

Annual report

for the year ended 30 June 2024



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

This report covers the operations and financial position for the period 1 July 2023 to 30 June 2024. This annual report has been prepared December 2024. While it has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. All forecasts and estimates are based on certain assumptions which may change.

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



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

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

visionsuper.com.au/reconciliation/

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Highlights 2023-24



 **\$13.8b**
Funds under management
 as at 30 June 2024

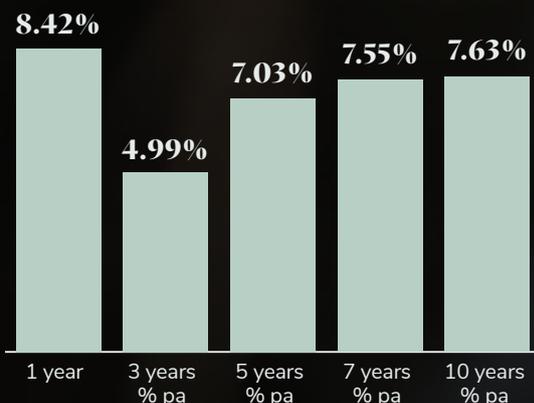
 **85,118**
Member accounts serviced and supported as at 30 June 2024
 up **1%** 

 **91,311**
Total contact centre interactions by our Melbourne based team
 up **8%** 

 **77 years**
Experience supporting members' retirement outcomes since 1947

 **8.99**
Member satisfaction from a possible score of 10 from surveys undertaken throughout the financial year

Balanced growth performance (to 30 June 2024)



Comparison of annual fees and costs[~]



Example is based on a \$50,000 balance

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

[#] Vision Super fees and costs at July 2024.

[^] Median – APRA Quarterly statistics June 2024 – Statement of other fees and costs for a representative member (\$50,000) for MySuper products with single investment strategy.

Chair's message



Graham Sherry, Chair

This is my first message to you as Chair of Vision Super, but I'm serving my third term on the Board and I'm very proud of what the Fund has achieved for our members over that time. Vision Super has continued to achieve strong returns for members and despite our relatively small size has become one of the most efficiently run funds in the country.

The last year has been a busy one for the Board and management of Vision Super. As well as the usual business of the Board over the 2023-24 financial year – ensuring that the Fund is run in the best financial interests of members, meeting our many compliance obligations to the highest possible standards and setting the strategic direction for the Fund – we have been very focused on the upcoming merger with Active Super.

I only stepped into the role as Chair late in the year, with Lisa Darmanin's resignation in May to take up a position as a Senator for Victoria. I want to take this opportunity to pay tribute to Lisa's time as Chair, and to wish her all the very best in her new role. I know she will continue to be a strong advocate for the work industry super funds do for members as she serves in the Senate.

Lisa had done a great deal to steer Vision Super through the merger process. Mergers are never a simple process – there are a myriad of factors to consider when deciding how to bring the best aspects of both organisations together. We've achieved a lot of milestones over the last year, including negotiating and signing the successor fund transfer deed that outlines the legal basis for the merger, and the trust deed ticked off, which sets out how the merged fund will operate.

As many of you will be aware from previous communications, Vision Super will be the successor fund. So for you as a Vision Super member, very little will change – you'll still be a member of the fund that has looked after the retirement savings of members in the local government and authorities sectors and beyond for more than 77 years – but we'll have around double the members and double the funds under management. This will allow us to continue to grow and to reduce our operating costs even further – which will benefit you as members.

As this members' report is being prepared, the systems programming to bring the Active Super members onto Vision Super's systems is in the testing stages, and things are looking positive for our merger on 1 March 2025. When next year's report is released, I expect it will go to around twice as many members, and will be looking back at a busy year of integrating into a single fund with a strong member-centric culture.

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

CEO's message



Stephen Rowe, CEO

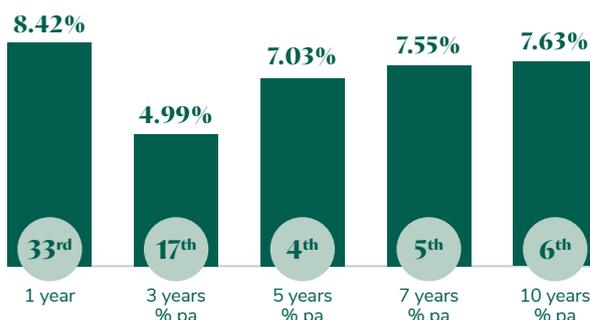
I have always said that the fundamental things a super fund should focus on are strong risk-adjusted returns and low costs – because these are the two things that make the biggest difference to retirement outcomes – along with education and support to help members achieve their best possible retirement.

Our MySuper Balanced growth option (our largest product and the default option for Super Saver members) has had positive returns for 14 of the last 15 years – consistently adding to members' retirement savings is our aim, and it's an achievement I'm very proud of. The long-term perspective is very important when you're looking at a long-term investment like your super – although our performance this year for Balanced growth was 8.42% which is historically good, there were better performing funds out there this year*. One reason was we de-risked the portfolio slightly. Another was that two of our external fund managers underperformed last year – but we understand the reasons why this happened, and we've since made or are making some changes to our manager line-up and asset allocation. Together, these factors explain the lower rating in the rankings this year.

The way we invest isn't for a single year though – we said this last year when we had one of the top two MySuper options over the year[#], and we'll continue to say it whether we're in the top few funds or lower down in the rankings. I'm much more focused on the medium to long term – and so is our Investments team. You can see our focus paying off in our rankings over five, seven and ten years, where we're among the top four, five or six funds in the country.

You can see one of our other main focus areas, supporting and educating our members, in the 91,311 interactions our Contact Centre had with members over the year. It also shines through in the 9.02/10 score our members give us when we survey you about those interactions.

Balanced growth performance (to 30 June 2024)*



As many of you know, when you call us you speak with someone who's generally a Vision Super member too, sitting with our team in our Melbourne office. We don't ask you to press 1 for this or 2 for that – you just talk to our people. I'm really proud of the job we do supporting our members to meet their goals – whether it's on the phone or at one of the many face-to-face and online seminars and education sessions we run. One additional thing we've done in the last year is develop eight self-education modules you can access at any time on our website at visionsuper.com.au/education/ – whether you're just starting out with your super or getting close to retirement I encourage you to take a look!

As well as our continuing focus on returns, costs and service, it's been great to see our strategic goal of merger coming closer to fruition over the last year. Vision Super is an effective, efficient fund with a history of strong returns and a commitment to member service. Merger is one of the strategies the Board put in place to grow the Fund, because growth can deliver improved economies of scale. The team has been doing a fantastic job in programming our systems for Active Super's members to join us, and we're in the final stages of testing for most of the products and plans. Merger is set to happen on 1 March 2025, and we'll be communicating with you more in the lead-up. Not a lot will be changing for our existing members – you'll see some benefits such as a small reduction in what are already low fees, but your account, investment options, pension payments, website and app will all continue in their current form.

I want to take this opportunity to thank every single member of our Vision Super team for the effort you put in every day for your fellow members. Finally as always I want to thank my fellow Vision Super members – managing your retirement savings is a huge responsibility, and we appreciate and value the trust you place in us.

* SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2024.

[#] SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2023.

The Vision Super Local Heroes Awards are designed to bring much-needed recognition to the work of local government employees who go above and beyond for their community. Congratulations to this year's winners for their unwavering dedication to their community

**Neighbourhoods Team,
City of Melbourne**



Chief Investment Officer's update

2023-24 was another favourable year for superannuation fund investment returns

For the 2023-24 financial year, Vision Super's default MySuper (Balanced growth) investment option generated a favourable return of 8.42%, which was strong compared with inflation but lower than most peer super funds assessed by SuperRatings*. More importantly, the medium-term performance of our MySuper option is favourable relative to peers (for the five years to June 2024, it's ranked fourth out of 43 options and for ten years, it's sixth out of 37)*. Our default MySuper option has delivered returns in excess of inflation in nine of the past ten financial years.

