



Annual Report

UniSuper and Controlled Entities

**FOR THE YEAR ENDED
30 JUNE 2024**

Contents

Corporate Directory	4
Directors' Report	5
Auditor's Independence Declaration	28
Corporate Governance Statement	29
Financial Statements - UniSuper and Controlled Entities	30
Notes to the Financial Statements	37
Trustee's declaration	68
Independent Auditor's Report	69

Corporate Directory

CURRENT DIRECTORS

Gregory Mark Armour (Chair)
Nicole Gower (Deputy Chair)
Professor Peter Dawkins AO
Professor Lelia Green
Amy Griffiths
Emeritus Professor Sandra Harding AO
Michael McNally
Sarah Roberts
Nicolette Rubinsztein AM
Peter Warne
Stephen Weller

CHIEF EXECUTIVE OFFICER

Peter Chun

COMPANY SECRETARIES

Tom May
Cynthia Costante

EXECUTIVES

Chief Member and Advice Officer

Danielle Mair

Chief Financial Officer

Anastasia Crisafi

Chief Marketing and Growth Officer

Dani Murrrie

Chief Information Officer

Steven McGregor

Chief Investment Officer

John Pearce

Chief People Officer

Julie Watkins

Chief Risk Officer

Wade Martin

Chief of Staff (Office of the CEO)

Siva Sivakumaran

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 1
385 Bourke Street
Melbourne VIC 3000

ACTUARY

Travis Dickinson, FIAA
Willis Towers Watson Level 4
Level 32/385 Bourke Street
Melbourne VIC 3000

AUDITOR

PricewaterhouseCoopers (PwC)

2 Riverside Quay
Southbank VIC 3006

WEBSITE ADDRESS

www.unisuper.com.au

Directors' Report

The Directors present their report on the accounts of UniSuper and its controlled entities for the year ended 30 June 2024 and the auditor's report thereon.

Directors

The directors of the Company (the Directors) during or since the end of the financial year ended 30 June 2024 and up to the date of this report were:

- Gregory Mark Armour (Chair)
- Nicole Gower (Appointed Deputy Chair on 2 November 2023, Director from 30 October 2017)
- Professor Peter Dawkins, AO
- Professor Lelia Green
- Amy Griffiths
- Emeritus Professor Sandra Harding, AO
- Michael McNally (Appointed 1 November 2023)
- Sarah Roberts
- Nicolette Rubinsztein AM
- Peter Warne
- Stephen Weller (Appointed 1 November 2023)
- Grahame McCulloch (Ceased 1 November 2023)
- Stephen Somogyi (Ceased 1 November 2023)

Principal activities

During the financial year the principal continuing activities of the Fund consisted of providing superannuation, retirement benefits and financial planning services to its members.

Definitions

For the purposes of this Directors' Report and the Financial Report included in this Annual Report, the identity of the relevant entities is detailed below:











UniSuper is the superannuation fund and is referred to as "UniSuper" or "the Fund". The controlled entities are detailed in Note 19 to the Financial Statements.

UniSuper Limited is the corporate trustee of the Fund and is referred to as "UniSuper Limited", "USL", "the Trustee" or "Company".

UniSuper Management Pty Ltd is the administrator of the Fund and is referred to as "USM" or "the Administrator". USM is a controlled entity of UniSuper Limited. In addition, USM provides investment management services to UniSuper and financial planning services to UniSuper's members.

The directors of UniSuper Limited are referred to as the "**Board**".

2023-24 Fund highlights

 <p>Over \$3.5 billion rollovers in</p>	<p>Approx. \$139 billion in funds under management*</p> 	<p>Retirement Outlook 2023 7 6,000+ cities members</p> 	
 <p>More than 647,000 members*</p>	 <p>No. 1 fund for retirement confidence CoreData Best Possible Retirement Index^</p>		
 <p>Over 410k interactions with our contact centre</p>	<h3>Investment returns</h3>  <table border="0"> <tr> <td data-bbox="646 1444 821 1691"> <p>Balanced option 9.2% over one year and 7.9% p.a over 10 years#</p> </td> <td data-bbox="965 1444 1252 1691"> <p>Sustainable Balanced option 12.2% over one year and 7.9% p.a over 10 years#</p> </td> </tr> </table>	<p>Balanced option 9.2% over one year and 7.9% p.a over 10 years#</p>	<p>Sustainable Balanced option 12.2% over one year and 7.9% p.a over 10 years#</p>
<p>Balanced option 9.2% over one year and 7.9% p.a over 10 years#</p>		<p>Sustainable Balanced option 12.2% over one year and 7.9% p.a over 10 years#</p>	
 <p>8.9 million Online and mobile app logins</p>			
 <p>+91 NPS for advice service</p>	 <p>Money magazine's Best Pension Fund 2024</p>		

* As at 30 June 2024
Returns to 30 June 2024 for our accumulation products. Past performance is not an indicator of future performance. Sustainable and environmental investing means different things to different people. Different products have different investment criteria. Read our [sustainable and](#)

[environmental branded options page](#) and [How we invest your money booklet](#) to find out what sustainable and environmental investing means to us and what our investment options invest in. CoreData Research, Best Possible Retirement 2024, UniSuper Report, May 2024. UniSuper ranked number 1 among APRA-regulated entities who were included in the survey.

Review of operations

INVESTMENT PERFORMANCE

Equity markets ended the year strongly, recovering from the lows we saw in October 2023. The S&P 500 finished the year up 24.5% and the ASX 200 ended the year up 12.1%.

UniSuper's Balanced (default) option returned 9.2% for the year to 30 June 2024 (10.3% for zero-tax pension accounts).

The highest performing UniSuper investment option for the year was the International Shares option at 17.3%, followed by Global Companies in Asia at 16.5%.

The only UniSuper option with a negative return for the year was the Global Environmental Opportunities (GEO) investment option at -16.0%. GEO's returns were largely due to the performance of companies impacted by heightened competition in sectors such as electric vehicles and renewable energy. We believe the thematic underpinning this option are still strong, but the concentrated nature of the portfolio means that it is more exposed to volatility, and it is an option with a long-term investment horizon.

A highlight for the year were our two sustainable branded options Sustainable High Growth and Sustainable Balanced which returned 15.2% and 12.2% respectively.

Our defined benefit fund remains in a healthy surplus and our members' accrued benefits are currently well funded.

Past performance isn't an indicator of future performance.

RESPONSIBLE AND SUSTAINABLE INVESTING

UniSuper continues its commitment to responsible and sustainable practices through responsible investment and as a responsible corporate. This commitment manifests itself in two ways:

- incorporating environmental, social and governance (ESG) practices into our investment process ("Responsible Investment")
- ensuring that UniSuper adheres to sound principles in its own operations ("Corporate and Social Responsibility").

Sustainable and environmental investing means different things to different people. Different products have different investment criteria. See our website to find out what sustainable and environmental investing means to us and what our investment options invest in.

UniSuper's Corporate Social Responsibility ("CSR") commitments address sustainability issues from a responsible corporate perspective. Our CSR strategy is driven by the expectation that if investee companies must adhere to high ESG standards, it is critical that we, as a corporate, also operate to a similar high standard.

APRA PERFORMANCE TEST

For the third year in a row, UniSuper achieved the highest result of all public offer funds for the MySuper product, in the annual performance test conducted by the Australian Prudential Regulation Authority (APRA)¹ as at 30 June 2023.

In addition, seven of our diversified investment options were included in the performance test for the first time in 2023, and all seven options passed.

This is a great result, and further validates our position as a top performing fund.

Detailed results of the 30 June 2024 performance test across the industry will be published later this year, but we're pleased to confirm that all UniSuper options that were assessed have passed.

¹ For MySuper products which are open to the public. Past performance is not an indicator of future performance.

MEMBER OUTCOMES ASSESSMENT

Each year, super funds are required to assess the performance of their MySuper and Choice¹ products to determine if they promote the financial interests of their members. Performance is based on data from the APRA and other internal and external performance measures. All funds must complete and notify members of the Trustee's assessment.

UniSuper's performance was measured across investment performance, fees and costs, and other member benefits. The results from the latest assessment for 2022-23 confidently confirms that UniSuper members have benefited from both low fees and strong investment returns, outperforming peers across the fund's products on a range of metrics, as well as enjoying various benefits on offer.

The most recent Member Outcomes Assessment results are published on the [UniSuper website](#). Results for the 2023-24 assessment will be published in early 2025.

DEFINED BENEFIT DIVISION FUNDING UPDATE

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

Vested Benefits Index (VBI)

A VBI of greater than 100% means that the value of the assets supporting the DBD are more than sufficient to cover the vested benefit liabilities at that date. The VBI measures the capacity of the DBD to pay out all members' benefits from existing assets in the event they were all to leave the DBD at the same time.

As at 30 June 2024, the provisional VBI was 122.1% (compared to 119.9% as at 30 June 2023). As a result, the DBD assets were more than adequate to cover the vested benefit liabilities at 30 June 2024.

Accrued Benefits Index (ABI)

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

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

As at 30 June 2024, the provisional ABI was 135.6% (compared to 132.9% as at 30 June 2023). As a result, the DBD assets were more than adequate to meet future payments in respect of benefits accrued up to 30 June 2024.

These VBI and ABI figures as at 30 June 2024 are provisional results and are subject to final confirmation within the 30 June 2024 actuarial investigation report.

UNISUPER SYSTEMS OUTAGE

In May this year, UniSuper experienced a systems outage, originating from our third-party cloud provider, Google Cloud. This was an unprecedented technology event, and fortunately, our resilience planning ensured our members were protected.

Importantly, member accounts were safe, this was not the result of a malicious act or cyber-attack but a technology issue, and no UniSuper data was exposed to unauthorised parties.

Our investments team was not impacted and continued to operate throughout, managing the fund's investments for the benefit of members.

Good governance practices were put in place immediately as part of the Crisis Management Team response, and the UniSuper Board was notified early on day one. Throughout the incident, we focused on members' interests first, and on regularly communicating clearly and transparently with members, employers, stakeholders, governments, and regulators.

As our members would expect, we've been conducting a full review of our systems and suppliers, and we're looking to further strengthen our operations to ensure services operate as members expect and deserve.

UniSuper Board and Management are extremely grateful for the support of our members and employers and thank them for their patience and understanding during the outage period.

¹ Choice products are all other superannuation products in a fund that are not a MySuper product, nor defined benefit product.

DIRECTORS' REPORT**RISK MANAGEMENT AND GOVERNANCE**

Our Risk Management Framework outlines systems, structures, policies, processes, and people within UniSuper that identify, assess, and respond to risks across the broad spectrum of financial and non-financial risks. Meanwhile, our Compliance Management Framework describes how we keep abreast of and comply with the relevant laws, regulations, and prudential standards and other requirements.

Our Risk Management Framework adopts the three lines of accountability model that enables clear alignment of management accountabilities to risk and compliance management. In 2023-24, as part of our regular annual review of our Risk Management Framework, we updated our documentation to better reflect our current approach to risk management.

Managing regulatory change

Implementation of regulatory change over the past year included the changes to the taxation rates, caps (including the **concessional and non-concessional contribution cap** changes) and other key rates and thresholds. Various updates to prudential standards have also been implemented throughout the year to ensure ongoing compliance with all regulatory requirements.

We continue to respond to constantly changing regulatory requirements to ensure all regulatory changes are implemented on time and in a well-managed and governed manner.

The future regulatory change landscape remains fast paced with various government proposals and initiatives put forward for consideration by Parliament and the regulators. We remain well placed to adapt and implement all changes in a compliant matter.

Crisis management and business continuity

Over the past 12 months, we have made significant strides in enhancing our crisis management and business continuity program. Our program works collaboratively with other parts of the business to ensure that we can effectively manage disruptions to critical operations, applications or services provided by third-party suppliers.

This experience has deepened our commitment to enhancing operational resilience. The insights gained, coupled with guidance from CPS230, will shape our continued efforts to bolster our preparedness for future disruptions, ensuring UniSuper remains resilient and responsive in any crisis.

Financial crime

Super funds continue to be a target for financial crime; with a particular emphasis on account takeover/creation by fraudulent third parties. We have invested significantly from a financial, resource and process perspective to ensure we keep up to date with the latest trends and continue to keep UniSuper members' funds safe.

Information on Directors

CHANGES TO COMMITTEES OF THE BOARD

Effective 1 July 2024, the following changes took place in relation to the below committees of the Board:

- The Member Services Committee took on the functions of the former Insurance Committee of the Board.
- The Audit, Risk and Compliance Committee has been renamed to the Finance and Risk Committee.
- The People and Remuneration Committee has been renamed to the People, Remuneration and Nomination Committee of the Board.

GREGORY MARK ARMOUR BEC (HONS) - CHAIR

Appointed to the Board as an independent director on 1 July 2017 and elected Chair on 1 January 2023.

Experience and expertise

Mr Armour has considerable experience in global funds management and broader financial services, both globally and in Australia. Mr Armour has gained his experience in the UK, USA and Hong Kong as well as Australia. Some key executive roles included Head of Invesco's European and Middle Eastern business, their global Institutional business and CEO of Australia, as well as CEO of funds management at AXA Australia. Mr Armour has held numerous Board and Chair roles with Invesco, AXA, National Mutual and other groups, most recently Chair of Invesco UK and Director of the Investment Association (UK), the UK's peak investment industry body.

Current directorships

Lab 35 Pty Ltd (Chair) (Appointed 5 November 2020 and Chair from 10 November 2020)
Super Members Council of Australia Limited (Appointed 8 September 2023)
SMCA Operations Pty Ltd (Appointed 13 September 2023)

Other position held

Blue Sky IP Ltd (Adviser) (Appointed 24 November 2021)

Special responsibilities

Member, Investment Committee (Chair from 1 October 2017 to 3 February 2023)
Member, People and Remuneration Committee (Appointed 1 January 2023)

NICOLE GOWER, BA LLB (HONS), GAICD, AMP (HARVARD) - DEPUTY CHAIR

Elected by members of the Consultative Committee representing employers and appointed to the Board on 30 October 2017 and appointed Deputy Chair on 2 November 2023.

Experience and expertise

Currently Vice-President, Professional Services at Macquarie University having executive responsibility for people strategies and culture, information technology, marketing and communications, global and domestic student recruitment, and the provision of shared services. Previously worked as an employment law specialist in private practice and in HR leadership roles at the University of New South Wales (UNSW). Ms Gower is a member of the Macquarie University Executive Group and is an executive sponsor for several strategic initiatives under the University's Operating Plan. A past director of U@MQ Ltd having served on the Board for nine years. Ms Gower is also an accredited mediator and nationally accredited workplace trainer and assessor.

Current directorships

Nil

Special responsibilities

Chair, People and Remuneration Committee (Appointed 1 July 2022, Member from 1 January 2021 to 30 June 2022)

PROFESSOR PETER DAWKINS AO, BSC (HONS) (LOUGH), MSC (LON), PHD (LOUGH), FASSA, FIPAA, FACEL - DIRECTOR

Nominated by the Shareholder Universities and appointed to the Board on 4 November 2015.

Experience and expertise

Professor Dawkins was Vice-Chancellor and President of Victoria University from 2011 until he retired in December 2020. Professor Dawkins has also held senior roles in the Victorian Public Service, Deputy Secretary of the Victorian Department of Treasury and Finance (2005-2006) and Secretary of the Victorian Department of Education and Early Childhood Development (2006-2010). Professor Dawkins was Professor of Economics at Curtin University (1990-1995) and the Ronald Henderson Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne (1996-2005).

Between 2011 and 2015, Professor Dawkins was a Board Member of the Victorian Education and Research Network (VERNet), an Executive Committee Member of the Australian Higher Education Industrial Association (AHEIA), and the Board of the Business-Higher Education Roundtable (B-HERT), positions he ceased to hold in November 2015 when he joined the UniSuper Board. Until December 2022, Professor Dawkins was also a member of the Western Metropolitan Partnership, an advisory group established by the Victorian Government.

DIRECTORS' REPORT

In 2021, Professor Dawkins was appointed Emeritus Professor of Economics at the Mitchell Institute for Education and Health Policy, Victoria University. At the request of the Federal Minister for Education during 2021 Professor Dawkins co-led a review of university-industry collaboration in teaching and learning. In December 2022, Professor Dawkins took on the role of Interim Director, Jobs and Skills Australia, leading its establishment phase.

