2021.

⁶¹ MTAA Super Acting Executive Manager, Finance from 1 July 2020 to 31 March 2021, Spirit Super Chief Finance Officer from 1 April 2021.

⁶² MTAA Super Head of Technology 26 October 2020 to 31 March 2021, Spirit Super Head of Technology from 1 April 2021.

Our Executive Team

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Leeanne Turner

Chief Executive Officer
DipFinServ, GAICD

Appointed 1 April 2021

- Diploma of Financial Services (Superannuation)
- Graduate, Australian Institute of Company Directors
- Graduate, Interpersonal Dynamics for High Performance Executive Program, Stanford Graduate School of Business Executive Education

Leeanne was the Chief Executive Officer of MTAA Super from 2011 until the fund merged to become Spirit Super in April 2021. Leeanne has over 40 years' experience in super and has worked for organisations such as AvSuper, Military Schemes Secretariat, the Department of Defence and ComSuper. In 2014, Leeanne was awarded *Fund Executive of the Year* by Fund Executive Association Limited (FEAL). Leeanne is a director of ASFA, ISA and FEAL.



Kathleen Crawford

Chief Operations Officer
MAICD

Appointed 1 April 2021

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

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



Ningning Lyons

Chief Strategy Officer
BBus, CA, GAICD

Appointed 1 April 2021

- Chartered Accountant CA
- Graduate, AICD
- Bachelor of Business

Ningning was the Chief Financial Officer at Tasplan from 2016 until the fund merged to become Spirit Super in April 2021. Ningning is a Chartered Accountant with over 11 years' experience in the financial services industry. Ningning enjoys supporting her local community and is a director of a Tasmanian not-for-profit organisation.



Ross Barry

Chief Investment Officer
Ph.D AppFin BEcon

Appointed 1 April 2021

- Ph.D in Applied Finance
- Bachelor of Economics

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



Robyn Judd

Chief People and Culture Officer
BSocSc (Psychology), Post Grad HRM and IR, GAICD

Appointed 1 April 2021

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

Robyn was the Executive Manager, People and Culture at Tasplan from 2016 until the fund merged to become Spirit Super in April 2021. Robyn has over 17 years' human resources experience in a diverse range of industries, including retail, gaming and financial services.



Amy Ward

Chief Governance Risk and Compliance Officer LLB

Appointed 1 April 2021

- Graduate Diploma of Applied Corporate Governance
- Company Directors Course (AICD)
- Graduate Certificate in Applied Finance and Investments (FINSIA)
- Bachelor of Laws (UNSW)

Amy was the General Counsel/Company Secretary at MTAA Super from October 2018 until the fund merged to become Spirit Super in April 2021. Amy has over 19 years' experience in financial services, namely in managed investments, super financial advice and licensing. Amy previously worked at multinational, national and boutique organisations with experience at the executive level in super, managing projects related to legal, governance, risk and compliance. Amy also has demonstrated experience in advising boards.



Grace Angeles

Chief Finance Officer CA, EMBA, BComm(Hons)

Appointed 1 April 2021

- Chartered Accountant of Australia
- Masters of Business Administration (Executive)
- Bachelor of Commerce (Hons)

Grace was the Acting Executive Manager, Finance at MTAA Super from 2019 until the fund merged to become Spirit Super in April 2021. Grace has over 13 years' experience in financial services, property and technology. Grace previously worked with a listed technology company during its growth phase which included driving the integration of multiple business acquisitions. Grace also worked in the UK for a global firm where she worked with clients from various industries including multi-national property investment organisations, listed companies and global technology companies. In addition to super experience, Grace has worked with a range of other not-for-profit organisations.



Alex Mehl

Head of Technology BIS, MBA, GAICD

Appointed 1 April 2021

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

Alex has over 20 years' experience leading technology in both listed and private organisations. He's previously held executive and senior leadership roles across a broad range of sectors, including consulting, mining, civil construction, agriculture and manufacturing.



Shaun O'Malley

Head of Investments BCommBnkgFin

Appointed 1 April 2021

- Bachelor of Commerce in Banking and Finance

Shaun was the General Manager, Investments at MTAA Super until the fund merged to become Spirit Super in April 2021. Shaun has over 20 years' experience in financial markets with experience in direct investing, investment strategy design, asset allocation, manager selection and implementation. Previously, Shaun was a Portfolio Manager at Energy Industries Super Scheme (EISS). He also has experience as an equity analyst and in financial product design and development.