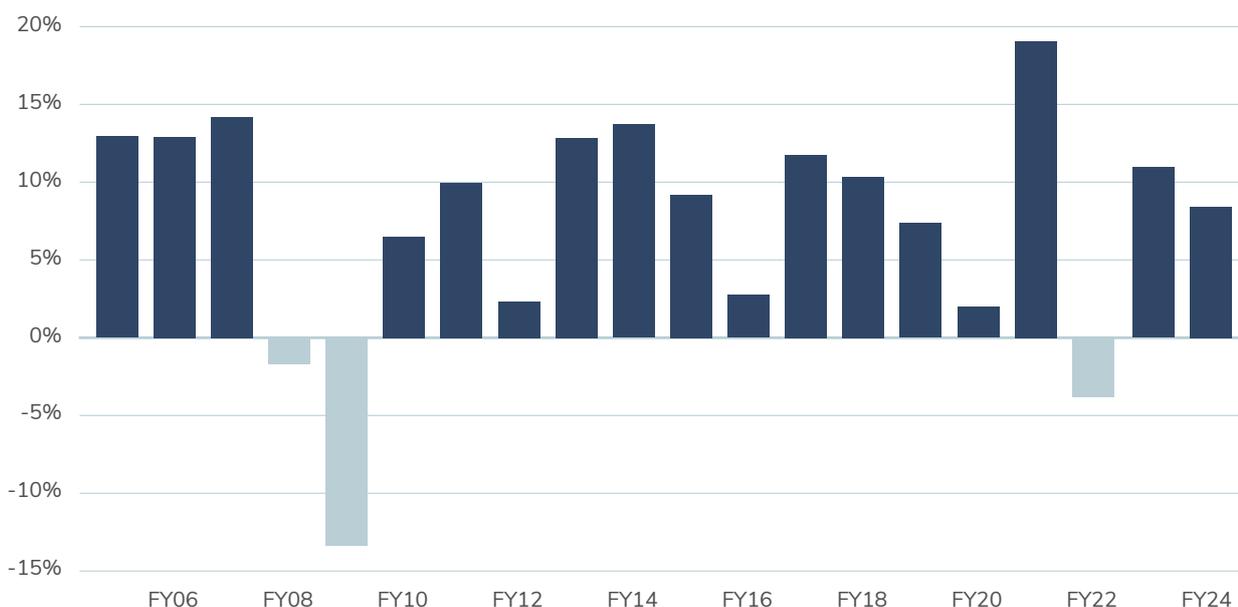
Most of Vision Super's investment options produced reasonable positive returns in 2023-24. Vision Super's pension members in the Balanced growth pension option received a return of 9.25%. Pension returns are often higher than the corresponding accumulation option, due to more favourable tax treatment.

All of Vision Super's other premixed options also had positive returns for 2023-24. The single asset class options also generally performed positively, particularly the equity options. The exception was the Property option, which had a negative return of -7.52% as the difficulties in the commercial real estate market continued over the year.

The Property and Infrastructure options have closed

The Property and Infrastructure options were opened three years ago to give members the ability to gain exposure to unlisted real estate and unlisted infrastructure respectively. These options have not attracted the expected level of interest and we have decided to close both options on commercial grounds. The options closed in early October with members invested able to choose where else to put their investments or defaulted to the Balanced growth option if they do not to make a choice.

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



* SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2024.

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

The investment environment

The 2023-24 year investment returns were largely driven by expectations for inflation and for economic growth. Over this period, US GDP growth was above average at 3.1%.

Early in the financial year, markets were concerned that strong US economic growth would lead to inflation remaining high, resulting in interest rates remaining higher for longer. As the year progressed, it became clearer that inflation was moderating. At the same time economic data in the US, and to a lesser extent elsewhere, remained relatively healthy. On the back of these two dynamics, equity markets ended up producing relatively strong returns and bond markets produced their best returns since the early days of the pandemic.

The other factor that had a large impact within markets was the artificial intelligence thematic. This was the prime factor that led to US equity market outperformance with the totemic stock Nvidia more than doubling during the year and other technology related stocks also performing strongly.

Australia had a relatively sluggish year with GDP growth at 1.0% and inflation declining from over 6% at the start of the year to a lower (but still high) 3.8% by year end. Australian unemployment rate rose but remained at reasonably low levels. Commodity prices generally declined over the year depressing Australian equities performance in comparison to overseas markets.

China struggled during the year, with the residential real estate market continuing to suffer. Chinese companies continued to produce goods at a rapid rate despite the lack of domestic demand. As a result, China was a source of moderating inflation during the year. The Chart opposite illustrates the demographic decline that China is facing which will be a strong headwind to its economic growth over the decades ahead.

US GDP (12 month % change)



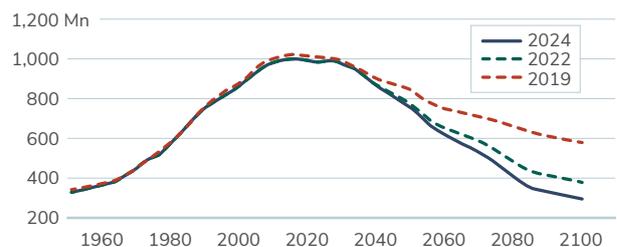
Source: US Bureau of Labor Statistics

US inflation (core personal consumption expenditure index 12m % change)



Source: US Bureau of Economic Analysis

China working-age population projections



Source: UN Population Division. Estimated population between 15 and 64 years of age.

Outlook

The US Federal Reserve cut interest rates on 18 September 2024, the first interest rate cut since March 2020. Since that time, it has cut rates further and more cuts are expected in 2025. The market reaction to the US Federal election outcome has so far been positive, particularly for US equities. While there is considerable uncertainty regarding the actual policies that are likely to be implemented by Trump and the Republican Party, they are expected to boost growth and inflation through policies such as tax cuts, higher tariffs, deregulation and reduced immigration. The US is likely to continue to run large fiscal deficits.

Most analysts are expecting moderate growth for the global economy in 2025, with further declines in inflation. Such an environment would likely be reasonable for share markets. Potential risks to share markets include a de-rating of highly priced technology stocks and the US moving into recession because of the lagged impact of prior interest rate increases. Conversely, the performance of the US economy in 2025 may be more favourable than is currently priced. For example, inflation may fall with US profits growing at a faster than expected pace.

Investment strategy

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

The Trustee determines the strategic asset allocation (SAA) for each investment option, with each SAA formally reviewed at least annually. SAAs are set considering long-term attributes for asset classes and aspects such as changing member demographics and any other relevant long-term factors. For the defined benefit plans which are maturing, we use 10 year return and risk assumptions. For all other investment options, we use 10 and 20 year assumptions to guide us in setting SAAs.

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

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



Investment management

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

Investment management

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

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

Rebalancing policy

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

The asset allocation of an option will rarely be aligned exactly with its target or SAA. For liquid asset classes, Vision Super generally aims to limit the variance from the dynamic asset allocation target to be within +/- 1%.

For illiquid asset classes, this range is generally expected to be +/- 2%. During times of significant market movements, asset allocations may be allowed to vary outside these tolerance ranges with the aim of reducing transaction costs.

Use of derivatives

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

The equity futures positions are fully backed by cash at the asset class level, using an implementation manager for this purpose. External fund managers of discrete mandates are only authorised to use derivative

instruments under agreed guidelines. These guidelines allow fund managers to use derivatives to control risk and reduce or increase exposure to investment markets. Fund managers are not authorised to use derivative instruments for the purposes of leveraging the portfolio or for speculation.

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

The derivative charge ratio (the percentage of the Fund's assets being held as security for derivative investments) did not exceed 5% of all Fund assets at any time during the 2023-24 year.

Allocation of Fund earnings*

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

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

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

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

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

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

Investment objectives and strategy

Tables on these pages show the investment objectives and strategic asset allocations of Vision Super's premixed and single sector investment options for the 12 months to 30 June 2024.

Understanding the tables

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

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

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

This information relates to Vision Super's super and pension products. Investments information relating to defined benefit plans is shown later in the report. Investment option objectives, strategic allocations and minimum timeframes may have changed since 30 June 2024. For details please refer to our website at visionsuper.com.au

Premixed options

Conservative

Return objectives – super¹, pensions²

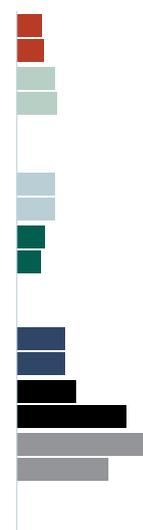
To outperform (after fees and taxes) the rate of CPI increases by 1.5% per annum over rolling 15-year periods for super 2.0% per annum for pensions).