Current directorships

Western Bulldogs Forever Foundation
West of Melbourne Economic Development Alliance (WoMEDA) (Chair)

Other positions held

Interim Director, Jobs and Skills Australia (Appointed December 2022 to 19 August 2023)
Acting Commissioner, Jobs and Skills Australia (Appointed 20 August 2023 to 6 October 2023)
Member, Council of the University of Tasmania (on leave of absence from 1 December 2022 to 30 September 2023)
Member, Australian Public Service Commission's Learning Board (Appointed December 2023)
Special Advisor, Jobs and Skills Australia (Appointed 4 December 2023 to 16 May 2024)

Special responsibilities

Member, Investment Committee (Appointed 24 February 2016)

PROFESSOR LELIA GREEN, BA (HONS), MA, MA (COMMUNICATIONS), PHD, M.ED, MA (CREATIVE WRITING), GAIST - DIRECTOR

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

Experience and expertise

Professor of Communications at Edith Cowan University, in the School of Arts and Humanities.

Prior to joining Edith Cowan University, Professor Green worked as a researcher, director and producer with British Broadcasting Corporation (BBC) Television in London, UK. As an academic researcher, Professor Green focuses on communications, media, cultural studies, and the construction of communities including communities that are marginalised, disadvantaged or challenged by social factors.

Professor Green has been a Chief Investigator on six Australian Research Council (ARC) Discovery grants, seven Linkage projects, and two Edith Cowan University (ECU) nodes in ARC Centres of Excellence. Her involvement in promoting and mentoring research at ECU has supported high-quality grant successes.

At ECU, Professor Green served on the Academic Board, the Vice-Chancellor's University Promotions Advisory Committee, and the University Research and Higher Degrees Executive and Committee. In recognition of her work in research supervision and active mentoring of her 27 graduated PhD students, including the Hon Dr Anne Aly MP, Professor Green was awarded a national Office of Learning and Teaching Citation for Outstanding Contribution to Student Learning - for leadership, commitment and success in learning and teaching through PhD supervision.

Among Professor Green's long-term international collaborations, her work on the United Nations biennial review of Asia Pacific from 2003 to 2010 is particularly noteworthy. That supported, in part, her participation in United Nations Educational, Scientific and Cultural Organisation's (UNESCO's) Regional Consultation on 'Policies and initiatives to promote children's safe, effective and responsible use of ICT' [Information and Communication Technologies] (Bangkok, 2015), and her 2019 consultancy contribution to the UNESCO-supported report Digital Kids Asia Pacific: Regional findings and policy recommendations.

Professor Green was a member of the Consultative Committee from 2000 until September 2020 choosing not to recontest the election and bringing her 20-year tenure on the Consultative Committee to a close. In 2016, Professor Green graduated from the Australian Institute of Superannuation Trustees, having completed the Trustee Director Course.

Current directorships

Nil

Special responsibilities

Member, Insurance Committee (Appointed 16 February 2017)

AMY GRIFFITHS, BA, AAICD - DIRECTOR

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

Experience and expertise

Currently Ms Griffiths is a School Manager in the Faculty of Arts and Social Sciences (FASS) at the University of Sydney.

Prior to joining FASS, Ms Griffiths was Interim Operations Manager for the NSW Space Research Network, and a Project Officer to the Sydney Partnership for Health, Education, Research and Entrepreneurship (SPHERE) – supporting academics at the University of New South Wales (UNSW), Western Sydney University (WSU), and the University of Technology Sydney (UTS). Ms Griffiths brings more than 20 years' experience from across the university sector, having successfully held university positions at school, faculty and central levels. Her experience and expertise encompass higher education management, governance, curriculum, marketing, and policy.

Ms Griffiths was a member of the Consultative Committee from 2016 until the conclusion of her term in April 2020 and was re-appointed to the Board in November 2022.

Current directorships

Nil

Special responsibilities

Member, Technology and Projects Committee (Appointed 1 December 2020)

EMERITUS PROFESSOR SANDRA HARDING AO, BSC (HONS) ANU, MPUBADMIN UQ, PHD NCSU, HON DOC JIU, DUNIV QUT, FQA, FAICD, GAIST - DIRECTOR

Nominated by the Shareholder Universities and appointed to the Board on 25 October 2021.

Experience and expertise

Professor Harding was the Vice Chancellor and President of James Cook University Australia, a position held from January 2007 until her retirement in February 2022. As Vice Chancellor, Professor Harding was responsible for the leadership and management of the University across campuses in Cairns, Singapore and Townsville. Professor Harding held recent past directorships with Advance Cairns Limited, Foundation for Australian Literary Studies Limited, Townsville Enterprise Limited, Australian Institute of Marine Science Education Australia Limited, and North Queensland Cowboys Rugby League Football Limited.

Educated at the Australian National University, The University of Queensland and North Carolina State University (USA), Professor Harding has extensive academic and academic leadership experience. An economic sociologist by training areas of enduring academic interest includes work, organisation and markets and how they operate. She also has a keen interest in public policy in the areas of, education policy and the global tropics, northern Australia and economic development. Professor Harding has also held a wide variety of senior university-aligned roles and was a member and director of a variety of local, national and international Boards and Councils. Professor Harding was appointed a Life Governor on the Foundation for Australian Literary Studies Limited. In 2021, the Australian Bureau of Statistics (ABS) established a Statistical Independent Assurance Panel (SIAP) to provide an independent view on the quality of statistical information arising from the 2021 Census of Population and Housing, Professor Harding chaired this panel in 2021 and previously in 2016 as its inaugural Chair.

Current directorships

Cowboys Community Foundation

Regional Australia Institute (Appointed July 2023)

University of Notre Dame Australia (Appointed 19 April 2024)

North Queensland Airport Group (Chair) (Appointed 28 July 2023), comprising:

- North Queensland Airports No. 2 (Mackay) Pty Ltd (Appointed 28 July 2023)
- Cairns Airport Holding Company Pty Ltd (Appointed 28 July 2023)
- Cairns Airport Pty Ltd (Appointed 28 July 2023)
- Mackay Airports Holding Company Pty Ltd (Appointed 28 July 2023)
- Mackay Airport Pty Ltd (Appointed 28 July 2023)
- NQ Airports Finance Pty Ltd (Appointed 28 July 2023)
- MAPL Hotel Holdings Pty Ltd (Appointed 28 July 2023)
- MAPL Hotel Pty Ltd (Appointed 28 July 2023)

Other positions held

Member, Queensland Community Foundation Board of Governors

Member, University of Notre Dame Australia, Remuneration and People and Culture Committee (Appointed 25 March 2024)

Chair, Western Australia University Sector Review Panel (March - September 2023)

Patron, Institute for Strategic Leadership (Australia) (April 2023)

Special responsibilities

Member, Insurance Committee (Appointed 1 January 2022)

Member, Technology and Projects Committee (Appointed 1 January 2023)

DIRECTORS' REPORT**MICHAEL McNALLY, BA (HONS) - DIRECTOR**

Nominated by the national union representing employees in the university sector and appointed to the Board on 1 November 2023.

Experience and expertise

Currently, Division Secretary, National Tertiary Education Union (NTEU), Queensland Division. Mr McNally has had a wide and varied career working for Department of Foreign Affairs and Trade (DFAT) at the World Expo in Seville in 1992, as a Teaching English to Speakers of Other Languages (TESOL) Teacher in England, Poland and Australia and for an airline. Prior to working for the NTEU, he was a casual lecturer and tutor in the School of Political Science and International Studies at the University of Queensland, teaching about politics and industrial relations.

Mr McNally has over 19 years' experience working at the NTEU in various roles, having first begun as an Organiser and then as an Industrial Officer. Elected to his current role as the Division Secretary in 2014, Mr McNally sits on the NTEU National Executive which is responsible for governance and administration of the Union nationally. He also manages the staff of the Queensland office and works with the elected union leaders in the seven main public universities in Queensland. Mr McNally graduated with first class honours from the University of Queensland.

Current directorships

Nil

Special responsibilities

Member, Member Services Committee (Appointed 1 July 2024)

SARAH ROBERTS, BA LLB (HONS), MASTER OF PUBLIC POLICY, GRAD DIP - LABOUR RELATIONS LAW, GAIST, GAICD - DIRECTOR

Nominated by the national unions and appointed to the Board on 18 May 2020.

Experience and expertise

Currently, Secretary of the Victorian Division of the National Tertiary Education Union (NTEU). Ms Roberts sits on the NTEU National Executive and has previously held employment law leadership and advocacy positions at the NTEU and RMIT University. Former roles include Presidency of the University of Melbourne Postgraduate Association and member of the University of Melbourne Council (1999).

Ms Roberts has over 20 years' experience in strategy, governance, higher education policy and industrial relations, regularly contributes to Australian and international IR publications and is a graduate of the Australian Institute of Company Directors and Australian Institute of Superannuation Trustees.

Current directorships

Federation of Education Unions

Special responsibilities

Chair, Technology and Projects Committee (Appointed 1 January 2023, Member from 1 January 2022 to 31 December 2022)

Member, People and Remuneration Committee (Appointed 2 November 2023)

NICOLETTE RUBINSZTEIN AM, B BUS SC (HONS), EMBA (AGSM), FAICD, FIAA - DIRECTOR

Appointed to the Board as an independent director on 1 December 2015.

Experience and expertise

Ms Rubinsztein, a highly respected leader and author in the fields of retirement and gender diversity, currently holds non-executive directorships in the finance industry and Greenpeace, and a pro bono role on the Conexus Institute Advisory Board. Formerly a senior executive in the wealth management industry, having held three general manager roles at Commonwealth Bank of Australia/Colonial First State over a period of 14 years as well as senior roles at BT as the Vice President and Head of Product Management and a consulting actuary role at Towers Perrin. President of the Actuaries Institute in 2019 and previously on the board of the Association of Superannuation Funds of Australia (ASFA) from 2007 to 2015 and chair of its Super System Design Council. Ms Rubinsztein was recognised for her work in superannuation policy and was awarded ASFA Lifetime Membership, ASFA Distinguished Service Award and the inaugural Financial Services Council Industry Excellence Award. Ms Rubinsztein is also a UNSW Alumni Leader, a member of Macquarie University's Faculty of Business and Economics Industry Advisory Board, a member of AICD APRA Regulated Entities Forum and author of the book "Not Guilty".

Current directorships

CBHS Health Fund (Deputy Chair) (Appointed 22 March 2018)

Zurich Group, (Director) comprising:

- OnePath General Insurance Pty Ltd (Merged with Zurich Australia Limited on 31 December 2023) (Appointed 1 April 2017)
- Zurich Australia Limited (Appointed 31 May 2019)
- Zurich Financial Services Australia Limited (Appointed 1 January 2020)
- Zurich Investment Management Limited (Appointed 1 January 2020)
- Zurich Australian Insurance Limited (Appointed 1 January 2023)
- Greenpeace Australia Pacific Limited (Appointed 29 August 2020)

Special responsibilities

Member, Audit, Risk and Compliance Committee (Appointed Member 24 February 2016, Chair from 2 November 2023 to 20 May 2024)

Chair, Insurance Committee (Appointed Member 24 February 2016 and Chair from 1 November 2017)

PETER WARNE, BA (ACTUARIAL STUDIES), FAICD - DIRECTOR

Appointed to the Board as an independent director on 1 January 2023.

Experience and expertise

Mr Warne trained as an actuary and has had a distinguished career in financial services spanning over 40 years. He recently retired as Chair of Macquarie Group after 6 years in the role and 15 years as a director. Over the course of his career, he has served on the board of a number of ASX-listed and private companies and Government bodies, including ASX Limited and TCorp; prior to which he had a long and highly successful executive career at Bankers Trust Australia Limited, where he headed the Global Financial Markets Group.

Current directorships

Chair, IPH Limited

Member, Argo Investments Limited

Member, Allens

Other positions held

Consultant to the Board of Virgin Australia Airlines Pty Limited (1 January 2023)

Member, Australian Institute of Company Directors Corporate Governance Committee

Chair, St Andrew's Cathedral School Foundation

Member, NSW Net Zero Emissions and Clean Economy Board (Ceased May 2024)

Special responsibilities

Chair, Investment Committee (Appointed 3 February 2023, Member from 1 January 2023)

Member, Audit, Risk and Compliance Committee (Appointed 2 November 2023)

DR STEPHEN WELLER, PHD, MBA, MCOMM, BA, GAICD, GAIST - DIRECTOR

Elected by members of the Consultative Committee representing employers and appointed to the Board on 1 November 2023.

Experience and expertise

With more than 35 years' experience in the tertiary education sector from across six major Australian universities, Dr Weller's portfolio was broad spanning from business operations, student services, finance and procurement, governance, information technology, marketing and external relations, people and capability and service and delivery improvement.

Past director roles held by Dr Weller include positions at LH Martin Institute for Higher Education Leadership & Management, the Association of Tertiary Education Management and Queensland Tertiary Admissions Centre. Dr Weller's passion for the tertiary sector is demonstrated by his 35 year career of strategic leadership at six major universities. In his last role, Dr Weller was the Chief Operating Officer and Deputy Vice Chancellor at the Australian Catholic University responsible for strategic and operational leadership.

Dr Weller has been on UniSuper's Consultative Committee for under 14 years.

He is a fellow of the Association of Tertiary Education Management and is a graduate of the Australian Institute of Company Directors.

Current directorships

Chair and Director, Higher Education Services Board

Other positions

Member, Teachers Mutual Bank Limited Advisory Committee (January to December 2024)

Member, International Roundtable, Heads of University Management & Administration Network of Europe (HUMANE) (2019 - April 2024)

Corporation Secretary, Australian Catholic University Limited (Ceased 31 December 2023)

Special responsibilities

Chair, Audit Risk and Compliance Committee (Appointed 1 May 2023, Member from 1 November 2023)

DIRECTORS' REPORT**GRAHAME MCCULLOCH - DEPUTY CHAIR - CEASED 1 NOVEMBER 2023**

Nominated by the national unions and appointed by the Board on 14 February 2013, and appointed Deputy Chair on 1 July 2022. Grahame McCulloch resigned from the Board effective 1 November 2023.

Experience and expertise

General Secretary of National Tertiary Education Union (1993 -2018), General Secretary of Union of Australian College Academics (1984 - 1993). Australian Council of Trade Unions (ACTU) Executive (1996 - 2018), Education International (EI) Executive Board (2004 - 2015), Commonwealth National Council on Export of Education and Training Services (1989 - 1993), Commonwealth Trade Development Council (1988 - 1992), Director of Federation of Education Unions (FEU) Ltd (1992 -2018) and independent Director of the Superannuation Scheme for Australian Universities (1987 - 1991).

Current directorships

Nil

Special responsibilities

Member, People and Remuneration Committee (Appointed 1 July 2017 until his resignation effective 1 November 2023, Chair from 26 October 2021 to 30 June 2022)

Member, Audit, Risk and Compliance Committee (Appointed 21 February 2019 until his resignation effective 1 November 2023)

STEPHEN SOMOGYI, MSC (MELBOURNE) SM (MIT), FAICD, FIAA, F FIN - DIRECTOR - CEASED 1 NOVEMBER 2023

Elected by members of the Consultative Committee representing employers and appointed to the Board on 27 October 2014. Stephen Somogyi resigned from the Board effective 1 November 2023.

Experience and expertise

Mr Somogyi was the Chief Operating Officer at RMIT from July 2006 to July 2016. Mr Somogyi is currently a Commissioner of the Tertiary Education Quality and Standards Agency and was made an Honorary Fellow at Monash University from 1 January 2022.

Mr Somogyi's past roles include Director of the ANZ Wealth companies, Chair of Guild Group companies, Director of Spatial Vision Innovations Pty Ltd, Financial Adviser Standards and Ethics Authority (FASEA), Director of ZeeFi Pty Ltd, Executive Member of the Australian Prudential Regulation Authority (APRA), Chief Executive Officer of CPI Group Ltd, Strategic Advisor at Energy Trade, and member of the Expert Assessment Panel of the Australian Universities Job Protection Framework. Mr Somogyi also held various executive roles at National Mutual, including Chief

Manager for New Zealand, Associate Director - Operations and Chief Finance Executive. He was Strategic Adviser to Built Environment Optimisation.