Sally Tallentire

Head of Risk BSBS

Appointed 1 April 2021

- Bachelor of Science Business Administration

Sally was the Senior Compliance Manager at MTAA Super from August 2019 until the fund merged to become Spirit Super in April 2021. Sally has 17 years' experience in risk and compliance across funds management and super. Sally was previously Head of Risk and Compliance at RARE Infrastructure and has held various risk and compliance roles at Macquarie Group in Sydney and New York, including Chief Compliance Officer for the Macquarie Global Infrastructure Total Return Fund Inc.



Alan Thuaux

Head of Member Growth MCom, AdvDipFinSer

Appointed 1 April 2021

- Master of Commerce
- Advanced Diploma of Financial Services
- Level 1 Coach - Institute of Executive Coaching and Leadership

Alan was the Manager Superannuation Advice at MTAA Super from February 2018 until the fund merged to become Spirit Super in April 2021. Alan leads the Marketing, Communications, Employer Relations and Member Experience teams and is also a responsible manager for Spirit Super. He has over 25 years' experience in financial services and has led business units across industry funds, banking and boutique financial planning.

Trustee liability insurance

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The trustee has taken out indemnity insurance to protect it from losses arising as a result of claims made against the trustee.

The trustee has also taken out a directors' and officers' insurance policy to indemnify its directors and officers against certain liabilities.

External service providers	
Fund administrator	Australian Administration Services Pty Limited ⁶³ In-house administration ⁶⁴
Group life insurance	MetLife Insurance Limited
Financial planning services	Industry Fund Services ⁶³ Quadrant First Pty Ltd (Spirit Super Advice) ⁶⁴
Internal auditor	Deloitte Touche Tohmatsu
External auditor and tax adviser	PricewaterhouseCoopers
Investment adviser	Whitehelm Capital Pty Ltd
Property adviser	JG Service Pty Limited
Master custodian	NAB Asset Servicing (a division of the National Australia Bank)
Bank	Commonwealth Bank of Australia

⁶³ Until 31 March 2021

⁶⁴ From 1 April 2021.



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Shortened statement of financial position as at 30 June 2021

	2021 (\$m)	2020 (\$m)
Investments	26,340.9	12,412.8
Other assets	155.5	166.1
Total assets	26,496.4	12,578.9
Liabilities		
Income tax payable/(receivable)	88.8	(46.3)
Deferred tax liability	425.5	180.2
Other liabilities	205.7	44.6
Total liabilities	719.9	178.5
Net assets available for member benefits	25,776.5	12,400.4
Members accounts	25,336.2	12,235.1
Unallocated contributions	1.7	3.1
Total net assets	438.6	162.1
Equity		
Reserves	420.4	162.1
Defined benefits that are over/(under) funded	18.2	–
Reserves as a % of member balances	1.66%	1.32%
Total equity	438.6	162.1

Operating statement for year ended 30 June 2021

	2021 (\$m)	2020 (\$m)
Revenue		
Investment income	2,935.8	(155.3)
Expenses		
Investment expenses	54.6	46.0
Administration expenses	12.8	17.6
Operating expenses	38.9	25.8
Income tax expense	251.9	(51.8)
Results from superannuation activities after tax	2,577.5	(192.9)
Net benefits allocated to members' accounts	2,431.0	(165.4)
Net change in defined benefit member benefits	(3.9)	-
Operating result after income tax	150.5	(27.5)

Governance:

Financial reports

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Statement of changes in member benefits for year ended 30 June 2021

	2021 (\$m)	2020 (\$m)
Opening balance of member benefits	12,235.1	12,367.0
Contributions		
Employer contributions	940.6	781.4
Member contributions	161.9	71.2
Transfers from other funds	205.1	313.1
Government co-contributions	0.9	7.9
Income tax on contributions	(136.9)	(110.4)
Successor fund transfer of member benefits of Tasplan Super	10,694.9	-
Net after tax contributions	11,866.5	1,063.2
Benefits to members or beneficiaries	(1,167.3)	(1,033.3)
Insurance premiums to members' accounts	(74.6)	(64.9)
Death and disability insurance benefits paid to members or beneficiaries	49.4	68.7
Benefits allocated to members' accounts comprising:		
Net Investment income	2,468.6	(133.9)
Administration Fees	(37.5)	(31.5)
Net change in defined benefit member accrued benefits	(3.9)	
Closing balance of member benefits	25,336.2	12,235.1

Reserves for the three years to 30 June 2021⁶⁵

	2021 (\$m)	2020 (\$m)	2019 (\$m)
Reserves	420.4	162.1	189.6
% of members balance	1.66%	1.32%	1.53%

⁶⁵ The reserves comprise of *Operational risk reserve*, *Insurance reserve* and *General reserve*.