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	6.5%	7%
International equities	10%	10.5%
Opportunistic growth [^]	0%	0%
Infrastructure	10%	10%
Property	7.25%	6.25%
<ul style="list-style-type: none"> • Listed • Unlisted 	2.25% 5%	1.25% 5%
Alternative debt	13.5%	13.5%
Diversified bonds	15.5%	28.75%
Cash	37.25%	24%
Other [^]	0%	0%



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

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

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

Premixed options

Balanced

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	15.5%	16%
International equities	22%	22.5%
Opportunistic growth [^]	0%	0%
Infrastructure	10%	10%
Property	7.25%	6.25%
<ul style="list-style-type: none"> • Listed • Unlisted 	2.25% 5%	1.25% 5%
Alternative debt	13%	13%
Diversified bonds	15.5%	15.5%
Cash	16.75%	16.75%
Other [^]	0%	0%



Balanced growth (including MySuper default)

Return objectives – super¹, pensions²

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

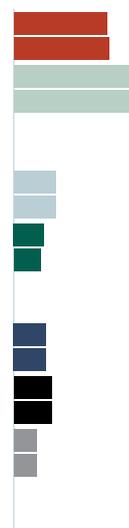
To outperform (after fees and taxes) the median default superannuation fund over rolling three year periods assessed using the SR50 MySuper Index from the SuperRatings Fund Crediting Rate Survey.³

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	24.5%	25%
International equities	32%	32.5%
Opportunistic growth [^]	0%	0%
Infrastructure	11%	11%
Property	8%	7%
<ul style="list-style-type: none"> • Listed • Unlisted 	2.5% 5.5%	1.5% 5.5%
Alternative debt	8.5%	8.5%
Diversified bonds	10%	10%
Cash	6%	6%
Other [^]	0%	0%



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

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

3. This objective only applies to the MySuper option.

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

Premixed options

Growth

Return objectives – super¹, pensions²

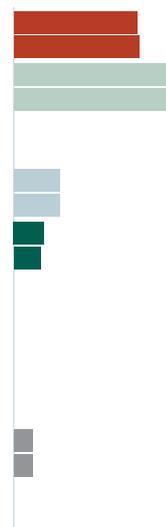
To outperform (after fees and taxes) the rate of CPI increases by 3.5% per annum over rolling 15-year periods for super (4.25% per annum for pensions).

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	32.5%	33%
International equities	42.5%	43%
Opportunistic growth [^]	0%	0%
Infrastructure	12%	12%
Property	8%	7%
<ul style="list-style-type: none"> • Listed • Unlisted 	2.5% 5.5%	1.5% 5.5%
Alternative debt [^]	0%	0%
Diversified bonds [^]	0%	0%
Cash	5%	5%
Other [^]	0%	0%



Balanced low cost[#]

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	27%	27%
International equities	33%	33%
Infrastructure	5%	0%
Property	10%	10%
<ul style="list-style-type: none"> • Listed • Unlisted 	5% 5%	10% 0%
Diversified bonds	15%	20%
Cash	10%	10%
Other [^]	0%	0%



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

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

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

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

Single sector options

Cash

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Generally, the return from the Cash option is closely aligned with the cash rate that the Reserve Bank of Australia (RBA) targets. Reflecting this, the return is usually not expected to be negative.

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Cash	100%

Diversified bonds

Return objectives – super¹, pensions²

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

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

Probability of a negative return

The risk level of this option is medium. The expected frequency of a negative return is 2 to less than 3 in 20 years.

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Diversified bonds	100%
Alternative debt [^]	0%
Cash [^]	0%

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

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

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

Single sector options

Property[#]

Return objectives – super¹

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Unlisted property	100%
Cash [^]	0%

Infrastructure[#]

Return objectives – super¹

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Infrastructure	100%
Cash [^]	0%

Australian equities

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Australian equities	100%

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

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

[#] These options aren't available to retirement pensions and NCAPs. The Property and Infrastructure investment options were closed on 4 October 2024.

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

Single sector options

International equities

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
International equities	100%



Innovation and disruption

Return objectives – super¹, pensions²

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
International equities	100%



Just shares

Return objectives – super¹, pensions²

To outperform (after fees and before taxes) over rolling 15-year periods:

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

Probability of a negative return

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

Strategic asset allocation

Asset class	Benchmark allocation
	1/7/2023 - 30/6/2024
Australian equities	45%
International equities	55%



1. The earnings of super products and NCAPs are taxed.
2. Retirement pensions only. The earnings of retirement pension products are untaxed.

Investment performance to 30 June 2024 (Super and NCAP)

Refer to notes after tables for important explanations

1 year investment performance

Option name	1 year %	1 year median %	Above median?	1 year return objective %	Achieved objective?
Conservative	4.61%	5.67%	✗	5.37%	✗
Balanced	6.54%	7.27%	✗	5.88%	✓
Balanced low cost	10.66%	8.87%	✓	6.40%	✓
Balanced growth	8.42%	9.00%	✗	6.92%	✓
Growth	10.35%	10.73%	✗	7.44%	✓
Cash	3.98%	4.05%	✗	3.71%	✓
Diversified bonds	1.89%	3.18%	✗	2.09%	✗
Property	-7.52%	3.64%	✗	6.40%	✗
Infrastructure	4.45%	N/A	N/A	7.44%	✗
Australian equities	11.82%	11.45%	✓	11.65%	✓
International equities	16.03%	17.01%	✗	17.00%	✗
Innovation & disruption	16.28%	17.01%	✗	17.00%	✗
Just shares	14.22%	12.27%	✓	14.62%	✗

3 year investment performance

Option name	3 years % pa	3 year median % pa	Above median?	3 year return objective % pa	Achieved objective?
Conservative	2.94%	2.35%	✓	6.55%	✗
Balanced	3.79%	3.91%	✗	7.42%	✗
Balanced low cost	4.59%	4.72%	✗	7.94%	✗
Balanced growth	4.99%	4.77%	✓	8.47%	✗
Growth	6.13%	5.57%	✓	8.99%	✗
Cash	2.25%	2.25%	✓	2.07%	✓
Diversified bonds	-2.56%	-1.76%	✗	-2.45%	✗
Property	1.73%	2.11%	✗	8.12%	✗
Infrastructure	8.77%	N/A	N/A	8.99%	✗
Australian equities	6.99%	6.57%	✓	6.52%	✓
International equities	6.42%	6.83%	✗	7.91%	✗
Innovation & disruption	-6.49%	6.83%	✗	7.91%	✗
Just shares	7.23%	6.11%	✓	7.82%	✗

5 year investment performance

Option name	5 years % pa	5 year median % pa	Above median?	5 year return objective % pa	Achieved objective?
Conservative	3.70%	3.24%	✓	5.44%	✗
Balanced	5.43%	4.79%	✓	6.26%	✗
Balanced low cost	5.96%	6.15%	✗	6.67%	✗
Balanced growth	7.03%	6.13%	✓	7.18%	✗
Growth	8.52%	7.50%	✓	7.70%	✓
Cash	1.57%	1.57%	✗	1.39%	✓
Diversified bonds	-0.61%	-0.32%	✗	-0.83%	✓
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	8.43%	7.59%	✓	7.24%	✓
International equities	11.61%	10.14%	✓	10.52%	✓
Innovation & disruption	10.89%	10.14%	✓	10.52%	✓
Just shares	10.62%	8.32%	✓	9.44%	✓

7 year investment performance

Option name	7 years % pa	7 year median % pa	Above median?	7 year return objective % pa	Achieved objective?
Conservative	4.31%	3.85%	✓	5.13%	✗
Balanced	6.13%	5.35%	✓	5.87%	✓
Balanced low cost	6.75%	6.71%	✓	6.15%	✓
Balanced growth	7.55%	6.73%	✓	6.67%	✓
Growth	8.93%	8.07%	✓	7.18%	✓
Cash	1.68%	1.64%	✓	1.53%	✓
Diversified bonds	0.87%	1.07%	✗	1.01%	✗
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	9.27%	8.64%	✓	7.35%	✓
International equities	11.20%	9.94%	✓	9.18%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	10.66%	8.44%	✓	8.63%	✓

10 year investment performance

Option name	10 years % pa	10 year median % pa	Above median?	10 year return objective % pa	Achieved objective?
Conservative	4.65%	4.28%	✓	4.80%	✗
Balanced	6.43%	5.71%	✓	5.52%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	7.63%	7.03%	✓	6.24%	✓
Growth	8.85%	8.10%	✓	6.75%	✓
Cash	1.84%	1.71%	✓	1.52%	✓
Diversified bonds	1.65%	1.81%	✗	1.76%	✗
Property	N/A	N/A	N/A	N/A	N/A
Infrastructure	N/A	N/A	N/A	N/A	N/A
Australian equities	8.17%	8.15%	✓	6.77%	✓
International equities	11.66%	10.10%	✓	8.04%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	10.25%	8.58%	✓	7.66%	✓

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

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

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

Past performance is not an indicator of future performance.

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

'N/A' indicates that the investment option was not offered to members at all times during the period. The inception dates for Balanced low cost, Innovation and disruption, Property and Infrastructure were 29 June 2016, 14 February 2018, 30 September 2020 and 30 September 2020 respectively. The Property and Infrastructure options are not available to NCAPs. The Property and Infrastructure investment options were closed on 4 October 2024. The Balanced low cost investment option was previously known as Sustainable balanced. This change was effective 1 October 2022.