Mr Somogyi is a Fellow of the Institute of Actuaries of Australia, of the Australian Institute of Company Directors and of the Financial Services Institute of Australia.

Current directorships

Chair, CourseLoop Pty Ltd (Appointed 25 October 2018)
N0de Pty Ltd (Appointed August 2022)

Other positions held

Commissioner, Safety, Rehabilitation and Compensation Commission (Appointed May 1999)

Commissioner of the Tertiary Education Quality and Standards Agency (Appointed 1 November 2021)

Special responsibilities

Chair, Audit, Risk and Compliance Committee (Appointed Member from 27 October 2014 and Chair from 1 January 2015 until his resignation effective 1 November 2023)

Company Secretaries

The Company Secretaries are Tom May and Cynthia Costante.

Mr May was appointed Company Secretary on 21 June 2023.

Tom May (BA, LLB, MBA, TFASFA, MAICD, FGIA) is Company Secretary and oversees the company's corporate secretarial and corporate governance functions. He has over 30 years of legal and governance experience in Australia, the UK and Japan.

Ms Costante was appointed Company Secretary on 6 September 2021.

Cynthia Costante (MAICD, FGIA FCG) is a holder of the Graduate Diploma of Applied Corporate Governance, a Chartered Governance Professional, and a Fellow member of the Governance Institute of Australia and The Chartered Governance Institute with extensive experience in the governance, risk and compliance of the superannuation and financial services industry.

Meetings of directors

The number of meetings of the Board of directors and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	MEETINGS OF COMMITTEES											
	Full meetings of directors		Investment		Audit, Risk & Compliance ¹		People & Remuneration ²		Insurance ³		Technology & Projects	
	A	B	A	B	A	B	A	B	A	B	A	B
Gregory Mark Armour	14	13	6	6			5	5				
Nicole Gower	14	10					5	5				
Peter Dawkins AO	14	14	6	6								
Lelia Green	14	14							7	7		
Amy Griffiths	14	14									6	6
Emeritus Professor Sandra Harding AO	14	14							7	6	6	6
Michael McNally	10	10										
Sarah Roberts	14	14					4	4			6	6
Nicolette Rubinsztein	14	14			6	6			7	7		
Peter Warne	14	14	6	6	4	4						
Stephen Weller	10	10			4	4						
Grahame McCulloch	4	4			2	2	1	1				
Stephen Somogyi	4	4			2	2						

¹ The Audit, Risk and Compliance Committee has been renamed to the Finance and Risk Committee, effective from 1 July 2024.

² The People and Remuneration Committee has been renamed to the People, Remuneration and Nomination Committee, effective from 1 July 2024.

³ The Member Services Committee has taken on the functions of the former Insurance Committee, effective from 1 July 2024.

A = Total number of scheduled meetings held during the time the director held office or was a member of the Committee during the year.

B = Number of meetings attended.

Insurance of directors and officers

During the financial year, UniSuper Limited maintained insurance policies to insure itself, the directors and officers of UniSuper Limited, the Fund and entities wholly owned by UniSuper Limited within the Fund (together the "Insured Entities"). The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as directors and officers of the Insured Entities, and any other payments arising from liabilities incurred by the directors and officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors and officers or the improper use of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Insured Entities.

The cash from the Trustee Fee Reserve in SCS Super Pty Ltd, the Trustee of Australian Catholic Superannuation (ACS), was transferred to USL during 2023 financial year. However, SCS Super Pty Ltd has in place trustee professional indemnity run-off insurance that is in effect from 1 April 2023 until 31 March 2030.

Significant changes in the state of affairs

No significant changes in the Fund's state of affairs occurred during the financial year.

Future developments

There are no likely developments to report except as may be stated elsewhere in this report or in the financial statements.

Environmental regulations

The operations of UniSuper and its controlled entities are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory laws.

Audit and non-audit services

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers (PwC) as the Auditor of the Fund.

	2024	2023
	\$'000	\$'000
PricewaterhouseCoopers - Audit and assurance services		
Audit of financial statements	533	426
Other assurance services, including audit of regulatory returns	165	180
Total remuneration for assurance services¹	698	606
PricewaterhouseCoopers - Non-audit services		
Investment tax services	10	-
Review of business case (ACS SFT)	-	67
Cyber risk awareness training	-	33
Other tax compliance services	-	14
Total remuneration for non-audit services²	10	114

¹ Balances include audit and assurance fees for the Fund and investment subsidiaries. As the Fund cannot recover 100% of the GST credits, the amounts disclosed are inclusive of GST.

² As the Fund cannot recover 100% of the GST credits, the amounts disclosed are inclusive of GST.

There is currently segregation between external audit, internal audit and the taxation advice service providers. IT system services have traditionally been provided from non-audit providers although the internal auditor undertakes reviews of systems as part of the ongoing internal audit program.

The directors of the Trustee, in accordance with advice provided by the Audit, Risk and Compliance Committee (ARCC), are satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by PwC did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services over \$50,000 have been reviewed by the ARCC to ensure they do not impact the impartiality and objectivity of PwC, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Rounding of amounts

Amounts in the directors' report have been rounded to the nearest million dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 28.

Remuneration Report

OVERVIEW

The Directors of UniSuper Limited the Trustee (USL) and UniSuper Management Pty Ltd (USM) present the Remuneration Report for the Fund for the year ended 30 June 2024.

Providing fair, equitable and competitive remuneration for Employees, Executives and Directors is central to supporting our purpose. The Remuneration Report details the remuneration arrangements for the Key Management Personnel (KMP) of the Fund which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund.

This includes:

- Directors of UniSuper Limited, the Trustee for the Fund
- Consultants with voting rights, who meet the definition of KMP
- Executives of UniSuper Management who meet the definition of KMP (collectively the Executive KMP)

The table below lists the KMP and their movements during the year ended 30 June 2024.

NAME	POSITION	TERM AS KMP
<i>Directors of UniSuper Limited (the Trustee)</i>		
Gregory Mark Armour	Chair	Full financial year
Nicole Gower	Employer Nominated Director	Full financial year
	Deputy Chair	Appointed 02/11/2023
Professor Peter Dawkins	Employer Nominated Director	Full financial year
Professor Lelia Green	Member Nominated Director	Full financial year
Amy Griffiths	Member Nominated Director	Full financial year
Emeritus Professor Sandra Harding	Employer Nominated Director	Full financial year
Michael McNally	National Union Nominated Director	Appointed 01/11/2023
Sarah Roberts	National Union Nominated Director	Full financial year
Nicolette Rubinsztein	Independent Director	Full financial year
Peter Warne	Independent Director	Full financial year
Dr Stephen Weller	Employer Nominated Director	Appointed 01/11/2023
Ian Martin	Independent Director & Chair	Ceased 31/12/2022
Grahame McCulloch	National Union Nominated Director	Ceased 01/11/2023
	Deputy Chair	
Stephen Somogyi	Employer Nominated Director	Ceased 01/11/2023
<i>Consultants with voting rights and qualify as KMP</i>		
Christopher Cuffe	Investment Committee member	Full financial year
Anthony Fitzgerald	Investment Committee member	Full financial year
Felicity Gates	Investment Committee member	Full financial year
Dr Susan Gould	Insurance Committee member	Ceased 08/12/2023
Jennifer Lang	Insurance Committee member	Full financial year

NAME	POSITION	TERM AS KMP
<i>Executive KMP</i>		
Peter Chun	Chief Executive Officer	Full financial year
Anastasia Crisafi	Chief Financial Officer	Full financial year
Danielle Mair	Chief Member & Advice Officer	Full financial year
Wade Martin	Chief Risk Officer	Appointed 21/02/2024
Steven McGregor	Chief Delivery & Information Officer	Full financial year
Danielle Murrie	Chief Marketing & Growth Officer	Full financial year
John Pearce	Chief Investment Officer	Full financial year
Andrew Raftis	Chief Risk Officer	Ceased 26/01/2024
Siva Sivakumaran	Chief of Staff	Appointed 21/02/2024
	Strategic Advisor to the CEO	Ceased 20/02/2024
	Interim Chief Risk Officer	01/12/2023 to 20/02/2024
Julie Watkins	Chief People Officer	Full financial year

The remuneration report is set out under the following main headings:

1. Governance and oversight of remuneration practices
2. Directors' and consultants' remuneration
3. Executive remuneration

1. GOVERNANCE AND OVERSIGHT OF REMUNERATION PRACTICES

The Boards of USL and USM have established Remuneration Committees ('the People, Remuneration and Nomination Committee') which assist the Board to discharge their corporate governance responsibilities. The Committee recommends and the USM Board approves the remuneration policy and structure for employees at least annually to ensure it remains aligned.

The People, Remuneration and Nomination Committee maintains oversight of and seeks to ensure that there are robust and coherent remuneration policies and practices in place. At all times, UniSuper seeks to fairly and responsibly attract, retain, motivate and reward high calibre employees who display and model UniSuper's values and culture.

The People, Remuneration & Nomination Committee is responsible for making recommendations to the Board regarding matters such as:

- UniSuper's Total Rewards program including formulation of the USM Remuneration Policy
- The fees to be paid to Directors and non-Director committee members by USL
- Remuneration of the USM Chief Executive Officer (CEO) and Executive KMP.

From time to time the People, Remuneration & Nomination Committee of UniSuper engages remuneration consultants to provide specialist independent advice to ensure that:

- UniSuper's remuneration is in line with industry standards
- UniSuper continues to attract and retain high quality employees to serve its members.

2. DIRECTORS' AND CONSULTANTS' REMUNERATION

In setting the Directors' remuneration, the USL Board (with guidance from the People, Remuneration & Nomination Committee) seeks the advice of independent remuneration consultants to ensure the Directors' fees are appropriate and in line with the broader financial services market.

A full external review is conducted every three years. In the interim, adjustments may be made where appropriate (and within already approved limits), and having considered remuneration benchmarking and other relevant data. The key objective is to ensure that Directors are remunerated fairly, having regard to their skills, experience and responsibility.

The Directors' fees are determined within an aggregate Director fee pool limit which was approved by shareholders at the Annual General Meeting (AGM) on 1 November 2023. The fee pool is \$1,909,500 for the 2024 financial year. A decision was made to increase Directors' fees by 3.75%. This was applied to the overall Director fee pool and to Consultants on Board Committees. A further uplift was applied to members of the People, Remuneration & Nomination Committee to align fees with other Committee remuneration levels, given the increase of scope in light of increasing legislation and enhanced oversight.

The Boards of USL and USM have both independently appointed Directors and representative Directors. Accordingly, the remuneration of Directors differs between these two categories, as follows:

- Independently appointed Directors - the fees are based on comparable positions in other superannuation funds and the financial services sector more broadly; and
- Representative Directors - the fees are compared to representative Directors of other profit-for-members superannuation funds.

The fees payable for individual Directors may be delivered as a combination of cash and superannuation as determined by the terms on which the Director is engaged (subject to minimum superannuation guarantee requirements).

Directors' remuneration fees payable for the 2024 and 2023 financial years:

	2024 \$	2023 \$
Board		
Chair	275,091	263,953
Deputy Chair	14,441	13,856
Other independently appointed Directors	137,545	131,976
Representative Directors	68,773	65,988
Committee chairs		
Investment	47,422	45,501
Audit Risk & Compliance, Insurance, Technology & Projects	35,569	34,129
People, Remuneration & Nomination	35,569	21,155
Committee members		
Investment, Audit Risk & Compliance, Insurance, Technology & Projects	22,528	21,616
People, Remuneration & Nomination	22,528	13,423

The Board Chair fee is all inclusive. Fees for other Directors are the sum of the Board fee plus additional fees aligned to the roles played in the individual Board Committees. The fee for the Deputy Chair is the sum of the Board fee plus additional fees aligned to the role as Deputy Chair and roles played in the individual Board Committees.

Directors do not receive performance related incentives, long service leave, retirement or termination benefits. If applicable, Superannuation is paid to the Director at the Superannuation Guarantee rate, in line with their individual employment arrangements.

Directors are appointed or elected for a term of three years but are eligible for further terms subject to being reappointed or re-elected.

Aggregate Directors' remuneration information for the 2024 and 2023 financial years:

DIRECTORS ROLE & APPOINTMENT DETAILS	YEAR	SHORT TERM	POST	TOTAL
		CASH SALARY	EMPLOYMENT SUPER	
		\$	\$	\$
Gregory Mark Armour Chair	2024	250,816	27,590	278,405
	2023	215,420 ¹	22,595 ¹	238,015
Nicole Gower Employer Nominated Director & Deputy Chair ²	2024	113,915	-	113,915
	2023	83,038	3,450	86,488
Professor Peter Dawkins Employer Nominated Director	2024	82,253	6,868	89,121
	2023	78,171 ¹	9,070 ¹	87,241
Professor Lelia Green Member Nominated Director	2024	82,253	9,048	91,301
	2023	79,280	8,324	87,604
Amy Griffiths Member Nominated Director	2024	82,253	9,048	91,301
	2023	79,280	8,324	87,604
Emeritus Professor Sandra Harding Employer Nominated Director	2024	102,549	10,374	112,923
	2023	86,208 ¹	10,002 ¹	96,210
Michael McNally National Union Nominated Director (from 01/11/2023) ³	2024	45,849	-	45,849
Sarah Roberts National Union Nominated Director ³	2024	119,275	-	119,275
	2023	92,549	-	92,549
Nicolette Rubinsztein Independent Director	2024	182,084	20,029	202,113
	2023	169,884	17,838	187,722
Peter Warne Independent Director	2024	180,090	19,810	199,900
	2023	78,138	8,204	86,342
Dr Stephen Weller Employer Nominated Director (from 01/11/2023) ⁴	2024	60,718	2,237	62,955
Ian Martin Independent Director & Chair (to 31/12/2022)	2023	119,436	12,541	131,977
Grahame McCulloch National Union Nominated Director & Deputy (to 01/11/2023)	2024	38,957	4,285	43,242
	2023	103,968	10,875	114,843
Stephen Somogyi Employer Nominated Director (to 01/11/2023)	2024	31,690	3,486	35,176
	2023	90,604	9,513	100,117
TOTAL	2024	1,372,702	112,775	1,485,476
	2023	1,275,976	120,736	1,396,712

¹ Comparatives have been restated due to prior period adjustment.

² Fees paid direct to Macquarie University from Apr to Jun 24.

³ Fees are paid directly to NTEU.

⁴ Fees paid to ACU from Nov 23 to 9 Apr 24, thereafter fees paid directly to Dr S Weller.

Consultants who have voting rights and qualify as KMP per the definition in AASB 124:

CONSULTANTS ROLE & APPOINTMENT DETAILS	YEAR	SHORT TERM	POST	TOTAL
		CASH SALARY	EMPLOYMENT	
		\$	\$	\$
Christopher Cuffe Investment Committee member	2024	56,877	6,256	63,133
	2023	55,068	5,782	60,850
Anthony Fitzgerald Investment Committee member	2024	56,877	6,256	63,133
	2023	55,068	5,782	60,850
Felicity Gates Investment Committee member	2024	56,877	6,256	63,133
	2023	55,068	5,782	60,850
Dr Susan Gould Insurance Committee member	2024	13,779	1,516	15,295
	2023	30,288	3,180	33,468
Jennifer Lang Insurance Committee member ¹	2024	31,125	-	31,125
	2023	30,000	-	30,000
TOTAL	2024	215,535	20,284	235,819
	2023	225,492	20,526	246,018

¹ Consultant fees for Jennifer Lang are paid to an incorporated entity.

3. EXECUTIVE REMUNERATION

Overview

All Executives are employed and paid by USM (the fund administrator) which is an investment within UniSuper and Controlled Entities (Fund).

USM has a formal remuneration policy (the Remuneration Policy) in place. The remuneration policy is designed to be robust and transparent and to support the business strategy and goals. At all times there is a focus on aligning Executive remuneration outcomes with ensuring great retirement outcomes for our members. The remuneration policy also articulates the consequence management and risk expectations of every Executive member.

In 2024, we amended how we remunerate all Executives, this was following a comprehensive review to comply with APRA's Prudential Standard CPS 511 Remuneration (CPS 511).

UniSuper's guiding remuneration principles

The Remuneration Policy details the remuneration philosophy, structures and objectives designed to achieve UniSuper's purpose - "to provide great retirement outcomes for members" and support the achievement of our vision to be the "greatest investment people make for their future".