How your account works

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Super and pension accounts

Your Spirit Super account works like a bank account – money goes in, and money goes out.

Your account receives contributions, including transfers in, and is reduced by withdrawals, taxes, fees and costs and insurance costs (as applicable). Pension payments also reduce Spirit Super pension accounts.

Investment earnings can increase or decrease both super and pension account balances.

Your investment is recorded as a number of units. Your account balance is determined as the number of units you hold in each investment option multiplied by the unit price of that option.

Unit prices will fluctuate according to the investment performance of the investment option. So, your account balance may increase or decrease in line with the unit prices.

Our unit prices are net of tax on investment earnings and indirect costs. For the latest unit prices, go to spiritsuper.com.au/investments/our-performance.

If you switch investments, both the switch out and switch in are processed using the applicable unit price. The value of the units in each investment option varies, so you may get more or fewer units when you switch, depending on the current unit prices.

When you make a withdrawal or pay fees, taxes or insurance costs out of your account, you trade your units for money. The amount of money your units are worth depends on the current unit prices. So, if you withdraw \$10 and your units are worth \$1 each, you'll trade 10 units for your money. If your units are worth \$2, you'll trade five units for your money.

If you have a pension account, there's no guarantee that you'll receive your pension payments for your lifetime or any fixed period. The longevity of your investment depends on how much you draw out and how your chosen investment option/s perform.

Defined benefit accounts

If you're a defined benefits member, your super benefits are worked out according to a formula based on a range of factors, including your age, your salary, your category of membership and how many years you've been a member. Using a formula means your benefit can be defined in advance. That's why it's called a defined benefit. Your annual *Member statement* gives you all the information you need to work out your payout if you leave.

More information

Our website is a great source of information on our products and services, super and retirement strategies, fund policies and much more. Go to spiritsuper.com.au. You can call or email us at any time to ask for paper copies of any documents you need to be mailed to you to help you understand your benefit entitlements.

Lost and inactive members

Twice a year, we're required to report and transfer member accounts to the Australian Taxation Office (ATO). If we transfer your account to the ATO, your membership with Spirit Super and any insurance you have ceases.

Your account may be transferred to the ATO if:

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

Compliance

We ensure that our members can benefit from the lower tax rates that apply to complying resident regulated super funds.

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

No penalties have been imposed on Motor Trades Association of Australia Superannuation Fund Pty. Limited Responsible Persons under section 38A of the SIS Act.

Governance:

How your account works

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Complaints

If you have a complaint we're committed to handling complaints promptly, fairly and in the strictest confidence. We care about our members. Complaints are taken seriously and dealt with as soon as practicable.

You can send us your complaint:

In writing to	Complaints Officer Spirit Super GPO Box 1547 Hobart TAS 7001
Email	complaints@spiritsuper.com.au
Phone	1800 005 166

If an issue hasn't been resolved to your satisfaction or your complaint hasn't been resolved within the required time frame, you may be eligible to take your complaint to the Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority (AFCA)

AFCA is an external dispute resolution scheme that provides fair and independent financial services complaint resolution free to consumers.

Website	afca.org.au
In writing to	Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 300
Email	info@afca.org.au
Phone	1800 931 678 (free call)

There are some time limits for lodging certain complaints. This includes complaints about the payment of a death benefit, which you must lodge with AFCA within 28 days of being given a written decision.

Temporary residents

If you earned super while visiting Australia on a temporary visa, you can apply to have this super paid to you as a departing super payment (DASP) after you leave. Generally, you can claim a DASP if you have accumulated super while working in Australia on a temporary resident visa, your visa has ceased to be in effect, you have left Australia and you're not an Australian or New Zealand citizen or a permanent resident of Australia.

Under Australian Securities and Investments Commission relief, an exit statement is not required if your benefit is paid to the ATO in these circumstances. Once transferred, you will need to contact the ATO to claim your benefit.

If it has been six months or more since you left Australia and your visa has ceased to be in effect, we will transfer your super money to the ATO as unclaimed super money. In these circumstances, we're not required to notify you that your super money has been transferred to the ATO, nor are we required to provide you with an exit statement. When your super money is transferred to the ATO, any benefits of your membership with Spirit Super (including insurance cover) will stop. However, you still have the right to apply to the ATO to claim your super. For more information, go to the ATO website at ato.gov.au.