Investment performance to 30 June 2024 (Retirement pensions)

Refer to notes after tables for important explanations

1 year investment performance

Option name	1 year %	1 year median %	Above median?	1 year return objective %	Achieved objective?
Conservative	5.24%	6.27%	✗	5.88%	✗
Balanced	7.31%	7.86%	✗	6.66%	✓
Balanced low cost	11.90%	10.11%	✓	7.18%	✓
Balanced growth	9.25%	10.11%	✗	7.70%	✓
Growth	11.46%	11.87%	✗	8.21%	✓
Cash	4.68%	4.65%	✓	4.37%	✓
Diversified bonds	2.21%	3.61%	✗	2.45%	✗
Australian equities	13.18%	12.75%	✓	13.26%	✗
International equities	17.52%	18.56%	✗	19.04%	✗
Innovation & disruption	18.23%	18.56%	✗	19.04%	✗
Just shares	15.60%	14.04%	✓	16.51%	✗

3 year investment performance

Option name	3 years % pa	3 year median % pa	Above median?	3 year return objective % pa	Achieved objective?
Conservative	3.25%	2.74%	✓	7.07%	✗
Balanced	4.22%	4.22%	✓	8.21%	✗
Balanced low cost	5.37%	5.18%	✓	8.73%	✗
Balanced growth	5.45%	5.18%	✓	9.26%	✗
Growth	6.80%	5.97%	✓	9.78%	✗
Cash	2.61%	2.61%	✗	2.44%	✓
Diversified bonds	-2.68%	-2.03%	✗	-2.91%	✓
Australian equities	8.06%	7.21%	✓	7.35%	✓
International equities	7.06%	7.33%	✗	8.77%	✗
Innovation & disruption	-7.18%	7.33%	✗	8.77%	✗
Just shares	8.06%	6.95%	✓	8.77%	✗

5 year investment performance

Option name	5 years % pa	5 year median % pa	Above median?	5 year return objective % pa	Achieved objective?
Conservative	4.18%	3.65%	✓	6.07%	✗
Balanced	6.12%	5.29%	✓	7.09%	✗
Balanced low cost	6.93%	6.90%	✓	7.50%	✗
Balanced growth	7.79%	6.90%	✓	8.02%	✗
Growth	9.47%	8.14%	✓	8.48%	✓
Cash	1.82%	1.83%	✗	1.64%	✓
Diversified bonds	-0.41%	-0.38%	✗	-1.00%	✓
Australian equities	9.73%	8.57%	✓	8.18%	✓
International equities	12.43%	10.97%	✓	11.68%	✓
Innovation & disruption	14.16%	10.97%	✓	11.68%	✓
Just shares	11.59%	9.11%	✓	10.56%	✓

7 year investment performance

Option name	7 years % pa	7 year median % pa	Above median?	7 year return objective % pa	Achieved objective?
Conservative	4.86%	4.31%	✓	5.88%	✗
Balanced	6.91%	6.03%	✓	6.75%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	8.38%	7.52%	✓	7.55%	✓
Growth	10.01%	8.81%	✓	7.96%	✓
Cash	1.92%	1.92%	✓	1.74%	✓
Diversified bonds	1.19%	1.19%	✓	1.12%	✓
Australian equities	10.67%	9.69%	✓	8.22%	✓
International equities	12.05%	10.81%	✓	10.15%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	11.76%	9.37%	✓	9.60%	✓

10 year investment performance

Option name	10 years % pa	10 year median % pa	Above median?	10 year return objective % pa	Achieved objective?
Conservative	5.24%	4.84%	✓	5.62%	✗
Balanced	7.19%	6.40%	✓	6.45%	✓
Balanced low cost	N/A	N/A	N/A	N/A	N/A
Balanced growth	8.44%	7.78%	✓	7.16%	✓
Growth	9.83%	8.96%	✓	7.55%	✓
Cash	2.12%	2.03%	✓	1.73%	✓
Diversified bonds	2.05%	2.08%	✗	2.04%	✓
Australian equities	9.46%	9.25%	✓	7.53%	✓
International equities	12.51%	11.07%	✓	8.87%	✓
Innovation & disruption	N/A	N/A	N/A	N/A	N/A
Just shares	11.24%	9.41%	✓	8.49%	✓

Please note: These tables compare Vision Super returns (pension options) to median returns from the SuperRatings Pension Crediting Rate Survey. For the Balanced growth option, we use the median return from the SRP50 Balanced (60-76) index. For all other options, we use the median return from the SuperRatings SRP50/25 index with a comparable investment strategy. SuperRatings is the most widely used and accepted ratings firm in the Australian superannuation industry.

Past performance is not an indicator of future performance.

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

The return objectives for our investment options change from time to time. In the above tables, the return objective % for each period (1, 3, 5, 7 or 10 years) has been calculated based on monthly benchmark returns, which reflect the return objective applying in each month. The result is therefore a blended return objective, which reflects the return objectives applying throughout the period.

Defined benefit plan update

Managing defined benefit obligations

Vision Super includes three defined benefit (DB) plans:

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

2 City of Melbourne plan

3 Parks Victoria plan

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

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

The annual actuarial investigation for the LASF DB plan as at 30 June 2024 was completed in September 2024 and presented at the September 2024 Board meeting. The triennial actuarial investigations for the remaining plans as at 30 June 2023 were completed by 30 November 2023 and were presented at the December 2023 Board meeting.

Vision Super's VBI positions

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

Plan	30 June 2023	30 June 2024
LASF DB	104.1%	105.4%
City of Melbourne	146.8%	146.1%
Parks Victoria	112.4%	115.9%

Prudential Standard – SPS 160

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

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

A restoration plan would be required for a plan if its VBI falls below 100% at the time the Vision Super annual actuarial valuation/reviews occur (typically 30 June). At any other time, a shortfall limit will apply, which is 98% for the LASF DB plan, 100% for the City of Melbourne plan and 99% for the Parks Victoria plan.

DB investment strategies

Vision Super has a customised investment strategy for each defined benefit plan. Vision Super looks to progressively de-risk each plan's portfolio to the extent possible, noting some of the plans continue to require investment earnings and therefore material investment risk to be taken.

Some of the plans require a material exposure to share markets to increase the likelihood of delivering on the long-term funding requirements. Vision Super builds diversified portfolios to seek to manage risks concentrated in any part of the market, but full protection from share market downturns is not economically feasible.

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

Ongoing monitoring

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

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

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

Investment objectives and strategy for the DB plans at 30 June 2024

The investment objectives for each DB plan are:

Objective 1

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

Objective 2

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

Objective 3

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

Investment returns to 30 June 2024[^]

Plan name	1 year %	1 year objective* %	Achieved objective 1 year	3 year % pa	3 year objective % pa	Achieved objective 3 years
LASF DB	7.8%	6.0%	✓	4.9%	5.6%	✗
City of Melbourne	3.8%	3.0%	✓	2.4%	1.7%	✓
Parks Victoria	4.6%	3.8%	✓	2.7%	3.5%	✗

* Actuarial rate of return for the period to 30 June 2024.

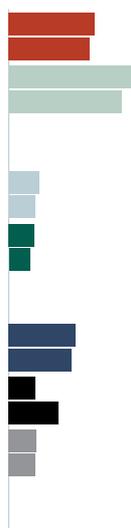
[^] The return objectives for our DB plans may change from time to time. In the above table, the return objective % for each period (1 and 3 years) is another measure we use to regularly monitor investment performance and has been calculated based on monthly benchmark returns, which reflect the return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

Benchmark allocations for the 12 months to 30 June 2024

LASF DB

Strategic asset allocation

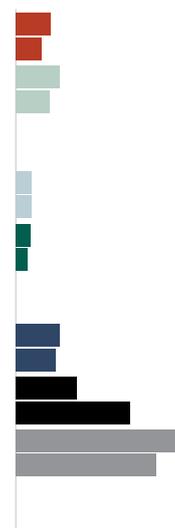
Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	22.5%	21.25%
International equities	31%	29.75%
Opportunistic growth	0%	0%
Infrastructure	8%	7%
Property	6.75%	5.5%
• Listed	1.75%	1.25%
• Unlisted	5%	4.25%
Alternative debt	17.5%	16.5%
Diversified bonds	7%	13%
Cash	7.25%	7%
Other	0%	0%



Parks Victoria

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Australian equities	9.25%	6.75%
International equities	11.5%	8.75%
Opportunistic growth	0%	0%
Infrastructure	4%	4%
Property	3.75%	3%
• Listed	1.75%	1.5%
• Unlisted	2%	1.5%
Alternative debt	11.5%	10.5%
Diversified bonds	16%	30%
Cash	44%	37%
Other	0%	0%



City of Melbourne

Strategic asset allocation

Asset class	Benchmark allocation	
	1/7/2023 - 27/6/2024	28/6/2024 - 30/6/2024
Diversified bonds	0%	9.5%
Cash	100%	90.5%