USM's remuneration philosophy is to provide fair, flexible and competitive remuneration, reflective of market practice.

The Remuneration Policy aims to achieve the following objectives:

- Encourage behaviours that support UniSuper's culture and values
- Appropriately reward UniSuper employees for their performance outcomes
- Reward performance that contributes to Fund strategy and success
- Assure gender pay equity
- Promotes performing UniSuper's duties and exercising UniSuper's power in the best financial interests of our members
- Encourages behaviours that support the risk management framework and aligns remuneration to prudent risk taking.

At all times, there is an overarching focus on ensuring that Executives (and their teams) meet the behavioural expectations and live UniSuper's values in performing their work and delivering great retirement outcomes for our members.

Remuneration components

There are two components that make up an Executive's total remuneration package:

- Fixed remuneration
- Variable remuneration.

Fixed remuneration

Fixed remuneration comprises base salary and employer superannuation contributions, which are, at a minimum, the Superannuation Guarantee percentage, up to 17% of base salary. Fixed remuneration is reviewed annually; however, annual fixed remuneration increases are not guaranteed.

VARIABLE REMUNERATION FRAMEWORK

Variable remuneration is calculated on an annual cycle (with approval by the USM People and Remuneration Committee and Board post 30 June of each year) and is payable in September. The table below outline the key details of the Variable Remuneration plan.

FEATURES	DESCRIPTION				
Maximum Incentive opportunity % of Fixed Remuneration	Position	Target	Maximum		
	Chief Executive Officer	35%	50%		
	Chief Investment Officer	-	125%		
	Executive	25%	40%		
Weighting	Position	Company	Individual		
	Chief Executive Officer	50%	50%		
	Executive (including CIO)	35%	65%		
Performance Measures	The company scorecard is a mixture of financial and non-financial measures, to enable us to provide great retirement outcomes for our members.				
	Company Performance	Growth	Transform	People	Member
		Measured by: ▪ Organic Growth net cash flow ▪ Net rollover position against top 5 competitors	Measured by: ▪ Project & Change Delivery	Measured by: ▪ Employee Engagement ▪ Voluntary Turnover	Measured by: ▪ Investment Returns ▪ Low Fees ▪ Member Satisfaction
		20%	20%	20%	40%
	Individual Performance	An individual performance assessment is completed for each Executive and considers:			
<ul style="list-style-type: none"> ▪ Individual performance and delivery of key strategic objectives aligned with the Company Scorecard ▪ Individual Risk Assessment ▪ Behavioural Expectations 					

Variable remuneration is at risk

Good governance underpins everything we do at UniSuper and all employees are expected to adhere to a set of core governance standards and behavioural expectations. This sets a threshold that must be met before any incentives are awarded (i.e. a governance and behavioural gateway).

The award of an incentive to an Executive is never guaranteed and is always at the full discretion of the Board (with advice from the People and Remuneration Committee). Any decisions to award an incentive are

based on market relativities and the level of direct impact each individual can have on the results of the Fund.

All variable remuneration awarded to the CEO and Executive team are subject to USM Board approval.

In line with APRA Prudential Standard CPS 511, a portion of the CEO & Executive's variable remuneration is deferred for a defined period of time, these are adjusted based on the performance of UniSuper's Balanced Fund option, on an annual basis as per the figure below.

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
VARIABLE REMUNERATION	CEO	40% delivered in cash					
		60% deferred in cash			20% vesting	20% vesting	20% vesting
	EXECUTIVE	60% delivered in cash					
		40% deferred in cash			20% vesting	20% vesting	

A portion of the CEO's variable remuneration from prior years has been deferred at a rate of 20% with it being delivered in equal tranches of 10% in year 2 and 10% in year 3, subject to a number of pre-conditions. The deferred amounts will continue to vest with approval by the USM People, Remuneration & Nomination Committee and USM Board prior to vesting, however this arrangement ended as of 30 June 2023.

Consequence Management Framework

The Board holds discretion to:

1. Adjust an incentive or an incentive outcome (including to nil) on an individual or cohort basis
2. Clawback an incentive held by an Executive
 - a. For a period of two years from the date of payment or vesting of the variable remuneration
 - b. Irrespective whether or not the employment or engagement of the employee has ceased
 - c. To some or all the total variable remuneration subject to clawback.

Adjustments and clawback will be commensurate with overall organisation and individual performance and will be proportionate to the severity of the performance, conduct or risk outcome in accordance with the Consequence Management Framework.

Without limiting the discretion of the Board to adjust or clawback an incentive in other circumstances, the Board will adjust or clawback an incentive or incentive outcome should one of the following occur:

- Misconduct leading to significant adverse outcome
- A significant failure in risk management (including both financial and non-financial risks)
- A significant failure or breach of accountability, fitness and propriety, or compliance obligations
- A significant error or a significant misstatement of the criteria on which the variable remuneration was based
- Significant adverse outcome for members, beneficiaries or counterparties.

Other payments

For the 2024 financial year, Executives employed prior to 1 July 2023 received an additional award to enable a transition into the new remuneration arrangements under Prudential Standard CPS 511. This award will remain in place until FY27 and is subject to downward adjustment. Any unpaid awards are forfeited upon termination of employment.

REMUNERATION ARRANGEMENTS

Executive employment agreements

The following outlines the details of contracts that were negotiated during the year between UniSuper Management and relevant executives:

Chief Risk Officer

UniSuper welcomed a new Chief Risk Officer (CRO), Wade Martin is employed on a permanent contract which can be terminated by either the individual or by the Board of USM and the CEO by giving 12 weeks' notice.

Under the terms of the present Employment Contract:

- The CRO receives fixed remuneration of \$470,000 per annum
- The CRO's target performance incentive opportunity is 25% of fixed remuneration and maximum performance incentive opportunity is 40% of fixed remuneration. This is pro-rata for the 2024 financial year

Chief of Staff

Siva Sivakumaran expanded his responsibilities and was appointed Chief of Staff on 21 February 2024. He is employed on a permanent contract which can be terminated by either the individual or by the Board of UniSuper Management and the CEO by giving 12 weeks' notice.

- The Chief of Staff receives fixed remuneration of \$430,000 per annum
- The Chief of Staff has a target performance incentive opportunity is 25% of fixed remuneration and maximum performance incentive opportunity is 40% of fixed remuneration. This is pro-rata for his time in role for the 2024 financial year

External market data has been reviewed of comparable companies in respect of the fixed remuneration set for its executives. All other executives are employed on individual open ended employment contracts that set out the terms of their employment, notice can be given by either the individual or by the Board of USM and the CEO by giving 12 weeks' notice. No key management personnel appointed during the year received a payment as part of consideration for agreeing to hold the position.

Termination payments

The following arrangement applied to outgoing executives in office during the financial year ended 30 June 2024:

Andrew Raftis retired from his position as CRO on 26 January 2024 and received a \$237,507 termination payment on retirement, this comprised of an on-target performance incentive, pro-rata for the financial year ended 30 June 2024 and an ex-gratia payment in lieu of notice.

Individual USM Executive remuneration

USM is committed to the highest levels of transparency and disclosure regarding each Executive. The aggregate level of remuneration (i.e. fixed plus variable remuneration) for each Executive (for the 2023/2024 financial year) is provided in the following table.

Individual USM Executive remuneration

EXECUTIVES ROLE & APPOINTMENT DETAILS	YEAR	SHORT TERM			LONG TERM		POST EMPLOYMENT	OTHER PAYMENT	TOTAL
		CASH SALARY ¹	CASH INCENTIVE ²	OTHER PAYMENTS ³	DEFERRED INCENTIVE ⁴	LONG SERVICE ⁵	SUPER	TERMINATION ⁶	
		\$	\$	\$	\$	\$	\$	\$	
Peter Chun Chief Executive Officer	2024	854,701	177,000	123,000	94,579	23,477	145,299	-	1,418,056
	2023	752,525	292,262	-	50,329 ⁷	6,259	127,929	-	1,229,304
Anastasia Crisafi Chief Financial Officer	2024	422,615	86,414	40,000	11,522	8,995	27,386	-	596,931
	2023	361,217	124,660	-	-	2,207	38,783	-	526,867
Danielle Mair Chief Member & Advice Officer	2024	447,606	94,919	42,500	12,656	9,731	27,394	-	634,806
	2023	384,696	137,976	-	-	2,458	40,401	-	565,531
Wade Martin Chief Risk Officer (from 21/02/2024)	2024	148,198	48,486	-	-	240	16,302	-	213,226
Steven McGregor Chief Delivery & Information Officer	2024	452,617	106,214	46,500	14,162	19,945	27,383	-	666,821
	2023	420,860	137,671	-	-	7,398	44,199	-	610,128
Danielle Murrie Chief Marketing & Growth Officer	2024	428,239	96,015	47,000	12,802	10,586	71,761	-	666,403
	2023	399,201	168,307	-	-	2,760	67,864	-	638,132
John Pearce Chief Investment Officer	2024	765,766	554,625	339,000	73,950	65,862	84,234	-	1,883,437
	2023	652,628	947,813	-	-	33,640	97,372	-	1,731,453
Siva Sivakumaran Chief of Staff ⁸	2024	394,330	140,478	-	-	20,793	27,378	-	582,979
	2023	330,468	131,546	-	-	9,756	34,705	-	506,475
Julie Watkins Chief People Officer	2024	384,615	93,434	41,700	12,458	24,366	65,385	-	621,958
	2023	356,532	140,800	-	-	19,723	60,610	-	577,665
Andrew Raftis Chief Risk Officer (to 26/01/2024)	2024	221,893	-	-	-	-	54,068	237,507	513,469
	2023	372,008	120,017	-	-	5,251	63,241	-	560,517
TOTAL	2024	4,520,580	1,397,585	679,700	232,129	183,995	546,590	237,507	7,798,086
	2023	4,030,135	2,201,052	-	50,329	89,453	575,104	-	6,946,073

¹ Cash salary includes the total cost of salary including annual leave accrual and any salary sacrificed benefits.

² The STI incentive applicable to each financial year is reviewed by the USM People, Remuneration and Nomination Committee and the 2024 STI was approved by the USM Board on 22nd August 2024 and paid in September, subsequent to the end of the financial year.

³ Transition award payments relating to new remuneration structure.

⁴ Based on accounting policy the Deferred award will be recognised over the period of deferral.

⁵ This includes the net of long service leave entitlements accrued/taken during the year calculated under the relevant accounting standard and in some cases entitlements have not yet vested with the Executive.

⁶ This relates to contractual obligations paid to Executives in certain circumstances on departure.

⁷ Deferred awards under previous arrangement, vesting over 3 years on successful completion of performance targets.

⁸ S.Sivakumaran was Strategic Advisor to CEO until 20/02/2024, and was interim Chief Risk Officer from 01/12/2023 to 20/02/2024.

Summary of Executives' annual incentive payments:

EXECUTIVES	GRANT DATE	BALANCE AT THE START OF THE YEAR	TOTAL OPPORTUNITY	AWARDED		NOT AWARDED		VESTED/ PAID		UNVESTED ¹	YEARS DEFERRED INCENTIVE VESTS
		UNVESTED	AMOUNT	AMOUNT	%	%	AMOUNT	%			
Peter Chun	22/08/2024	-	500,000	442,500	88.50%	11.50%	177,000	40.00%	265,500	FY27 FY28 FY29	
	24/08/2023	73,066	-	-	-	-	36,533	-	36,533 ²	FY25	
	31/08/2022	38,961	-	-	-	-	38,961	-	-		
Anastasia Crisafi	22/08/2024	-	180,000	144,023	80.01%	19.99%	86,414	60.00%	57,609	FY27 FY28	
Danielle Mair	22/08/2024	-	190,000	158,199	83.26%	16.74%	94,919	60.00%	63,280	FY27 FY28	
Wade Martin	22/08/2024	-	65,235	48,486	74.33%	25.67%	48,486	100.00%	-		
Steven McGregor	22/08/2024	-	192,000	177,024	92.20%	7.80%	106,214	60.00%	70,810	FY27 FY28	
Danielle Murrie	22/08/2024	-	200,000	160,025	80.01%	19.99%	96,015	60.00%	64,010	FY27 FY28	
John Pearce	22/08/2024	-	1,062,500	924,375	87.00%	13.00%	554,625	60.00%	369,750	FY27 FY28	
Siva Sivakumaran	22/08/2024	-	168,717	140,478	83.26%	16.74%	140,478	100.00%	-		
Julie Watkins	22/08/2024	-	180,000	155,723	86.51%	13.49%	93,434	60.00%	62,289	FY27 FY28	

¹ The value of the deferred award will be indexed to the return of the Balanced Fund option at the conclusion of each performance year until vested. Indexation of the awarded amount will commence at the conclusion of the first full performance year subsequent to the deferred incentive being awarded.

² Deferred awards under previous arrangement, vesting over 3 years on successful completion of performance targets. Not subject to indexation.

This Directors' report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'G. M. ...', positioned above a horizontal line.

Chair,
Melbourne, 19 September 2024



Auditor's Independence Declaration

As lead auditor for the audit of UniSuper for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of UniSuper.

A handwritten signature in black ink, appearing to read 'Nicole Osborne', is written over a light grey rectangular background.

Nicole Osborne OAM
Partner
PricewaterhouseCoopers

Melbourne
19 September 2024

Corporate Governance Statement

Corporate Governance is "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations"¹. The corporate governance of an organisation can influence how objectives are set and achieved, how risk is monitored and assessed, and how performance is optimised.

The corporate governance model adopted by UniSuper includes compliance with UniSuper Limited's and UniSuper Management Pty Ltd's respective Constitutions, the *Corporations Act 2001*, the *Superannuation Industry (Supervision) Act 1993* and additional components to address the fiduciary duties unique to a superannuation trustee.

The corporate governance model operates to enable UniSuper Limited's and UniSuper Management Pty Ltd's Boards to deliver outcomes in the best interests of the members of the Fund.

The Statement of Governance Practice is found on the Fund's website at unisuper.com.au and provides an overview of UniSuper's governance practices.

The website contains a range of information which also relates to UniSuper's corporate governance model such as:

- the current members of each of the Boards' Committees;
- the Report to the Workplace Gender Equality Agency;
- UniSuper's Tax Transparency Report;
- UniSuper's Climate Risk Report;
- UniSuper's Modern Slavery Statement; and
- the remuneration of directors and executive officers.

¹ Justice Owen - HIH Royal Commission

Financial Report

Statement of financial position	31	Tax information	61
Income statement	32	12 Income tax expense	61
Statement of changes in member benefits	33	13 Deferred tax liabilities	61
Statement of changes in equity	35	Other notes to the Financial Statements	62
Statement of cash flows	36	14 Administration expenses	62
Notes to the Financial Statements	37	15 Related party transactions	62
1 Operation of the Fund	37	16 Remuneration of auditors	65
2 Summary of material accounting policies	37	17 Contingencies	65
3 Material accounting estimates and judgements	41	18 Commitments	65
		19 Controlled entities	65
Member benefits	42	20 Events occurring after the reporting period	67
4 Member liabilities	42	Trustee's declaration	68
5 Defined contribution member liabilities	43	Independent Auditor's Report	69
6 Defined benefit member liabilities	44		
Investments	47		
7 Net changes in fair value of investments	47		
8 Financial risk management	48		
Reserves information	59		
9 Reserves	59		
Cash flow information	60		
10 Cash and cash equivalents	60		
11 Reconciliation of profit after income tax to net cash inflow from operating activities	60		

Statement of financial position

AS AT 30 JUNE 2024

ASSETS	NOTES	2024 \$'M	2023 \$'M
Cash and receivables			
Cash and cash equivalents	10	18,802	17,789
Sundry debtors and prepayments		4	4
Unsettled trades - receivable		1,020	554
Total cash and receivables		19,826	18,347
Investment assets			
Equities	8	79,331	70,234
Interest bearing securities	8	21,823	18,837
Short term deposits	8	1,131	1,258
Derivative assets	8	427	268
Property	8	8,270	7,240
Infrastructure	8	12,311	11,232
Total investment assets		123,293	109,069
Total assets		143,119	127,416
LIABILITIES			
Benefits payable		5	16
Sundry creditors		98	102
Unsettled trades - payable		664	164
Derivative liabilities	8	270	253
Income tax payable		467	164
Deferred tax liabilities	13	2,463	2,062
Total liabilities excluding member benefits		3,967	2,761
Net assets available to pay benefits		139,152	124,655
Member benefits			
Defined contribution member liabilities	4	105,601	92,229
Defined benefit member liabilities	4	23,816	23,578
Total member liabilities	4	129,417	115,807
Total net assets		9,735	8,848
EQUITY			
Reserves	9	855	760
Unallocated surplus	4	8,880	8,088
Total equity		9,735	8,848

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 37 to 67.