Reserves policy

We maintain a general reserve, which represents that pool of funds required to meet the general operating and administration costs of the fund and any unexpected or otherwise unforeseeable operating costs that may arise. Administration levies are deducted from members' accounts to fund the reserve.

The trustee's policy is to apply net investment earnings to members' balances in the year they're earned. However, it does maintain a small balance within the general reserve to ensure that the trustee can cover any unforeseen fluctuations in our net assets which might arise from taxation, valuation and other investment risks and to ensure the solvency of Spirit Super. The cost of rectifying unit pricing errors or making unit pricing adjustments may be met from the general reserve if, after considering the issue, the trustee deems it to be the most appropriate, fair, and equitable approach for members. Each issue will be considered on a case-by-case basis, but in all circumstances, the trustee must consider the most fair and equitable outcome for all members (including affected members).

The reserve is also used to meet the ongoing regular funding of the operational risk reserve and the cost of risk events that are unable to be met from the operational risk reserve. Any tax benefits associated with expenditure met from the reserve are applied back to the reserve. The funding requirements of the reserve are forecast on a rolling basis and regularly reviewed by the trustee.

We also have an insurance reserve to meet future insurance premium costs when there's an insurance premium adjustment mechanism in place with the group life insurer. This adjustment mechanism is only applicable for the period to 30 June 2021 noting that any insurance premium payable amounts may be paid after 30 June 2021.

Operational risk financial requirement

Operational risks (as opposed to investment risks) represent the risk of loss to members from failures in internal controls, processes, people, and systems or from external events.

RSE licensees must hold a separate reserve/provision to meet financial losses associated with operational risks that might arise within a super fund.

The trustee has determined it appropriate to target an amount equal to 0.275% of the net assets of the Fund for this reserve. This reserve has been fully funded since its establishment in July 2013. In the normal course of events, the ongoing funding of the reserve is met from the general reserve, which is funded by member administration fees. The trustee regularly reviews the level of the reserve and annually assesses its target amount to ensure it remains adequate based on the size, business mix and complexity of Spirit Super's operations.

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

Derivatives

We allow some of our investment managers to use derivatives such as futures and options to manage risk and increase returns. Derivatives are employed to affect a currency hedge to manage foreign exchange rate risks. Strict parameters apply, and at no time during 2020–21 did the derivative charge ratio exceed 5% of assets. We may also use derivatives to manage the underlying portfolio exposures' risk from time to time.

Superannuation surcharge

For financial years until 30 June 2005, the Federal Government applied an additional surcharge tax to members whose adjusted taxable income (that is, taxable income plus gross fringe benefits plus deductible super contributions) exceeded a specific limit. Interest is applied to this debt. Unless you make arrangements to repay the debt earlier, any outstanding debt will incur interest and will be deducted from your final benefit when you leave the defined benefit division. Spirit Super will deduct any surcharge due from your account for the relevant periods and will pay this to the ATO. The superannuation surcharge tax has been abolished for contributions received since 1 July 2005.

Risk management

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Our ability to manage risk is critical for us to deliver positive retirement outcomes to members.

At Spirit Super, we have a robust *Risk management framework* to identify, assess, manage, mitigate, and monitor risks. We've embedded risk management into all areas of our organisation, including our systems, structures, policies, processes, and people. Our Risk Committee is responsible for implementing the *Risk management framework* and ensuring it aligns with our overall risk appetite. The *Risk management framework* is driven by our dedicated Risk team and the broader Governance, Risk and Compliance team. The Risk team reports to the Board and Risk Committee.

Promoting a positive risk culture

While the *Risk management framework* establishes the rules, processes, and standards for managing risks, our risk culture determines its success. We're dedicated to creating and fostering a positive risk culture at all levels of our organisation. We believe a positive risk culture encourages all employees to appropriately monitor and manage risk as an intrinsic part of their day-to-day work. We emphasise the importance of transparency and accountability across the organisation. This transparency and accountability also supports open discussions about uncertainties and opportunities, encourages employees to express concerns, and maintains processes to escalate concerns appropriately within the business.

Sally
Spirit Super member



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spiritsuper.com.au

GPO Box 1547 Hobart TAS 7001

Our front cover features
these Spirit Super members:

Julia, Paul, Joy