Investment managers¹

Traditional investments

Investments	30 June 2024		30 June 2023	
	\$ million	%	\$ million	%

Growth

Australian shares

First Sentier Investors RQI – Small Companies	301.6	2.2	262.3	2.1
IFM Investors – Enhanced Index Strategy (Low carbon emission mandate)	1,422.9	10.3	1,329.9	10.4
Magellan Asset Management (Airlie Funds Management) – Australian Equities	567.6	4.1	522.0	4.1
Wavestone Capital – Australian Equities	564.8	4.1	539.4	4.2
UBS Securities Australia (transition manager)	0.0	0.0	0.0	0.0
Total Australian shares	2,856.9	20.7	2,653.6	20.8

International shares

Baillie Gifford Overseas Ltd – Long-Term Global Growth Equities	298.2	2.2	267.8	2.1
Harris Associates – Global Value Equity Strategy	573.0	4.1	526.7	4.1
Sanders Capital, LLC – Global Value Equity Strategy	191.9	1.4	430.1	3.4
Sands Capital – Emerging Markets Growth Strategy	478.0	3.5	157.9	1.2
SSgA – Enhanced Passive (Low carbon emission mandate)	2,298.5	16.6	2,079.0	16.2
UBS Securities Australia (transition manager)	0.0	0.0	0.0	0.0
Total international shares	3,839.6	27.8	3,461.5	27.0

Currency

Mesirow Financial Investment Management, Inc.	36.4	0.3	5.9	0.1
Total currency	36.4	0.3	5.9	0.1

1. These tables show managers of underlying investments. Includes outstanding settlements receivable/payable and financial liabilities at fair value through profit and loss disclosed in the Statement of Financial Position as at date shown (% expresses a % of the Fund's total assets). It also includes an expense account held by JP Morgan Chase Bank NA (Sydney branch) for the payment of fund manager invoices and other relevant accrued expenses.

Traditional investments continued

Investments	30 June 2024		30 June 2023	
	\$ million	%	\$ million	%

Growth continued

Property				
ISPT Core Fund	526.8	3.8	600.0	4.7
Resolution Capital – Global Real Estate Investment Trust Strategy	276.9	2.0	260.0	2.0
SSgA Australian Real Estate Investment Trust	31.0	0.2	12.9	0.1
Total property	834.7	6.0	872.9	6.8

Defensive

Cash				
Internal management (Vision Super Pty Ltd)	1,582.6	11.4	1,588.8	12.4
Total cash	1,582.6	11.4	1,588.8	12.4

Diversified bonds				
Amundi Singapore – Australian & International Passive Fixed Interest	2,069.8	15.0	1,512.9	11.8
Total diversified bonds	2,069.8	15.0	1,512.9	11.8

Total traditional investments	11,220.0	81.2	10,095.6	78.9
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Alternative investments

Investments	30 June 2024		30 June 2023	
	\$ million	%	\$ million	%
Opportunistic growth (previously private equity)				
BlackRock Europe Property Fund III	0.3	0.0	-	-
Generation Investment Management – Climate Solutions Fund	0.8	0.0	3.1	0.0
IFM Investors – Australian Private Equity Fund III	0.2	0.0	0.3	0.0
IFM Investors – International Private Equity Funds I, II & III	3.3	0.0	4.3	0.0
IFM Investors – Special Situations Credit Fund	124.2	0.9	115.5	0.9
Industry Super Holdings	60.3	0.4	47.2	0.4
Lexington Capital VI-B LP	0.5	0.0	-	-
Mesirow Financial Private Equity Partnership	3.9	0.0	-	-
Private Equity Trust ²	-	-	7.6	0.1
ROC Partners – Alternative Investment Trusts IV & V	2.6	0.0	4.3	0.0
Schroder Adveq Europe III LP	1.2	0.0	-	-
Stafford Capital Partners – Private Equity 3 & 4 Funds	3.1	0.0	3.7	0.0
StepStone VC Global Partners	11.5	0.1	13.0	0.1
VenCap 12	42.0	0.3	48.2	0.4
Total opportunistic growth	253.9	1.7	247.2	1.9
Infrastructure				
Copenhagen Infrastructure Partners – Infrastructure IV AUS Trust	50.2	0.4	53.3	0.4
IFM Investors – Australian & International Infrastructure	1,061.0	7.6	1,135.6	8.9
IFM Investors - Net Zero Infrastructure Fund (AWUT) A	186.5	1.4	183.8	1.4
Total infrastructure	1,297.7	9.4	1,372.7	10.7

2. Private Equity Trust – Property Opportunistic is part of the Private Equity Trust and has been shown as a single line item in the above table. The Private Equity Trust consisted of BlackRock Europe Property Fund III, Schroder Adveq Europe III LP, Lexington Capital Partners VI-B LP and Mesirow Financial Private Equity Partnership. The Private Equity Trust was wound up during the year.

Alternative investments continued

Investments	30 June 2024		30 June 2023	
	\$ million	%	\$ million	%
Alternative debt				
Barings – Global Loan and High Yield Bond Fund	154.7	1.3	168.9	1.3
Brandywine Global Investment Management – Global Opportunistic Fixed Income	285.2	2.0	290.5	2.3
Finisterre EDM Total Return Fund	112.3	0.8	106.6	0.8
IFM Investors – Specialised Credit Fund Floating	281.3	2.0	299.0	2.3
Metrics Credit Partners – Diversified Australian Senior Loan Fund	221.5	1.6	230.2	1.8
Total alternative debt	1,055.0	7.7	1,095.2	8.5
Total alternative investments	2,606.6	18.8	2,715.1	21.1
Expense account				
JP Morgan Chase Bank NA (Sydney branch) (Vision Super expense account)	7.6	0.0	-	-
Total expense debt	7.6	0.0	-	-
Total investments	13,833.9	100.0	12,810.7	100.0

Investment manager changes

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

Investments transferred in during the year ended 30 June 2024

- > BlackRock Europe Property Fund III[^] (February 2024)
- > Lexington Capital VI-B LP[^] (February 2024)
- > Mesirow Financial Private Equity Partnership[^] (February 2024)
- > Schroder Adveq Europe III LP[^] (February 2024)

Investments wound up during the year ended 30 June 2024^{*}

- > Private Equity Trust (February 2024)

[^] The underlying investments of the Private Equity Trust were transferred directly to the Fund at the date that the Private Equity Trust was wound up.

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

Runner up at our Local Heroes Awards for his 'Engaging communities through sport' initiative

Abbas Sheikh
Wyndham City Council



ESG

ESG refers to environmental, social and governance, which are three important factors that we believe can have a material impact on long-term investment performance. For more information please refer to our ESG policy available on our website at visionsuper.com.au/invest/esg/our-esg-policy/



Environmental

Environmental criteria look at how organisations affect the natural environment – for example, whether an organisation’s activities are polluting or protecting.



Social

Social criteria examine how an organisation manages relationships with its employees, suppliers, customers and the communities where it operates.



Governance

Governance deals with an organisation’s leadership, executive pay, audits and internal controls and shareholder rights. Basically, how the organisation is run and what values it operates by.

Carbon budget framework

The listed equity asset classes are managed with an approach that aims to provide meaningfully less carbon-intensive exposure versus the respective benchmarks. Carbon intensity is a measure of emissions versus sales, which is a simple proxy of how exposed a company’s own operations are to carbon risk.

For each of the listed equity portfolios, we use the weighted average carbon intensity, which is (based on ISS¹ data on scope 1 and 2 carbon emissions). Scope 1 refers to a company’s direct emissions, eg their use of refrigerants and fuels, and scope 2 refers to indirect emissions for example electricity from the grid. We do not cover scope 3 emissions as the data is unreliable and scope 3 emissions are not reportable under the National Greenhouse and Energy Reporting Scheme². Our listed equity carbon intensity restrictions apply to the listed equities component of our investment options.

For each listed equities manager, the carbon budget is expressed as a meaningful discount to the carbon intensity of the manager’s benchmark. This implies the maximum level of carbon intensity for the manager’s portfolio. This means that managers can still look for opportunities for mispriced stocks across their respective stock universe but there is an additional hurdle for highly carbon intensive companies. The budget for each manager has been customised recognising each strategy’s typical opportunity set.

As at 30 June 2024, the Australian equity asset class had a carbon intensity discount versus its benchmark of around 40%, while the international equity asset class had a discount to its benchmark of around 70%. The discount is higher for international equities as it is easier to construct a portfolio that has lower emissions and limited impact on the overarching characteristics of the portfolio, as the stock concentration is low relative to Australian equities.