Income statement

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'M	2023 \$'M
Revenue			
Interest income		1,661	1,005
Dividend income		1,671	1,639
Distributions income		1,083	1,156
Other income		36	57
Net changes in fair value of investments	7	7,026	6,047
Total revenue		11,477	9,904
Expenses			
Investment expense		503	428
Administration expense	14	112	97
Total expenditure		615	525
Net operating result before income tax expense		10,862	9,379
Less Income tax expense	12	474	354
Net operating result after income tax expense		10,388	9,025
Net benefits allocated to defined contribution member accounts		(9,172)	(7,735)
Net change in defined benefit member benefits		(534)	(1,521)
Net profit/(loss) after income tax expense		682	(231)

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 37 to 67.

Statement of changes in member benefits

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	DEFINED CONTRIBUTION \$'M	DEFINED BENEFITS \$'M	TOTAL \$'M
Opening Balance 1 July 2023		92,229	23,578	115,807
Employer contributions		4,317	1,422	5,739
Member contributions		1,577	184	1,761
Rollovers/transfers in		3,533	-	3,533
Income tax on contributions		(670)	(204)	(874)
Net after tax contributions		8,757	1,402	10,159
Benefits paid		(3,795)	(620)	(4,415)
Rollovers/transfers out		(1,538)	(28)	(1,566)
Transfers from defined benefit to defined contribution		994	(994)	-
Death/disability benefits credited		44	-	44
Insurance premiums charged to members net of tax		(113)	-	(113)
Reserve transfers from members:				
Reserve transfers from members		(149)	(56)	(205)
Net benefits allocated to members' accounts, comprising:				
Net investment income		9,172	-	9,172
Net change in Defined Benefit members liabilities		-	534	534
Balance at 30 June 2024		105,601	23,816	129,417

The statement of changes in member benefits is to be read in conjunction with the accompanying notes to the financial statements set out on pages 37 to 67.

Statement of changes in member benefits

FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	DEFINED CONTRIBUTION \$'M	DEFINED BENEFITS \$'M	TOTAL \$'M
Opening Balance 1 July 2022		70,142	22,110	92,252
Employer contributions		3,427	1,458	4,885
Member contributions		1,264	199	1,463
Rollovers/transfers in		3,203	-	3,203
Successor fund transferred (SFT) of member benefits of ACS transferred in		10,340	-	10,340
Income tax on contributions		(526)	(207)	(733)
Net after tax contributions		17,708	1,450	19,158
Benefits paid		(2,815)	(570)	(3,385)
Rollovers/transfers out		(1,119)	(22)	(1,141)
Transfers from defined benefit to defined contribution		854	(854)	-
Death/disability benefits credited		23	-	23
Insurance premiums charged to members net of tax		(94)	-	(94)
Reserve transfers from members:				-
Reserve transfers from members		(126)	(57)	(183)
Transfer from ACS		(79)	-	(79)
Net benefits allocated to members' accounts, comprising:				-
Net investment income		7,735	-	7,735
Net change in Defined Benefit members liabilities		-	1,521	1,521
Balance at 30 June 2023		92,229	23,578	115,807

The statement of changes in member benefits is to be read in conjunction with the accompanying notes to the financial statements set out on pages 37 to 67.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2024

	RESERVES					UNALLOCATED SELF INS ⁵ SURPLUS	TOTAL EQUITY
	OR ¹ \$'M	ADMIN ² \$'M	INV ³ \$'M	EX INS ⁴ \$'M			
Opening Balance at 1 July 2023	326	350	51	29	4	8,088	8,848
Net transfers (to)/from DC member accounts	10	57	75	7	-	-	149
Net transfers (to)/from DB member accounts	-	56	-	-	-	-	56
Net transfers between reserves	30	-	(30)	4	(4)	-	-
Operating Result	13	(92)	(22)	(9)	-	792	682
Closing Balance at 30 June 2024	379	371	74	31	-	8,880	9,735
Opening Balance at 1 July 2022	288	253	50	24	3	8,199	8,817
Net transfers (to)/from DC member accounts	8	47	65	6	-	-	126
Net transfers (to)/from DB member accounts	-	57	-	-	-	-	57
Net transfers between reserves	-	-	-	-	-	-	-
SFT of reserves of ACS	26	53	-	-	-	-	79
Operating Result	4	(60)	(64)	(1)	1	(111)	(231)
Closing Balance at 30 June 2023	326	350	51	29	4	8,088	8,848

¹ Operational risk reserve

² Administration reserve

³ Investment fee reserve

⁴ External insurance reserve

⁵ Self insurance reserve.

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 37 to 67.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'M	2023 \$'M ¹
<i>Cash flows from operating activities</i>			
Dividend income received		1,671	1,639
Distributions income received		1,083	1,156
Interest income received		1,661	1,005
Other income received		36	64
Investment expenses paid		(507)	(440)
Administration expenses paid		(112)	(97)
Insurance premiums paid		(133)	(111)
Income tax benefit		229	107
Net cash inflow from operating activities	11	3,928	3,323
<i>Cash flows from investing activities</i>			
Net payments for investments		(7,145)	(5,216)
Net cash outflow from investing activities		(7,145)	(5,216)
<i>Cash flows from financing activities</i>			
Employer contributions		5,739	4,885
Member contributions		1,761	1,463
Transfers from other superannuation plans		3,533	3,203
Transfers to other superannuation plans		(1,566)	(1,141)
SFT of cash from ACS		-	820
Insurance claims received		44	23
Benefit payments		(4,426)	(3,384)
Tax paid on contributions		(855)	(267)
Net cash inflow from financing activities		4,230	5,602
Net increase in cash and cash equivalents		1,013	3,709
Cash and cash equivalents at the beginning of the financial year		17,789	14,080
Cash and cash equivalents at 30 June 2024	10	18,802	17,789
Non-cash investing and financing activities		-	9,520

¹ Comparative information has been revised to reflect the changes in the presentation as detailed in Note 2A(iii)(a).

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 37 to 67.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

1 Operation of the Fund

UniSuper (the Fund) has operated in accordance with the provisions of the Trust Deed dated 24 December 1982 and in compliance with the requirements of the *Superannuation Industry (Supervision) Act 1993* during the year ended 30 June 2024.

The Fund consists of a defined benefit division and a defined contribution plan. The defined benefit division remains open to new members. Previously an industry super fund open only to those working in the higher education and research sector, the Fund opened its doors to all Australians in July 2021.

Superannuation benefits of members in the defined benefit division are calculated by way of a formula as defined in the Trust Deed, whereas benefits of members in the defined contribution section are equal to the members' account balance, consisting of contributions and their proportionate share of the net investment income, expenses and income tax expense of the Fund.

The Fund also provides two pension products to members: flexi pensions and two indexed pension products being, Lifetime income streams (LIS) and Defined Benefit Indexed Pensions (closed to new members). Flexi pensions enable members to drawdown on their account balance until the balance reaches zero. LIS and Defined Benefit Indexed Pensions provide members with monthly payments for the rest of their life, and certain reversionary benefits depending on the type of pension acquired.

The Fund is managed by UniSuper Pty Ltd (the 'Trustee') (ABN 54 006 027 121) which is incorporated in Australia. The registered office of the Trustee is Level 1, 385 Bourke Street, Melbourne, VIC, 3000. Both the Trustee and the Fund are domiciled in Australia. The Trustee holds an Australian Financial Services Licence ('AFSL') and is a Registrable Superannuation Entity ('RSE').

2 Summary of material accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standard *AASB 1056 Superannuation Entities*, other applicable Accounting Standards issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and *Corporations Regulations 2001*, the provisions of the Trust Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993*. The financial statements are presented in the Australian dollars, which is the Fund's functional currency.

The Fund is an industry super fund that does not pay profits to shareholders for the purposes of preparing the financial report.

These general purpose financial statements were authorised for issue by the directors of the Trustee on 19 September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments, derivative liabilities and member benefits.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

i. Consolidation

For the purposes of accounting standards, the Fund controls an entity when the Fund is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

In accordance with *AASB 10 Consolidated Financial Statements* (AASB 10), the Fund has determined that it meets the definition of an investment entity.

The Fund is only required to consolidate controlled entities which provide services to the Fund; that is, UniSuper Management Pty Ltd (USM), the Fund's Administrator. The impact of consolidating USM has been deemed immaterial and therefore consolidated accounts have not been prepared. Refer to Note 8E

for details of the determination of the fair values of Investments.

All other controlled entities are accounted for at fair value through the income statement. Refer to Note 19 for a list of controlled entities.

ii. Rounding

All values in the financial report are rounded to the nearest million dollars except where otherwise indicated.

iii. Changes to comparative presentation

During the year, the Fund made a number of reclassifications. These changes have no impact to the net profit but resulted in changes to the presentation of the Statement of financial position, Statement of cash flow and associated notes along with, statement of changes in member benefits. These presentational changes have been applied retrospectively.

a. Statement of cash flows

Sales and purchases of financial investments have been combined and disclosed as "Net payments for investments". In addition, the non-cash transactions relating to the Successor Fund Transfer (SFT) of Australian Catholic Superannuation and Retirement Fund (ACS) to the Fund in 2023 financial year has been reclassified and presented separately. The impact from the reclassification on the comparative information presented in the cash flows from investing and financing activities are as follows:

CASHFLOW STATEMENT LINE ITEM	2023		MOVEMENT
	2023 (RESTATED) \$'M	\$'M	
Cash flows from investing activities			
Net payments for investments	(14,736)	(5,216)	9,520
Cash flows from financing activities			
SFT of cash from ACS	10,340	820	(9,520)
Net impact to cash and cash equivalents	-	-	-

b. Financial Risk Management - Price Risk Sensitivity Analysis Table (pg 48)

The carrying amounts of investment assets reported in the comparative period have been restated to show their gross carrying value, excluding derivatives, in line with the presentation in the statement of financial position.

c. Related Party Transactions - Key Management Personnel (pg 62)

Directors and Consultants compensation in comparative period have been restated due to adjustments to payments. Executives compensation

in comparative period have been restated to reflect accounting treatment of deferred incentives.

d. Financial Risk Management- Credit Quality Per Class of Instrument (pg 52)

The balance for not rated credit grade of investment assets reported in the comparative period have been restated due to reclassification of underlying investment assets.

B REVENUE RECOGNITION

i. Interest income

Revenue on money market and fixed interest securities is recognised on an accruals basis and if not received at balance date, is reflected in the statement of financial position.

ii. Dividends and distributions income

Dividend and distributions income are recognised gross of withholding tax in the income statement, on the date the investments are quoted ex-dividend/ distribution and if not received at reporting date, is reflected in the statement of financial position as a receivable.

iii. Changes in fair values

Changes in the fair value of investments and derivatives are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the income statement.

C GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the assets or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

D INVESTMENT ASSETS

i. Classification

The Fund's investment assets including derivatives are classified as fair value through profit or loss.

ii. Recognition/derecognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Fund commits to purchase or sell the asset.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- i. The rights to receive cash flows from the asset have expired; or
- ii. The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- iii. Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

iii. Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the income statement, unless specified otherwise.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instrument.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Estimated costs of disposal are not taken into account in the determination of fair value.

Refer to Note 8 for details of the determination of fair values of investments.

E DERIVATIVES

The Fund uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from investment activities, to adjust exposures to asset classes and sectors as part of the Fund's investment strategy and for equitisation purposes. The Fund does not hold or issue derivative financial instruments for leveraging purposes. Derivatives are recorded at fair value using quoted prices or option valuation formula. Movements in the fair value of derivatives are recognised in the income statement in the periods in which they occur.

Derivative assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

F CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, cash held with BNP Paribas as the custodian of the fund and deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G INCOME TAX

Income tax expense for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

For UniSuper, income tax has been provided in the current year at the rate of 15% (2023: 15%) as it is the expectation of the Trustee that UniSuper will be treated as a complying superannuation fund. If UniSuper is subsequently deemed to be a non-complying fund for the current year, then income tax would be payable at a rate of 45% (2023: 45%) on UniSuper's taxable income.

Assessable contributions received during the year to 30 June 2024 are subject to 15% contributions tax. Where the member has not quoted their tax file number (TFN) to the Fund, a further amount of no-TFN contributions tax of 32.0% (2023: 32.0%) may apply in respect to the contributions received.

H CONTRIBUTIONS

Contributions from employers and members and rollovers/transfers in are recognised on receipt by the Fund.

I BENEFITS PAYABLE

Benefits payable are accrued in the financial statements based on members who have lodged a benefit payment request with the Fund prior to balance date and remain unpaid as at balance date. Benefit payables are normally settled within 30 days.

J FOREIGN CURRENCY

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates applicable at the dates the fair value was determined.

K RESERVES

The Trustee maintains an operational risk reserve, administration reserve, investment fee reserve, and an external insurance reserve to provide the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. All reserves are operated in accordance with the Fund's Reserve Policy and are held at a Fund level. Refer to Note 9 for further details on the Fund's reserves.

L MEMBER LIABILITIES

Member liabilities are measured at the amount of accrued benefits.

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due.

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Refer to Note 4 for further details on Member liabilities.

M INSURANCE ARRANGEMENTS

The Fund provides members with inbuilt death, disablement and temporary incapacity benefits as part of its Defined Benefit product offering. In addition, access to death, total and permanent disablement and income protection benefits is provided to eligible accumulation members through a group insurance policy held with a third-party insurance company.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim via the Fund. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members accounts and reinsurance recoveries allocated are recognised in the statement of changes in members benefits.

N NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS AND FUTURE DEVELOPMENTS

There were no new or amended accounting standards or interpretations adopted during the period that had a material impact to the Fund. There are no new accounting standards or amendments to existing standards that are not yet effective, which are expected to have a material impact to the Fund.

3 Material accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A LIABILITY FOR ACCRUED AND VESTED BENEFITS

The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions include member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Fund in the investment markets, and also reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities.

The mortality assumption is based on publicly available mortality tables. Future salary increases are based on the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

Refer to Note 6 for details.

B UNALLOCATED SURPLUS

Unallocated surplus represents the surplus on defined benefit member liabilities. To a lesser extent timing differences resulting from unallocated member transactions are also included.

C VALUATION OF INVESTMENTS

When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

D DETERMINATION THAT THE FUND IS AN INVESTMENT ENTITY

As detailed in note 2(A)(i), it has been determined that the Fund meets the definition of an investment entity. This determination is a key judgement as it impacts the accounting treatment of the Fund's controlled entities.

Member benefits

4 Member liabilities

Accrued benefits for each defined benefit member are the present value of expected future payments of benefits to the member which arise from membership of the Fund up to the reporting date. This is determined using the Fund's Actuary current expectations of earnings on the Fund's assets, future inflation and salary levels and other relevant assumptions. Accrued benefits are calculated using best estimate assumptions.

Vested benefits for defined benefit members are benefits which are not conditional upon continued membership (or any factor other than leaving the service of a participating institution), which members were entitled to receive, had their Fund membership been voluntarily terminated as at the reporting date. Vested benefits are calculated using funding assumptions.

Accrued and vested benefits for defined contribution members are the members' account balances at the reporting date.

	ACCRUED BENEFITS	VESTED BENEFITS
	\$M	\$M
30 JUNE 2024		
<i>Member liabilities – defined contribution accounts:</i>		
Accumulation accounts	80,793	80,793
Allocated pension	24,808	24,808
Total member liabilities – defined contribution accounts	105,601	105,601
<i>Member liabilities – defined benefit accounts:</i>		
Defined benefits	17,122	19,251
Pension benefits	6,694	7,216
Total member liabilities – defined benefit accounts	23,816	26,467
<i>Total member liabilities:</i>		
Total member liabilities	129,417	132,068
Net assets available for member benefits (including reserves)	139,152	139,152
Less reserves	(855)	(855)
Net assets for member benefits	138,297	138,297
Less defined contribution accounts (member liabilities)	(105,601)	(105,601)
Net assets for defined benefit member benefits	32,696	32,696
Less defined benefit accounts (member liabilities)	(23,816)	(26,467)
Unallocated surplus¹	8,880	6,229

¹ In accordance with Australian accounting standards, the surplus has been calculated with reference to assets at fair value rather than net market value. Refer to Note 6 for a re-calculation of the defined benefit surplus using net market value, in accordance with actuarial professional standards.

FINANCIAL STATEMENTS – UNISUPER AND CONTROLLED ENTITIES

30 JUNE 2023	ACCRUED BENEFITS \$M	VESTED BENEFITS \$M
<i>Member liabilities – defined contribution accounts:</i>		
Accumulation accounts	70,994	70,994
Allocated pension	21,235	21,235
Total member liabilities – defined contribution accounts	92,229	92,229
<i>Member liabilities – defined benefit accounts:</i>		
Defined benefits	16,652	18,633
Pension benefits	6,926	7,495
Total member liabilities – defined benefit accounts:	23,578	26,128
<i>Total member liabilities:</i>		
Total member liabilities	115,807	118,357
Net assets available for member benefits (including reserves)	124,655	124,655
Less reserves	(760)	(760)
Net assets for member benefits	123,895	123,895
Less defined contribution accounts (member liabilities)	(92,229)	(92,229)
Net assets for defined benefit member benefits	31,666	31,666
Less defined benefit accounts (member liabilities)	(23,578)	(26,128)
Unallocated surplus	8,088	5,538

The difference between the defined benefit assets and defined benefit member liabilities has arisen as a consequence of:

- The fixed employer and member contributions being more than adequate to provide for the members accruing benefits. This in part reflects that UniSuper assesses the ongoing adequacy of its fixed contribution rates on a more conservative “funding” basis – which is appropriate noting the fixed nature of the employer contributions. These funding assumptions are generally more conservative than the best estimate assumptions used to measure defined benefit member liabilities for recognition in the financial statements under AASB 1056; and
- The actual investment and membership experience over time differing to the expected experience.

To the extent a surplus or deficit may arise in relation to the defined benefit member liabilities determined on the more conservative funding basis, UniSuper’s Trust Deed and Regulations contain provisions that enable benefits to be adjusted or a surplus to be distributed to members if certain conditions are met. Employers are not entitled to a share of surplus distribution.

To the best of the Trustee’s knowledge, no guarantees have been made in respect of any part of the liability for benefits, by either participating institutions or any other party.

5 Defined contribution member liabilities

Defined contribution member account balances are determined by crediting rates based on the underlying investment movements.

Defined contribution members bear the investment risk relating to the underlying assets and crediting rates used to measure the member liabilities. Crediting rates are updated on a daily basis. Refer to Note 8 for the Fund’s management of the investment risks.

6 Defined benefit member liabilities

I. FUNDING ARRANGEMENTS

The Defined Benefit Division (DBD) provides lump sum and pension benefits to members, on the basis of factors such as salary close to retirement and the period of membership. The assets supporting Lifetime income streams (which can be purchased by members of all Divisions) are also pooled within the DBD.

The participating institutions' contribution rates are fixed under the Trust Deed. Members also contribute to UniSuper but are entitled to exercise 'contribution flexibility' in order to pay lower contributions than would normally be required. Where members exercise contribution flexibility, their benefits are reduced commensurately.

The Trustee adopts a funding policy ("Monitoring and Managing the Financial Health of the Defined Benefit Division") to manage the Fund with the objective of enabling the Trustee, out of the assets of the Fund, to meet the liability of the Fund as they become due.

The Trust Deed requires an actuarial investigation of the Fund at least once every three years. Under relevant legislation, an actuarial investigation is required annually. As part of such investigations, the Actuary assesses the coverage of vested benefits (Vested Benefits Index, VBI) and the value of accrued benefits

(Accrued Benefits Index, ABI) against the assets of the Fund. The Actuary also considers whether the DBD assets, together with future contributions by members and participating institutions, are expected to be sufficient to meet the cost of Defined Benefits under the Fund as they fall due. In making the assessment, the Actuary considers expected long term trends in such factors as salary and inflation levels, earnings on the Fund's assets and relevant demographic experience.

Clause 34 of the Trust Deed provides a mechanism for reducing defined benefits if required. Under Clause 34, if the Actuary's report to the Board following the actuarial investigation indicates that the ABI is less than 100%, the VBI is less than 95% or the Actuary expects the ABI or VBI to decline to below these levels, the Trustee must advise members and employers and a four year monitoring period is commenced. If the Actuary advises in the report of the first actuarial investigation carried out after the expiration of four years that the ABI is less than 100%, the VBI is less than 95% or the Actuary expects the ABI or VBI to decline to below these levels, the Board must consider, within a period of six months from the receipt of the report, whether it is in the interests of DBD members as a whole to reduce benefits payable.

In addition to providing figures for financial reporting purposes, the Fund's Actuary carried out an annual review of the Fund as at 30 June 2024. In performing the actuarial review, the Actuary has applied the following financial assumptions.

BEST ESTIMATE ASSUMPTION	BEST ESTIMATE ASSUMPTIONS (% P.A.)		FUNDING ASSUMPTIONS (% P.A.)	
	2024	2023	2024	2023
Investment returns for active members and pensioners:				
- Net of Tax	7.1	6.6	6.3	5.8
- Gross	8.2	7.6	7.3	6.7
- Lifetime Income	4.3	3.8	4.3	3.8
Salary inflation	3.75 for 2 years, then 3.5 thereafter	4.25 for 2 years, then 3.5 thereafter	3.75 for 2 years, then 3.5 thereafter	4.25 for 2 years, 3.5 thereafter
Price inflation (CPI)	3.0 for 2 years, then 2.5 thereafter	5.0 for year 1, 3.5 for year 2, then 2.5 thereafter	3.0 for 2 years, then 2.5 thereafter	5.0 for year 1, 3.5 for year 2, then 2.5 thereafter

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES

The demographic assumptions are generally reviewed every three years as part of a triennial actuarial investigation. They were most recently reviewed during the 30 June 2023 triennial actuarial investigation. For the 30 June 2024 actuarial investigation, the demographic assumptions reviewed included the Pension Election Rate, and the number and ages of new entrants expected to join the DBD. The Fund Actuary determined that all demographic assumptions to be used at 30 June 2024 should be unchanged from those adopted for the triennial actuarial investigation as at 30 June 2023.

At the time of completion of the financial report, the final provisional estimates of the VBI and the ABI for the DBD of the Fund as at 30 June 2024 were 122.1% (FY23 119.9%) and 135.6% (FY23 132.9%) respectively.

The most recently completed actuarial investigation of the Fund was undertaken as at 30 June 2024 by Travis Dickson and Andrew West, Fellows of the Institute of Actuaries of Australia and employees of Willis Towers Watson.

The Trustee continues to monitor the DBD's financial position at least quarterly.

II. NET CHANGE IN DEFINED BENEFIT MEMBER LIABILITIES

The net change in defined benefit member liabilities resulted from the following:

	2024 \$'M	2023 \$'M
Interest cost ¹	1,582	1,455
Impact of changes in financial assumptions	(1,010)	(190)
Impact of the difference between contributions received and service cost ²	(483)	(479)
Impact of changes in demographic assumptions	-	3
Other	445	732
Total net change in defined benefit member liabilities	534	1,521

¹ Interest cost is the increase in the defined benefit liabilities from the start of the financial year to the end of the financial year resulting from having one less year of discounting in the present value calculation.

² Service cost is the expected cost of one year's benefit accrual for the current membership, based on the adopted assumptions - effectively it represents the value of the increase in members' benefits for one year.

The largest contributor to the net change in defined benefit member liabilities was the interest cost component. Based on the best estimate investment returns at the start of the period, the interest cost associated with the liability for defined benefit members amounted to \$1,582 million.

Changes in financial assumptions from 30 June 2023 to 30 June 2024 were made in-line with changes in the economic conditions during the period. The difference or the "gap" between the expected return and long term salary and price inflation has increased over the period which has resulted in a \$1,010 million decrease in defined benefit member liabilities.

Service cost was \$483 million lower than contributions received during the year. Differences are expected to arise between the service cost each year and the contributions in that year due to the membership and liability profile of the DBD, compared to the long-term employer contribution rate.

The other amount of \$445 million includes the effect of various items resulting from:

- Changes in the membership compared to that assumed;
- Differences between actual experience over the past year and that assumed at 30 June 2023 (such as actual salary increases, pension increases, pension take-up and the number/size of disability claims); and
- Other second order effects such as data corrections/adjustments and timing differences between assumed and actual cash flows.

III. SENSITIVITY ANALYSIS

The following are sensitivity calculations on a univariate basis for the investment return, rate of salary and price inflation adjustment, and pension take-up assumptions used at 30 June 2024.

BEST ESTIMATE ASSUMPTION	ASSUMED RATE AT REPORTING DATE	REASONABLY POSSIBLE CHANGE		AMOUNT OF INCREASE/ (DECREASE) IN MEMBER ACCRUED BENEFIT LIABILITIES
	%	%		\$M
Investment returns for active members and pensioners:				
- Net of tax / Gross of tax	7.1/8.2	+	1	(1,606)
		-	1	1,853
Salary Inflation:				
- Short term (2 yrs) / Long term (after 2 yrs)	3.75/3.5	+	0.5	362
		-	0.5	(344)
Pension take-up	65	+	10	9
		-	10	(8)

IV. ACCRUED BENEFIT INDEX AND VESTED BENEFIT INDEX

	ACCRUED BENEFITS	VESTED BENEFITS
	\$M	\$M
30 JUNE 2024		
Net assets for defined benefit member benefits (Note 4)	32,696	32,696
Less disposal costs	(391)	(391)
Net assets for defined benefit member benefits (Net Market Value)¹	32,305	32,305
Less defined benefit accounts	(23,816)	(26,467)
Defined benefit surplus	8,489	5,838
Benefit index	135.6%	122.1%
30 JUNE 2023		
Net assets for defined benefit member benefits (Note 4)	31,666	31,666
Less disposal costs	(332)	(332)
Net assets for defined benefit member benefits (Net Market Value)	31,334	31,334
Less defined benefit accounts	(23,578)	(26,128)
Defined benefit surplus	7,756	5,206
Benefit index	132.9%	119.9%

¹ Consistent with the method used by the Fund's actuary to calculate the ABI and VBI (mandated by actuarial professional standards), the net market value of assets available for defined benefit member benefits has been used in the calculation. Net market value is determined by deducting estimated disposal costs from the assets' fair value.

Investments

7 Net changes in fair value of investments

	2024 \$'M	2023 \$'M
(A) NET CHANGES IN FAIR VALUE OF INVESTMENTS		
Equities	6,201	5,808
Interest bearing securities	479	76
Short term deposits	12	9
Property	(205)	(253)
Infrastructure	539	405
Total fair value of investments	7,026	6,045
(B) NET CHANGES IN FAIR VALUE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	-	2
Total fair value of cash and cash equivalents	-	2
Total	7,026	6,047

8 Financial risk management

A OBJECTIVES, STRATEGIES, POLICIES AND PROCESSES

The Fund's activities expose the Fund to a variety of financial risks: market risk (including price risk, foreign exchange risk, interest rate risk and climate risk), credit risk and liquidity risk.

The Trustee's overall risk management program focuses on ensuring compliance with the Trustee's Investment Policy Statement (the Policy) and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by USM under policies approved by the Board.

The Trustee appoints internal and external investment managers to manage a portfolio of investments within a specific asset sector, subject to an agreed mandate. The Trustee also invests directly in various entities. The Trustee diversifies its investments to minimise the impact of any single capital loss and limits its exposure to high risk assets through both strategic asset allocation and diversification within each asset sector. Appropriate diversification limits at an individual portfolio/investment level are stipulated in Investment Management Agreements executed between the Trustee and its appointed investment managers.

The Trustee uses different methods to measure different types of risk to which the Fund is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

Financial risk management is carried out by the Board through the Investment Committee, with advice from external investment advisers and internal Management.

As part of its risk management strategy, the Trustee uses derivatives and other instruments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

B MARKET RISK

i. Price Risk

Equity price risk exposure arises from the Fund's investment portfolio. The investments are recognised in the statement of financial position at fair value.

The Trustee mitigates this price risk through diversification to avoid an undue concentration of risk and selection of mandates with investment managers and direct investments within specified limits set by the Board.

The Fund's overall market position is monitored on a daily basis by Management and is reviewed on a quarterly basis by the Board via the Investment Committee.

Net assets available to pay benefits include investments in debt and equity securities and related derivatives.

Sensitivity analysis

Following analysis of historical data and investment rate movements during the 2024 financial year, Management considers the following movements in price risk are reasonably possible for the 2024/25 reporting period:

	2024	2023
Listed equities	30.0%	27.0%
Private equity	41.0%	40.0%
Interest bearing securities	7.0%	7.0%
Property	15.0%	13.5%
Infrastructure	12.0%	11.0%

The above sensitivity percentages reflect the view that markets are still experiencing heightened levels of volatility. The increase/(decrease) in the market price against the investments in the Fund at 30 June would have increased/(decreased) the 'Net assets available to pay benefits' by the amounts shown below. This analysis assumes that all other variables, in particular interest rates and foreign exchange rates, remain constant and are uncorrelated. The analysis is performed on the same basis as for 2023 and is illustrative of the Fund's exposure to price risks.

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES

30 JUNE 2024	TOTAL %	TOTAL \$'M	IMPACT ON THE NET ASSETS AVAILABLE TO PAY BENEFITS	
			INCREASE \$'M	DECREASE \$'M
Listed equities	30.0%	77,837	23,351	(23,351)
Private equity	41.0%	1,494	613	(613)
Interest bearing securities	7.0%	21,823	1,528	(1,528)
Property	15.0%	8,270	1,240	(1,240)
Infrastructure	12.0%	12,311	1,477	(1,477)
Total		121,735	28,209	(28,209)
30 JUNE 2023 ¹				
Listed equities	27.0%	68,856	18,591	(18,591)
Private equity	40.0%	1,378	551	(551)
Interest bearing securities	7.0%	18,837	1,319	(1,319)
Property	13.5%	7,240	977	(977)
Infrastructure	11.0%	11,232	1,236	(1,236)
Total		107,543	22,674	(22,674)

¹ Comparative information has been revised to reflect the changes in the presentation as detailed in Note 2(A)(iii)(b).

ii. Foreign exchange risk

The Fund holds assets denominated in currencies other than the Australian dollar, the functional currency. It is therefore exposed to foreign exchange risk, as the value of the investments denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

In accordance with the Policy, Management, via its currency overlay managers, monitors the Fund's currency position on a daily basis, and the Investment Committee reviews it on a quarterly basis.

The foreign exchange risk disclosures have been prepared on the basis of the Fund's direct investment and not on a look-through basis for investments held indirectly through unit trusts. Consequently, the foreign exchange exposure disclosed below may not represent the true foreign exchange risk profile of the Fund, where the Fund has significant investments in unit trusts which also have exposure to foreign markets.

The table below summarises UniSuper's exposure to foreign exchange risk net of foreign exchange hedges at reporting date:

	30 JUNE 2024				30 JUNE 2023			
	USD \$'M	JPY \$'M	INR \$'M	OTHER \$'M	USD \$'M	JPY \$'M	INR \$'M	OTHER \$'M
Cash and cash equivalents	531	107	-	99	324	22	-	171
Unsettled trades - receivable	51	2	1	324	29	3	2	85
Equities	22,685	1,256	548	4,861	16,590	1,480	471	7,115
Interest bearing securities	1,858	-	-	161	1,778	-	-	1,017
Property	1,104	118	37	225	1,364	106	25	384
Infrastructure	1,085	68	83	954	1,174	79	66	1,731
Unsettled trades - payable	(94)	(68)	-	(238)	(37)	(3)	-	(6)
Derivative assets/ liabilities	(7,773)	101	286	(2,776)	(7,315)	(506)	-	(5,809)
Net exposure to foreign exchange risk	19,447	1,584	955	3,610	13,907	1,181	564	4,688

Sensitivity analysis

Following analysis of historical data and currency rate fluctuations during the 2024 financial year, Management expects a 19% (2023: 19%) movement in the Australian dollar is reasonably possible for the 2024/25 reporting period. The Australian dollar volatility has been extreme over recent years and is expected to remain volatile over the coming 12 months. This analysis assumes

that all other variables, remain constant. The analysis is performed on the same basis as for 2023 and is not guaranteed.