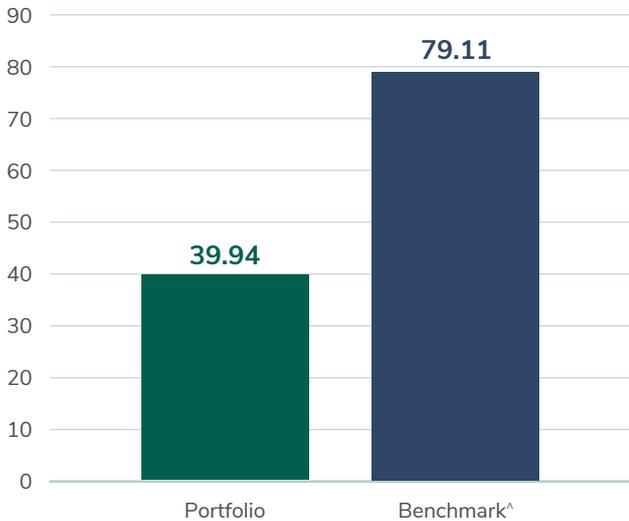
1. Institutional Shareholder Services (ISS) is an independent provider of climate data, analytics, and advisory services. Vision Super engages ISS to provide carbon data and benchmarking on our equities portfolios. ISS provides a proprietary report containing data on Vision Super’s listed equities investments.

2. See cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme

It should be noted that there may be exceptions as managers can request to move to a position above the maximum allowable level of carbon intensity. Exceptions may be approved by Vision Super if a manager can make a sufficiently strong argument that its portfolio could breach its carbon budget and still be consistent with the transition to net zero. For example, if a manager wished to invest in a cement company that was a leader in a low or no emissions production technology that was likely to be important in moving to a net zero outcome.

As at 30 June 2024, our listed equities portfolio had a weighted average carbon intensity that was around 50% less than the benchmark based on ISS data – see chart below.

**Weighted average carbon intensity
(Portfolio's exposure to carbon-intensive companies, expressed in tons CO2e/\$M revenue)**



[^] MSCI ACWI Index
Source: ISS ESG, as at 2 October 2024

14,291 resolutions
in total we voted on over
the financial year

Active ownership

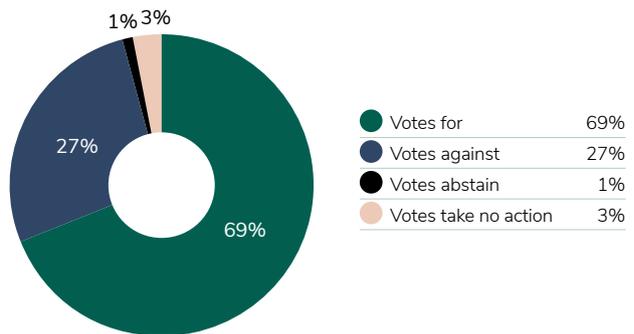
Vision Super applies an active ownership approach by using our shareholder rights to advocate for changes that align with the ESG principles set out in our ESG policy. By actively engaging with companies on ESG-related issues, we seek to reduce ESG risks for members and maximise returns, while helping to build a better future into which our members will retire.

We take our share ownership seriously and we work actively with some companies in which we invest to improve ESG related choices they make. As a shareholder, we are entitled to undertake proxy voting at company meetings for most of our Australian and international equities and global real estate investment trust exposures. We believe it is important to fulfil the ownership obligations and rights that come with being a long-term shareholder. We vote in accordance with our ESG policy and Proxy voting policy.

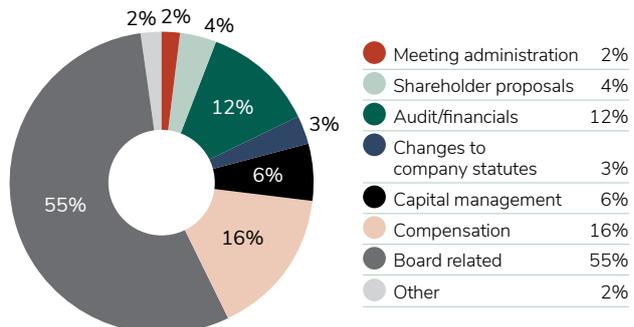
We take a particular interest in shareholder proposals on topics including remuneration, governance, board matters, tax, shareholder rights, environmental issues and disclosures, labour and human rights, health and safety, and business ethics.

Meeting resolutions – for and against management*

We voted against management 27% of the time.



Percentage of resolutions voted on by category*



* Source: CGI Glass Lewis

€60m

Amount Vision Super has committed in Copenhagen Infrastructure Partners' (CIP) renewable energy fund, CI IV.

Featured investment

Vision Super has committed €60 million in Copenhagen Infrastructure Partners' (CIP) renewable energy fund, CI IV. This fund has total commitments of €7.3 billion and is developing and constructing renewable energy projects in countries including the US, Canada, Western Europe and Australia.

The fund is fully dedicated to offshore and onshore wind projects, solar, thermal, and other renewable energy projects. In Australia, CI IV is the majority owner of the Star of the South (SOTS) offshore wind development project in Victoria.

Once completed, SOTS is expected to be one of the world's largest offshore windfarms and the first offshore windfarm in Australia. In addition to SOTS's significant impact on Victoria's transition to renewable energy, SOTS will also take an active part in creating a new industry for Victoria and Australia and supporting new job creation within the offshore wind industry in Victoria.

CI IV has multiple additional prospective projects in Australia that are in early-stage development. One of these is Lotus Creek. This project is an onshore wind project in Queensland and will connect to part of the Queensland grid that is close to major load centres in South-East Queensland (including Gladstone and Brisbane) where a significant amount of coal-fired power plant capacity is expected to retire. CI IV owned 100% of the project until August 2024 when it divested its full ownership to CS Energy, an Australia-based electricity generating company fully owned by the Government of Queensland. CI IV developed the project to its current pre-construction phase and CI IV and CIP will now oversee the construction of the wind farm. The project is expected to provide an economic boost to the region by creating approximately 400 jobs during construction and up to 15 ongoing operational roles. The project has been designed to minimise the impact to ecological values.

At this early stage of CI IV, the Fund is returning above expectations. This may or may not continue.

Advocacy

During the year, Vision Super:

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

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

Modern slavery update

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

The *Modern Slavery Act* commenced in Australia in January 2019. Under the Act, organisations must report on the risks of modern slavery in their operations and supply chains, and the actions they are taking to reduce the risks. We support efforts to end modern slavery. Our report for the year ending 30 June 2024 is available on our website at visionsuper.com.au/wp-content/uploads/Modern-slavery-December-2024.pdf

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

Local Heroes runner up Maree was nominated for working tirelessly to protect people's rights and their welfare

Maree Renden
Wyndham City Council



Trustee support

1 Australian Council of Superannuation Investors (ACSI) – small full member

Seeks improvements in the performance of companies and super funds.

2 Super Members Council (SMC)

Represents the profit-to-members superannuation sector.

3 2024 Global Investor Statement to Governments on the Climate Crisis – signatory

A major initiative from many organisations around the world to support investor policy advocacy at the global level.

4 Principles for Responsible Investment (PRI) – signatory

The world's leading advocate for responsible investment, the PRI works with its international network of signatories to put the six Principles for Responsible Investment into practice.

5 The Melbourne Chamber of Commerce – member

Independent professional body providing representation for its members to all levels of government, together with training and technical support for its members.

6 The Tobacco-Free Finance pledge – signatory

A global sustainability framework that raises awareness of the essential role the finance sector must play and highlights the leadership of financial institutions that have implemented tobacco-free finance policies.

We belong to organisations that seek to:



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



Improve the standards of fund governance



Maintain the skills and professional development obligations of Directors and employees

Getting help

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

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

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

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

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

We have to acknowledge complaints within one business day and have 45 days to resolve the complaints (90 days for death distribution complaints). For the year ended 30 June 2024, we received a total of 482 complaints, and there were five complaints registered with AFCA. The main reasons were for the complaints were:

- > Product/service information (26% of complaints)
- > Delay in following instructions (13% of complaints)
- > Failure to follow instructions (12% of complaints)
- > Other service-related issues (12% of complaints)
- > Delay in claim handling (8% of complaints).

Complaints were dealt with on average within 5.8 days.

Important contacts

Vision Super – Resolutions Officer



Post:
PO Box 18041, Collins
Street East VIC 8003



Email:
resolutions@
visionsuper.com.au



Phone:
1300 300 820
(and ask to speak with
the Resolutions Officer)

The Office of the Australian Information Commissioner (privacy complaints only)



Post:
GPO Box 5218,
Sydney NSW 2001



Web:
oaic.gov.au



Phone:
1300 363 992

Australian Financial Complaints Authority



Post:
GPO Box 3,
Melbourne VIC 3001



Web:
afca.org.au



Phone:
1800 931 678

Governance framework

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

The Fund is governed by a trust deed

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

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

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

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

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

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

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

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

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

Transparency

A copy of our 2024 remuneration report is included in the Fund's 2024 Annual financial report which can be found at visionsuper.com.au/wp-content/uploads/LASF-Financial-Statements-2024.pdf

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

Overview of the Board

At 30 June 2024, Vision Super Pty Ltd had eight Directors and one vacant position. Four directors are nominated by the Australian Services Union (ASU), four are nominated by employer associations MAV, VWIA and VECCI, and one independent Director is nominated by the Board.