A 19% (2023: 19%) weakening/strengthening of the AUD against the following currencies at 30 June 2024 would have increased/(decreased) the net assets available to pay benefits by the amounts shown below:

30 JUNE 2024	IMPACT ON THE NET ASSETS AVAILABLE TO PAY BENEFITS							
	+19% USD	-19% USD	+19% JYP	-19% JYP	+19% INR	-19% INR	+19% OTHER	-19% OTHER
Cash and cash equivalents	101	(101)	20	(20)	-	-	19	(19)
Unsettled trades - receivable	10	(10)	-	-	-	-	61	(61)
Equities	4,310	(4,310)	239	(239)	104	(104)	924	(924)
Interest bearing securities	353	(353)	-	-	-	-	31	(31)
Property	210	(210)	22	(22)	7	(7)	43	(43)
Infrastructure	206	(206)	13	(13)	16	(16)	181	(181)
Unsettled trades - payable	(18)	18	(13)	13	-	-	(45)	45
Derivative assets/ liabilities	(1,477)	1,477	19	(19)	54	(54)	(527)	527
Net exposure to foreign exchange risk	3,695	(3,695)	300	(300)	181	(181)	687	(687)
30 JUNE 2023								
Cash and cash equivalents	62	(62)	4	(4)	-	-	33	(33)
Unsettled trades - receivable	6	(6)	1	(1)	-	-	16	(16)
Equities	3,152	(3,152)	282	(282)	90	(90)	1,351	(1,351)
Interest bearing securities	338	(338)	-	-	-	-	193	(193)
Property	259	(259)	20	(20)	5	(5)	73	(73)
Infrastructure	223	(223)	15	(15)	12	(12)	329	(329)
Unsettled trades - payable	(7)	7	(1)	1	-	-	(1)	1
Derivative assets/ liabilities	(1,390)	1,390	(96)	96	-	-	(1,104)	1,104
Net exposure to foreign exchange risk	2,643	(2,643)	225	(225)	107	(107)	890	(890)

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES**iii. Interest rate risk**

The Fund's interest-bearing financial assets exposes it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Trustee has established limits on investments in interest-bearing assets, which are monitored on a daily basis. The Trustee may use derivatives to hedge against unexpected increases in interest rates. The risk is measured using sensitivity analysis.

The Trustee controls the Fund's interest rate exposure by using managers for these types of investments who diversify investments across assets with various interest rate sensitivities and impose duration limits within fixed interest mandates with these investment managers.

In accordance with the Policy, Management and the Investment Committee monitor the Fund's overall interest rate sensitivity on a regular basis and the Board reviews it on a quarterly basis.

Sensitivity analysis

The potential impact of changes in interest rates on the fair value of interest bearing securities is disclosed above in section B(i) 'price risk'. Following analysis of historical data and interest rate movements during the 2024 financial year, 300 basis points movement has been used for interest rate sensitivity analysis. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2023.

The table below summarises UniSuper's exposure to interest rate risk at reporting date. An increase/(decrease) of 300 basis points (2023: 300 basis points) in interest rates at the reporting date would have increased/(decreased) the net assets available to pay benefits by the amounts shown below:

	FLOATING INTEREST RATE \$'M	FIXED INTEREST RATE \$'M	TOTAL \$'M	IMPACT ON THE NET ASSETS AVAILABLE TO PAY BENEFITS	
				+300BPS \$'M	-300BPS \$'M
30 JUNE 2024					
Cash and cash equivalents	18,802	-	18,802	564	(564)
Interest bearing securities	2,942	18,881	21,823	655	(655)
Increase/(decrease) from derivative contracts	1	(19)	(18)	(1)	1
Net exposure to interest rate risk	21,745	18,862	40,607	1,218	(1,218)
30 JUNE 2023					
Cash and cash equivalents	17,789	-	17,789	534	(534)
Interest bearing securities	1,803	17,034	18,837	565	(565)
Increase/(decrease) from derivative contracts	2	(20)	(18)	(1)	1
Net exposure to interest rate risk	19,594	17,014	36,608	1,098	(1,098)

iv. Climate risk

While the Fund's operations do not generate material greenhouse gas emissions and are not directly exposed to physical climate change risk, climate risk is a relevant consideration for many of the entities it invests in (both listed and unlisted). The performance of these companies is vital to the Fund and its members from an investment return perspective, to the broader economy and in contributing to the wellbeing of the wider community in which the Fund operates. The Fund expects its investee companies to be well managed and profitable. On this basis, the Fund, as a responsible investor, believes it is critical that the companies it invests in embrace and adopt a robust and rigorous approach to:

- mitigating and managing climate change risks,
- identifying and maximising climate change generated opportunities, and
- reporting on how they are managing in a timely manner the physical and transitional risks associated with climate change and a de-carbonising economy.

The Fund publishes a Climate report on its website which has been prepared in accordance with the Taskforce for Climate Related Financial Disclosures (TCFD) recommendations. This report details the Fund's investment governance, strategy, risk management and options for members with respect to climate change risk. Across the Fund, the Fund does not have a broad policy of divesting or negatively screening sectors or companies other than the fund wide exclusion for tobacco manufacturers and companies whose revenue from thermal coal exploration and production exceeds 10%. Additional exclusions apply within dedicated options that provide for member choice. The Climate Risk report set out analysis which found that the Fund's portfolios have low exposure to direct climate change risks.

The Fund participates in industry groups, including the Investor Group on Climate Change, Climate Action 100+ and the Australian Council of Superannuation Investors. These organisations seek to influence companies and policy as well as educating members on climate change risk disclosure standards and risk management approaches.

v. Market risk and members

Contributions for defined contribution members are credited to members' accounts on receipt of the contributions by the Fund, thus exposing those members to the market risk of the Fund. Defined benefit members are less exposed to market risk due to the formula based nature of their benefits. Refer also to Note 6 regarding the funding arrangements for defined benefit member liabilities and the operation of Clause 34 of the Trust Deed.

C CREDIT RISK

Credit risk primarily arises from investments in interest bearing securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk arising from derivative financial instruments is generally limited to those with positive fair values.

There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

In accordance with the Policy, Management monitors the Fund's credit position on a regular basis, and the Investment Committee reviews it on a quarterly basis.

Credit quality per class of instrument

The credit quality of financial assets is managed by the Trustee using various rating agencies and their rating categories, including Standard & Poor, Moody's and Fitch, in accordance with the investment mandates of the Fund. The Fund's exposure in each grade is monitored on a regular basis. This review process allows Management to assess the potential loss as a result of risks and take corrective action.

The Fund invests in interest bearing securities which are rated by Credit Rating Agency Limited. An analysis of interest bearing securities by rating as at reporting date is set out in the table below:

CREDIT GRADE	2024 \$'M	2023 \$'M
AAA/aaa	3,199	3,085
AA/aa	5,905	4,450
A/a	7,376	1,354
BBB/bbb	1,833	7,044
Not rated ¹	558	473 ²
Total	18,871	16,406

¹ In order to monitor the credit quality of the "unrated" underlying debt securities, the Investment Manager, on the basis of internal research, prepares its own shadow ratings for the various instruments which publicly available credit ratings are not available.

² Comparative information has been revised to reflect the changes in the presentation as detailed in Note 2A(iii)(d).

D LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Trustee limits its allocation to illiquid assets and ensures that the allocation is consistent with the intended term of investment.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to

their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In accordance with the Policy, Management monitors the Fund's liquidity position on a daily basis, and the Investment Committee reviews it on a quarterly basis. Compliance with the policy is reported to the Investment Committee on a quarterly basis.

Maturity analysis for financial liabilities

The following are the contractual maturities of the Fund's derivative financial instruments and non-derivative financial liabilities. The derivatives disclosed in the following table are the undiscounted gross contractual cash flows. The non-derivative financial liabilities include interest payments and excluding the impact of netting agreements.

	CARRYING AMOUNT	CONTRACT CASH FLOWS	LESS THAN 1 MONTH	1 TO 3 MONTHS	3 TO 12 MONTHS	OVER 12 MONTHS
AS AT 30 JUNE 2024	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Non-derivatives						
Benefits payable	5	5	5	-	-	-
Sundry creditors	98	98	48	50	-	-
Unsettled trades - payable	664	664	664	-	-	-
Income tax payable	467	467	69	-	398	-
Defined contribution liabilities	105,601	105,601	105,601	-	-	-
Defined benefit liabilities	23,816	26,467	26,467	-	-	-
Total	130,651	133,302	132,854	50	398	-
Derivatives						
Foreign exchange forwards	216	35,360	12,132	23,228	-	-
Interest rate swaps	31	385	1	36	99	249
Futures	23	24	2	21	1	-
Total	270	35,769	12,135	23,285	100	249
AS AT 30 JUNE 2023	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
Non-derivatives						
Benefits payable	16	16	16	-	-	-
Sundry creditors	102	102	68	34	-	-
Unsettled trades - payable	164	164	164	-	-	-
Income tax payable	164	164	51	-	113	-
Defined contribution liabilities	92,229	92,229	92,229	-	-	-
Defined benefit liabilities	23,578	26,128	26,128	-	-	-
Total	116,253	118,803	118,656	34	113	-
Derivatives						
Foreign exchange forwards	215	24,416	9,447	14,970	-	-
Interest rate swaps	32	246	-	15	24	207
Futures	23	20	-	19	-	-
Total	270	24,682	9,447	15,004	24	207

The carrying amount of member liabilities is members' accrued benefits. However, the contractual cash flows disclosed are members' vested benefits as these are the benefits members could call upon as at reporting date. The vested benefits balance has been included as payable in 'less than 1 month' as this is the earliest period in which the Fund can be required to pay members' vested benefits. However, members may not necessarily call upon amounts vested to them during this time.

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES

E FAIR VALUES OF INVESTMENTS

The Fund's investment assets included in the Statement of financial position are carried at fair value. The major methods used in determining fair value of investments are disclosed below.

The table below contains financial instruments carried at fair value according to the inputs used in their valuation. The different levels have been presented as follows:

- Level 1: This category includes assets for which the valuation is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.
- Level 2: This category includes assets and liabilities that have been valued using inputs other than quoted prices as described for Level 1, but which are observable for the asset or liability, either directly or indirectly. The valuation techniques include option pricing models and other market accepted valuation models.
- Level 3: This category includes assets and liabilities where the valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs may include the timing and amount of future cash flows, rates of estimated credit losses, discount rates and volatility.

	LEVEL 1	LEVEL 2	LEVEL 3 ¹	TOTAL
AS AT 30 JUNE 2024	\$'M	\$'M	\$'M	\$'M
Equities	75,669	355	3,307	79,331
Interest bearing securities	2,625	17,956	1,242	21,823
Short term deposits	-	1,131	-	1,131
Property	-	-	8,270	8,270
Infrastructure	-	-	12,311	12,311
Derivative financial assets	-	427	-	427
Sub-total	78,294	19,869	25,130	123,293
Derivative financial liabilities	-	(270)	-	(270)
Total	78,294	19,599	25,130	123,023
AS AT 30 JUNE 2023				
Equities	67,337	-	2,897	70,234
Interest bearing securities	2,564	15,403	870	18,837
Short term deposits	-	1,258	-	1,258
Property	-	-	7,240	7,240
Infrastructure	-	-	11,232	11,232
Derivative financial assets	-	268	-	268
Sub-total	69,901	16,929	22,239	109,069
Derivative financial liabilities	-	(253)	-	(253)
Total	69,901	16,676	22,239	108,816

¹ Fair value of underlying assets in unlisted trusts are \$5,443m as at 30 June 2024 (2023: \$4,560m), and represents maximum exposure to the unlisted trusts across equities, interest bearing securities, property and infrastructure.

During the financial year, there were no investment assets reclassified between level 1 and level 2.

Level 3 reconciliation

The following table shows a reconciliation of the movement in fair value of financial instruments categorised within Level 3 between the beginning and

the end of the reporting period. The Fund's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

	EQUITIES	INTEREST BEARING SECURITIES	PROPERTY	INFRASTRUCTURE	TOTAL
AS AT 30 JUNE 2024	\$'M	\$'M	\$'M	\$'M	\$'M
Opening balance 1 July	2,897	870	7,240	11,232	22,239
Total realised gains/(losses)	(23)	(6)	(2)	-	(31)
Total unrealised gains/(losses)	203	8	(203)	512	520
Sales	(45)	(197)	(59)	(76)	(377)
Purchases	274	567	1,294	643	2,778
Transfers in/(out) of level 3	1	-	-	-	1
Total	3,307	1,242	8,270	12,311	25,130
AS AT 30 JUNE 2023					
Opening balance 1 July	446	316	6,209	7,853	14,824
Total realised gains/(losses)	(46)	(2)	8	(137)	(177)
Total unrealised gains/(losses)	152	(4)	(242)	480	386
Sales	(15)	(98)	(696)	-	(809)
Purchases	1,053	309	1,961	3,036	6,359
Transfers in/(out) of level 3 ¹	1,307	349	-	-	1,656
Total	2,897	870	7,240	11,232	22,239

¹ Transfer in from Level 2 to Level 3 in FY23 relates to Equities and Interest bearing securities.

Valuation techniques and inputs**Market quoted investments**

The fair value of an investment for which there is a readily available market quotation is determined as the last quoted sale price as at the close of business on reporting date.

When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques and models.

Equities

Investments for which market quotations are not readily available are valued at the fair value determined by the Trustee as follows:

- Delisted equity securities are valued based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind up.
- Equity securities subject to takeover offer are valued as the consideration offered under the takeover offer.
- Private equity managers adopt a 'Fair Value' (or mark to model) approach in determining the value of their portfolio companies. The valuation approach adopted by private equity managers to determine

fair value may include the use of recent investment prices, multiples, net assets, discounted cash flows or earnings, industry valuation benchmarks and/ or the opinion of a third party expert. These valuations are prepared in accordance with Valuation Guidelines, issued by the relevant governing bodies for the managers, which set out a best practice framework for the estimation of fair value.

- The assets reported under level 3 equities include the Fund's investment in USM. USM is valued on a monthly basis based on the net assets of the company. The net assets of USM and consolidation value of USM are not materially different and therefore USM is valued on a net asset basis through the investments holdings of the Fund. The net assets are audited on an annual basis. Any change in fair value measurement of this investment would not have a significant impact on the overall financial position of the Fund.

Interest bearing securities

Interest bearing securities are valued at market rates, with prices obtained through Interactive Data, Bloomberg and Standard & Poors.

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES**Property investments**

Property investments comprise of directly held investments in land and buildings and unlisted pooled property funds managed by external managers. UniSuper's appointed portfolio manager's have obtained independent appraisal valuations for each directly held asset at least quarterly. This is in accordance with generally accepted accounting principles and valuation methodologies used for the valuation of such assets. These valuations are reviewed for reasonableness and consistency by an independent valuer.

In deriving their valuation opinions, the valuation methodology typically adopted by the valuers includes discounted cash flow methodologies, the capitalisation approach and direct comparison, which draw on comparable sales and leasing evidence, where this exists. The valuer may rely on one or more of the above approaches in determining their opinion of value. Indirectly held investments are recorded at the redemption value per unit as reported by the investment managers of such funds.

Infrastructure investments

UniSuper or its appointed asset manager obtains independent appraisal valuations for each asset at least annually on a fair value basis, generally using discounted cashflow methodology, and more frequently when the Trustee deems that there have been significant movements in value. These assets include unlisted pooled infrastructure funds managed by external managers, where the Fund ensures that the valuation techniques used by fund managers are consistent with the Fund's valuation policy and accepts the value provided by the fund managers unless there is a specific and objectively verifiable reason to vary from the value provided. Indirectly held investments are recorded at the redemption value per unit as reported by the investment managers of such funds.

Derivative assets and liabilities

Derivatives are recorded at fair value using quoted prices or option valuation formulae. The Fund uses widely recognised valuation models for over the counter

interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swaps models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own risk, foreign exchange spot and forward rates, and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within level 2.