The Directors during the 2023-24 year were:



Graham Sherry

Chair (from 10 May 2024)
Deputy Chair (until 10 May 2024)

Employer representative

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

Graham Sherry was appointed as Chair on 10 May 2024. Prior to that he was the Deputy Chair of the Vision Super Board from 1 July 2021. Graham was appointed as a Director in September 2012, on the nomination of VECCI. Graham as an employer representative, served as President of VECCI from 1999 to 2001, and has a long and continued involvement with employer organisations including the Melbourne Chamber of Commerce, the Australian Chamber of Commerce and Industry, and the Australian Thai Business Council. For over 40 years he has practised in many aspects of general commercial law.



Casey Nunn ASM

Deputy Chair (from 10 May 2024)

Member representative

Bachelor of Business, Bachelor of Health Science

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



Joanne Dawson

Independent

BComm, MBA, Diploma of Financial Planning, CA

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



Lisa Darmanin

Chair (until 10 May 2024)

Member representative

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

Lisa Darmanin was appointed as Chair of the Vision Super Board on 1 July 2021. Lisa started as a Director 6 March 2018 as a member representative having been nominated by the Australian Services Union – Victorian and Tasmanian Authorities & Services Branch (the ASU). Lisa is Executive President of the ASU. Prior to this role, Lisa worked as an ASU Organiser and has previously been a trustee director of HESTA and an alternative director of Vision Super. Lisa resigned from the Board on 10 May 2024.



Peter Gebert

Member representative
RG 146

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



Vijaya (VJ) Vaidyanath

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

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



Stephen Brown

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

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



Diane Smith

Member representative
National Diploma in Business and Finance (UK)

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



Kerry Thompson

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

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



Natasha (Tash) Wark (Appointed 7 August 2024)

Member representative
Bachelor of Arts, Bachelor of Social Work

Tash was appointed to the Vision Super Board as a member representative on 7 August 2024, and was nominated by the ASU. After 10 years as a social worker, Tash joined the ASU branch in 2006. Starting in the contact centre, since then Tash has undertaken lead organiser roles focusing on campaigning across all ASU coverage, in the SACS and infrastructure team and local government industry team. Tash is the Branch Secretary of the ASU Victorian and Tasmanian Authorities & Services Branch.

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

Committees of the Board

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

As at 30 June 2024, the committees were:

Chair	Members	Description
Audit Committee		
Casey Nunn	Joanne Dawson, Diane Smith, Kerry Thompson, Stephen Brown	<p>The Audit Committee assists the Trustee in fulfilling their audit responsibilities and provides an open avenue of communication between auditors, management and Trustees.</p> <p>The Committee assists the Board by providing an objective non-executive review of the effectiveness of the financial reporting.</p> <p>The Committee met four times during the financial year.</p>
Benefits Committee		
Peter Gebert	Diane Smith, Graham Sherry, Vijaya (VJ) Vaidyanath	<p>The Benefits Committee assesses death and disability claims and makes recommendations to the Vision Super Board on policies affecting benefits.</p> <p>The Committee reviews and recommends appropriate policy settings, as well as monitoring the payment of discretionary benefits and any trends in these payments.</p> <p>The Committee met seven times during the financial year.</p>
Governance, Risk and Appointments Committee		
Kerry Thompson	Graham Sherry, Casey Nunn, Peter Gebert	<p>The Governance, Risk and Appointments Committee assists the Board by providing an objective non-executive review of the effectiveness of the governance and risk management frameworks.</p> <p>The Committee also makes recommendations to the Board on the appointment of Directors.</p> <p>The Committee met four times during the financial year.</p>
Investment Committee		
Joanne Dawson	Graham Sherry, Peter Gebert, Stephen Brown, Casey Nunn	<p>The Investment Committee analyses, reviews and makes decisions within its delegated powers and/or recommendations to the Board on investment strategy, performance and manager selection.</p> <p>The Committee provides a communication forum for investment related issues between directors, management, investment advisers, investment managers, and other related investment service providers.</p> <p>The Committee met five times during the financial year.</p>
Remuneration Committee		
Casey Nunn	Kerry Thompson, Graham Sherry, Vijaya (VJ) Vaidyanath	<p>The Remuneration Committee reviews and makes recommendations to the Board on the remuneration of directors and executives.</p> <p>The Committee monitors the Remuneration policy to ensure the Trustee complies with its regulatory and legislative obligations.</p> <p>The Committee met two times during the financial year.</p>

Board and Committee attendance

Vision Super Pty Ltd – Board meeting attendance 1 July 2017 to 30 June 2024

Director	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Total held	13	15	12	11	9	9	12
Graham Sherry	13	12	10	11	9	8	9
Joanne Dawson	12	15	11	10	9	9	12
Casey Nunn	13	15	10 ¹	11	8	8	10
Lisa Darmanin	12 ²	15	12	10	9	9	2 ³
Peter Gebert	13	15	12	11	9	8 ⁴	
Diane Smith	13	15	12	11	9	8 ⁵	
Kerry Thompson	12	13	11	10	4 ⁶		
Vijaya (VJ) Vaidyanath	11	15	6 ⁷				
Stephen Brown	13	10 ⁸					
Peter Wilson		3 ⁹	10	11	9	9	10
Geoff Lake			5 ¹⁰	11	9	9	11
Robert Spence					4 ¹¹	9	10
Wendy Phillips						1 ¹²	11
Brian Parkinson							6 ¹³
Richard Duffy							1 ¹⁴

¹ Only eligible to attend 10 meetings (leave of absence)

² Only eligible to attend 12 meetings

³ Only eligible to attend 2 meetings

⁴ Only eligible to attend 8 meetings

⁵ Only eligible to attend 8 meetings

⁶ Only eligible to attend 5 meetings

⁷ Only eligible to attend 6 meetings

⁸ Only eligible to attend 10 meetings

⁹ Only eligible to attend 4 meetings

¹⁰ Only eligible to attend 6 meetings

¹¹ Only eligible to attend 4 meetings

¹² Only eligible to attend 1 meeting

¹³ Only eligible to attend 7 meetings

¹⁴ Only eligible to attend 4 meetings

Vision Super Pty Ltd – Committee meeting attendance 1 July 2023 to 30 June 2024

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

* Not a committee member. Attended as an observer.

About our Board

as at 30 June 2024



Age

● 30-45 years	13%
● 45-60 years	37%
● > 60 years	50%



Training

● < 30 hours	50%
● 30-40 hours	37%
● 40-50 hours	0%
● > 50 hours	13%



Gender

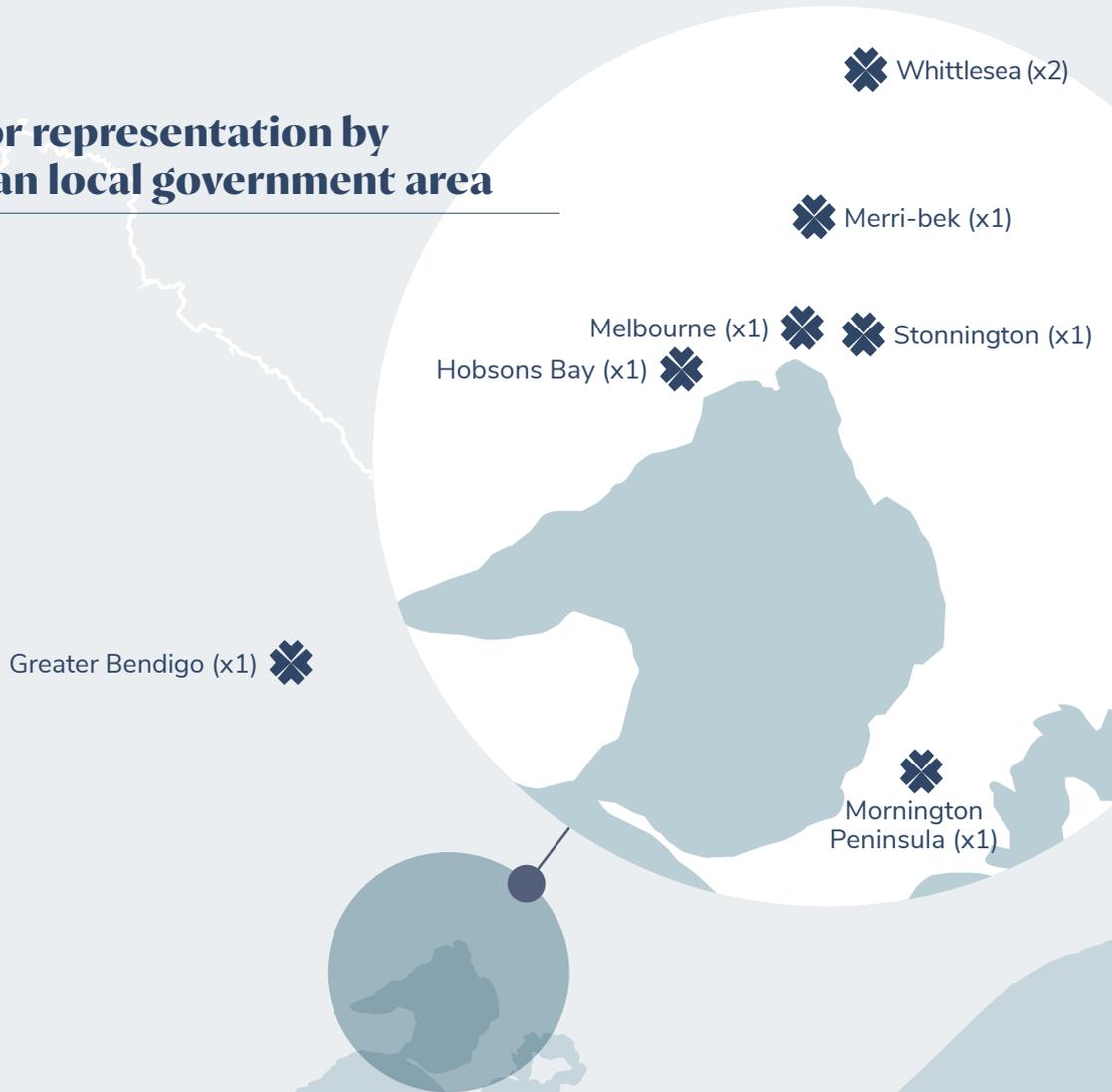
● Female	63%
● Male	37%



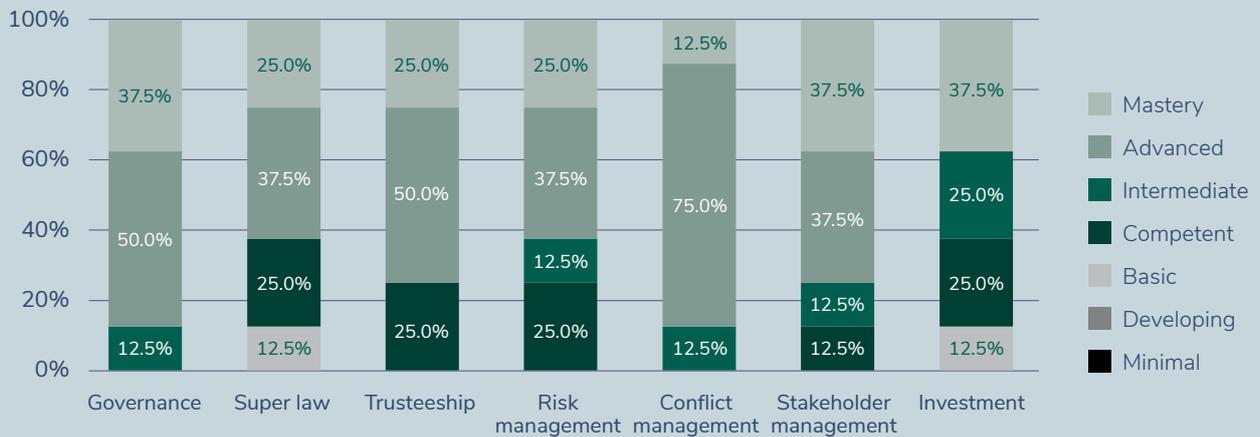
Tenure

● < 3 years	25%
● 4-6 years	37%
● 7-9 years	13%
● > 10 years	25%

Director representation by Victorian local government area



Director skills matrix



Executive profiles

as at 30 June 2024



Stephen Rowe
Chief Executive Officer

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

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



Michael Wyrsh
Chief Investment Officer
and Deputy CEO

BSc(Hons) (Mathematics)

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



Noelle Kelleher
Chief Financial Officer

B.Com, CAF, CPA, FASFA

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



Nikki Schimmel
Chief Risk Officer

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

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



Sean Ellis
General Manager Strategy
and Growth

MBA, RG 146

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



Steven Leach
General Manager Operations
and Transitions

ASFA 100, PS 146

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



Rebekka Power

Head of Communications

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

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



Emma Robertson

General Manager Data and Analytics

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

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



Mark Newman

Head of Fund Administration Business Operations

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

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



Nick Pratley

Head of Human Resources

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

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

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

Advisers and service providers

Our advisers and service providers are helping us achieve the best outcomes for our members

Fund administration	
Chief Executive Officer	Stephen Rowe
Company Secretary	Noelle Kelleher
External auditor	BDO Audit Pty Ltd
Internal auditor	Ernst & Young

Principal advisers	
Fund actuary	Willis Tower Watson
Investments	Frontier Advisors
Lawyers	Greenfields, King & Wood Mallesons, Ashurst
Tax	PwC Australia



Outsourced service providers of services affecting material business activities as at 30 June 2024

Name	Service provided
Amundi Singapore Limited	Investment manager
Baillie Gifford Overseas Limited	Investment manager
Brandywine Global Investment Management LLC	Investment manager
Citigroup Global Markets Australia Pty Ltd	Transition manager
Ernst & Young	Internal audit
First Sentier Investors RQI Pty Ltd (<i>formerly known as First Sentier Investors Realindex Pty Limited</i>)	Investment manager
Frontier Advisors Pty Ltd	Investment advisory services
Harris Associates LP	Investment manager
IFM Investors Pty Ltd	Investment manager
JPMorgan Chase Bank NA (Sydney branch)	Assets under administration services
JPMorgan Chase Bank NA (Sydney branch)	Master custodian
Magellan Asset Management Ltd	Investment manager
MLC Life Insurance	Insurer
Mesirow Financial Investment Management	Investment manager
Resolution Capital Limited	Investment manager
Sanders Capital LLC	Investment manager
Sands Capital Management LLC	Investment manager
State Street Global Advisors Australia Limited	Investment manager
UBS Securities Australia Ltd	Transition manager
Wavestone Capital Pty Ltd	Investment manager
Westpac Banking Corporation	Clearing house facility and Gateway service agreement

For a current list of outsourced service providers, please see our website at:
visionsuper.com.au/wp-content/uploads/Outsourced-service-providers.pdf

Financial management

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

Net benefit

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

Annual budget process

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

Annual financial reports

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

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

The reports also include a Trustee declaration and Auditor's report. The reports are prepared in accordance with Australian Accounting Standards, legislative requirements and the requirements of the Fund's trust deed. You can access the annual financial report at visionsuper.com.au/resources/forms-and-publications/#statements

Financial statement inputs

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

1 Existence and valuations of investments

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

2 Investment administration controls

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

3 Member administration controls

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

4 Tax review

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

5 External audit clearance

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

6 Internal audit

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

Reserves

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

Insurance reserves

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

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

Insurance premiums reserves

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

Financial year ended	\$M
30 June 2024	5.06
30 June 2023	0.05
30 June 2022	(0.62)

Internal insurance reserves

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

i) Vision Super account-based members

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

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

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

ii) LASF DB

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

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

Financial year ended	Account based ¹ \$M	LASF DB scheme \$M
30 June 2024	4.93	3.00
30 June 2023	5.70	5.00
30 June 2022	6.88	5.00

¹ For pre 1 July 2010 cover.

Insurance proceeds reserve

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

Financial year ended	\$M
30 June 2024	0.46
30 June 2023	1.63
30 June 2022	1.80

Administration fee reserve

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

Financial year ended	\$M
30 June 2024	13.81
30 June 2023	21.30
30 June 2022	24.73

Operational risk financial requirement reserves

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

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

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

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

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

Financial year ended	\$M
30 June 2024	35.93
30 June 2023	29.95
30 June 2022	29.95

Other reserves

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

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

Contribution tax reserve

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

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

Financial year ended	\$M
30 June 2024	3.03
30 June 2023	0.49
30 June 2022	1.01

General reserve

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

Financial year ended	\$M
30 June 2024	17.91
30 June 2023	17.91
30 June 2022	17.87



We're here to help.

Member hotline 1300 300 820

8:30am – 5:00pm Monday to Friday AEST

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