Inputs used in fair value measurement

Depending on the methodology used and the nature of the asset being valued, significant inputs may include:

- Forecast cash flows, including growth rate assumptions.
- Discount rates, including risk-free rates, market risk premiums and specific investment risk premiums ("alpha").
- Weighted average cost of capital.
- Forecast foreign exchange rates.
- Gearing levels.
- Forecast inflation rates.
- Earnings or revenue multiples.

A significant change in any of these inputs may result in a significantly lower or higher fair value measurement for individual assets, but would be unlikely to have a significant impact on the overall financial position of the Fund.

The current use of non-financial assets does not differ materially from the highest and best use of the assets.

Sensitivity analysis for level 3 investments

Based on the sensitivity to unobservable inputs, the valuation of infrastructure investments could reasonably vary by plus or minus \$619 million. Any sensitivity for the property investments is not expected to have a significant impact on the financial statements. The following table summarises the key unobservable inputs used in fair value measurement of the Fund's material asset classes of directly held investments.

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVERAGE)	
			2024	2023
Property	Discounted cashflows	Capitalisation rate	4.5% - 6.5% (5.5%)	4.3 - 6.1% (5.0%)
		Discount rate	6.0% - 7.3% (6.8%)	5.8 - 7.0% (6.3%)
		Gearing	0% - 36.9% (13.7%)	0 - 39.3% (13.8%)
Infrastructure	Discounted cashflows	Discount rate	7.0% - 11.4% (9.6%)	7.0% - 10.7% (9.4%)
		Gearing	5.0% - 70.0% (46.4%)	6.0% - 85.0% (46.7%)
		Alpha	0.0% - 2.3% (0.8%)	0.0% - 2.5% (0.8%)

F OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Fund enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting arrangements. Under such arrangements, derivative financial assets and liabilities could potentially be offset at the counterparty level under certain circumstances such as default. The amounts owed by each counterparty on a single day in respect of all

transactions outstanding in the same currency would be aggregated into a single net amount payable by one party to the other and the relevant arrangements terminated. The ISDA agreements do not meet the criteria for offsetting in the statement of financial position as the Fund does not have a legally enforceable right of set-off at balance sheet date.

The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position at a transactional level are disclosed in the table below. Also shown in the table is the amount that could, under netting arrangements, be offset at the counterparty level should circumstances allow the Fund a legally enforceable right of set-off.

	DERIVATIVE FAIR VALUE	DERIVATIVE AMOUNTS SET OFF	NET AMOUNTS PRESENTED IN STATEMENT OF FINANCIAL POSITION	AMOUNTS SUBJECT TO MASTER NETTING ARRANGEMENTS	NET AMOUNT
AS AT 30 JUNE 2024	\$'M	\$'M	\$'M	\$'M	\$'M
Financial assets					
Future contracts	52	-	52	(23)	29
Option contracts	37	-	37	-	37
Swap contracts	11	-	11	(11)	-
Foreign currency forward contracts	327	-	327	(106)	221
Total	427	-	427	(140)	287
Financial liabilities					
Future contracts	(23)	-	(23)	23	-
Swap contracts	(31)	-	(31)	11	(20)
Foreign currency forward contracts	(216)	-	(216)	106	(110)
Total	(270)	-	(270)	140	(130)
AS AT 30 JUNE 2023					
Financial assets					
Future contracts	120	-	120	(20)	100
Option contracts	40	-	40	-	40
Swap contracts	5	-	5	(5)	-
Foreign currency forward contracts	103	-	103	(103)	-
Total	268	-	268	(128)	140
Financial liabilities					
Future contracts	(20)	-	(20)	20	-
Swap contracts	(22)	-	(22)	5	(17)
Foreign currency forward contracts	(211)	-	(211)	103	(108)
Total	(253)	-	(253)	128	(125)

Reserves information

9 Reserves

	2024 \$'M	2023 \$'M
Operational risk reserve	379	326
Administration reserve	371	350
Investment fee reserve	74	51
External insurance reserve	31	29
Self insurance reserve	-	4
Total reserves	855	760

A NATURE AND PURPOSE OF RESERVES

i. Operational risk reserve

Consists of funding in relation to the defined benefit division members, fees deducted from accumulation and pension members, and earnings on the reserve's funds. The reserve is to cover the Fund against losses associated with operational risks and is operated in accordance with APRA Prudential Standards. On 30 June 2024, the reserve balance was 0.27% of funds under management, which was above the Fund's Operational Risk Financial Requirement of 0.25%, but within the Fund's target range of 0.20% to 0.30%.

ii. Administration reserve

Comprises administration fees collected from members but not yet spent on administration activities and reserve earnings. The assets backing the reserve include an investment in property that is leased to USM and investment in the Fund's administrator, USM.

iii. Investment fee reserve

The reserve is funded by investment fees, investment fee rebates, and any other fees the Trustee may determine appropriate giving regard to the proper legislative and regulatory considerations.

iv. External insurance reserve

Relates to a small loading charged to members on the external insurer's premium. This reserve is used to fund improvements in the external insurance offering.

v. Self insurance reserve

Consisted of insurance premiums collected from Accumulation 2 members (defined benefit members who have elected to move into accumulation) to meet Fund death and disability insurance payments. The insurance products have been in 'run-off' mode from 3 January 2015, and the reserve was approved by the Board on 28 March 2024 to be transferred into the External insurance reserve.

Cash flow information

10 Cash and cash equivalents

	2024 \$'M	2023 \$'M
Cash	529	542
Cash held in Custody	18,273	17,247
Total cash and cash equivalents	18,802	17,789

11 Reconciliation of profit after income tax to net cash inflow from operating activities

	2024 \$'M	2023 \$'M
Net profit/(loss) after income tax expense	679	(231)
Net benefits allocated to defined benefit and defined contribution members	9,709	9,256
Insurance premiums paid	(133)	(111)
Movement in net market value of investments	(7,026)	(6,047)
Change in operating assets and liabilities		
Decrease in sundry debtors & prepayments	2	6
Decrease increase in sundry creditors	(6)	(12)
Increase/(decrease) in income tax payable	302	(85)
Increase in deferred tax liabilities	401	547
Net cash inflow from operating activities	3,928	3,323

Tax information

12 Income tax expense

	2024 \$'M	2023 \$'M
A INCOME TAX EXPENSE		
Current tax	167	(143)
Deferred tax	401	547
Over provision in prior years	(94)	(50)
Total income tax expense	474	354
<i>Income tax expense is attributable to:</i>		
Tax on profit from continuing operations	474	354
<i>Deferred income tax expense included in income tax expense comprises:</i>		
Increase in deferred tax liabilities (Note 13)	401	547
B RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE		
Net operating result before income tax expense	10,862	9,379
Tax at the Australian tax rate of 15% (2023:15%)	1,629	1,407
<i>Tax effect of amounts which are not (taxable)/ deductible in calculating taxable income:¹</i>		
Differences between tax and accounting net investment income	(241)	(389)
Differences in net capital gains ²	(120)	(26)
Exempt current pension income ³	(194)	(98)
Imputation credits and other tax credits ⁴	(509)	(491)
Other	3	1
Total tax effect of amounts which are not deductible in calculating taxable income	568	404
Over provision in prior years	(94)	(50)
Income tax expense	474	354

¹ The prior year comparative amounts have been restated to reflect presentation changes in FY24.

² Eligible capital gains are discounted for tax purposes by one third.

³ Exempt current pension income is net of expenses that relate to exempt current pension income.

⁴ FY24 Imputation credits and other tax credits includes \$60m of Foreign income tax credits (FY23 \$52.5m).

13 Deferred tax liabilities

	2024 \$'M	2023 \$'M
<i>The balance comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Unrealised investment income	2,463	2,062
Net deferred tax liabilities	2,463	2,062
<i>Movements:</i>		
Opening balance at 1 July	2,062	1,515
Charged/(credited) to the statement of changes in net assets (Note 11)	401	547
Closing balance at 30 June	2,463	2,062
Deferred tax liabilities to be settled within 12 months	-	-
Deferred tax liabilities to be settled after more than 12 months	2,463	2,062
Total deferred tax liabilities	2,463	2,062

Other notes to the Financial Statements

14 Administration expenses

	2024 \$'M	2023 \$'M
<i>Net operating profit before income tax includes the following specific expenses:</i>		
UniSuper Management administration fees	83	75
APRA fees	5	4
Governance	4	4
Other expenses	20	14
Total administration expenses	112	97

15 Related party transactions

A PARENT ENTITIES

The ultimate parent of the Fund is the USL. As set out in Note 2(A)i, consolidated accounts have not been prepared.

B CONTROLLED ENTITIES

Interests in controlled entities are set out in Note 19.

C KEY MANAGEMENT PERSONNEL

i. Directors and Consultants Compensation (PAID BY UNISUPER)

UNISUPER	2024 \$'000	2023 \$'000 ¹
Short-term employee benefits	1,588	1,502
Post-employment benefits	133	141
Total²	1,721	1,643

¹ Comparative information has been revised to reflect the changes in the presentation as detailed in Note 2A(iii)(c).

² The above figures include amounts paid or payable to Directors and Consultants pertaining to their duties for UniSuper Limited, the Trustee of UniSuper, and USM. Comparatives have been restated to overpayment made in FY23.

ii. Vested Benefits of Directors and Consultants

UNISUPER	2024 \$'000	2023 \$'000
Vested benefits	10,092	8,705

iii. Executives Compensation (PAID BY UNISUPER MANAGEMENT PTY LTD)

UNISUPER MANAGEMENT PTY LTD	2024 \$'000	2023 \$'000 ¹
Short-term employee benefits	6,597	6,231
Post-employment benefits	547	575
Long term employment benefits	416	140
Termination benefits	238	-
Total	7,798	6,946

¹ Executives compensation in comparative period have been restated to reflect accounting treatment of deferred incentives.

FINANCIAL STATEMENTS - UNISUPER AND CONTROLLED ENTITIES

iv. Vested Benefits of Executives

UNISUPER MANAGEMENT PTY LTD	2024 \$'000	2023 \$'000
Vested benefits	11,121	9,872

D OTHER RELATED PARTY TRANSACTIONS

UniSuper Limited, as trustee of the Fund has appointed representatives from USM, in addition to independent representatives to serve as Directors on the Board and/or Investment Committee Advisors of the Fund's significant investments and controlled entities. Based on these appointments any entity where the requirements of control or significant influence is met has been included in the Fund's significant entities listing or in Note 19 controlled entities.

Sarah Roberts and Michael McNally, Directors nominated by the NTEU, are compensated through director fees paid directly to NTEU. Nicole Gower is compensated through director fees paid directly to Macquarie University for parts of the financial year. Stephen Weller is compensated through director fees paid directly to Australian Catholic University (ACU) up until he ceased being an employee of ACU.

The Fund and USM paid the following amounts to the organisations that employed Director and Executives of the Trustee or USM as Directors for these organisations. Payments to these organisations include legal fees, membership fees, and sponsorship. These payments are made on normal commercial terms.

	UNISUPER		UNISUPER MANAGEMENT PTY LTD	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Other related parties¹</i>				
Payments made by UniSuper	(130)	(100)	-	-
Payments made by USM	-	-	(1,359)	(227)

¹ Payments disclosed includes GST.

E TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

The Fund pays USM Administration and Investment management fees for rendering superannuation administration services. In accordance with the agreement between the Fund and USM, the administration fees are collected from the members and 72.5% of the fees collected are paid to USM for rendering of administrative services. In addition Investment fees are paid by the Fund to USM for carrying out investment activities.

	UNISUPER		UNISUPER MANAGEMENT PTY LTD	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Purchase/provision of services				
Administration services fees (paid) by UniSuper to controlled entities (USM)	(82,437)	(75,231)	82,437	75,231
Investment management fees (paid) by UniSuper to controlled entities (USM)	(278,458)	(290,300)	272,279	284,813
Trustee fee (paid) by UniSuper to UniSuper Ltd (the Trustee) ¹	-	(2,386)	-	-
Rental agreement (received) by UniSuper from controlled entities (USM)	806	470	(806)	(470)
Other Income (payable) by UniSuper to controlled entities (USM)	(12,172)	(1,717)	12,172	1,717
Financial advice services rendered by USM	(9,632)	(8,662)	9,632	8,662
Dividend and distribution revenue²				
Controlled entities	82,928	76,567	-	-

¹ The Trustee fee disclosed excludes GST.

² Transactions relating to dividends and distributions were on normal commercial terms and conditions.

F OTHER SIGNIFICANT INVESTMENTS

The table below lists details of other significant investments held by the Fund. These investments do not meet the definition of a related party under the accounting standard AASB 124, however are disclosed where the Fund has a right to nominate a director to the board of the investment company. The maximum exposure or loss is equal to the fair values of investments in these entities plus any capital commitments made by a related party to an underlying entity. Once the Fund has disposed of its interest it ceases to be exposed to any risk from these entities. The Fund's capital commitments are set out in Note 18.

These investments are included in the relevant investment categories in the statement of financial position. There have been no transactions with these entities other than normal investment activities and distributions.

All transactions were made on normal commercial terms, under normal conditions and at market rates.

INVESTMENT	EQUITY HOLDING	EQUITY HOLDING
	2024 %	2023 %
Leichhardt Coal Pty Ltd	49.00	49.00
Sydney Airport	15.01	15.01
Taumata Plantations Limited	27.88	27.88
Tasmanian Forest Trust (Tasmanian Forestry Company Pty Limited)	33.30	-
Hancock Victorian Plantations Pty Ltd	19.38	16.66

G OTHERS

Superannuation contributions of Directors and employees of USM are under standard commercial arrangements.

All other transactions were made on normal commercial terms and conditions and at market rates.

Outstanding balances are unsecured and are repayable in cash.

16 Remuneration of auditors

	2024 \$'000	2023 \$'000
PricewaterhouseCoopers - Audit and assurance services		
Audit of financial statements	533	426
Other assurance services, including audit of regulatory returns	165	180
Total remuneration for assurance services¹	698	606
PricewaterhouseCoopers - Non-audit services		
Investment tax services	10	-
Review of business case (ACS SFT)	-	67
Cyber risk awareness training	-	33
Other tax compliance services	-	14
Total remuneration for non-audit services²	10	114

¹ Balances include audit and assurance fees for the Fund and investment subsidiaries. As the Fund cannot recover 100% of the GST credits, the amounts disclosed are inclusive of GST.

² As the Fund cannot recover 100% of the GST credits, the amounts disclosed are inclusive of GST.

17 Contingencies

The Fund had no contingent assets or contingent liabilities at 30 June 2024 (2023 \$Nil).

18 Commitments

	2024 \$'M	2023 \$'M
Investment commitments		
Payable:		
Within one year	1,303	871

19 Controlled entities

The Fund's controlled entities are listed in the following table. UniSuper Limited, as Trustee of the Fund, beneficially holds the interests in these entities on behalf of the Fund. The controlled entities are not consolidated in accordance with the accounting policy described in Note 2(A)(i):

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING OF UNISUPER LIMITED	
			2024 %	2023 %
Highlander Investments No. 1 Pty Ltd	Australia	Ordinary	100	100
Highlander Investments No. 2 Pty Ltd	Australia	Ordinary	100	100
Highlander Investments Trust	Australia	Trust Units	100	100
Highlander Retail Holdings Pty Ltd	Australia	Ordinary	100	100
KSC Residential Trust	Australia	Trust Units	100	100
KSC Residential Trust II	Australia	Trust Units	100	100
KSC Trust	Australia	Trust Units	100	100
TESS Property Holdings Pty Ltd	Australia	Ordinary	100	100
TESS UniSuper Climate Opportunities Trust	Australia	Trust Units	100	-
TESS UniSuper Infrastructure Trust	Australia	Trust Units	100	100
TESS UniSuper International Credit Trust	Australia	Trust Units	100	100
TESS UniSuper International Credit Trust II	Australia	Trust Units	100	100
TESS UniSuper Oak Trust	Australia	Trust Units	100	100
TESS UniSuper Private Capital Trust	Australia	Trust Units	100	100
TESS UniSuper Private Credit Co-Investment (USA) Trust	Australia	Trust Units	100	-
TESS UniSuper Private Credit Co-Investment Trust	Australia	Trust Units	100	100
TESS UniSuper Uniseed Trust	Australia	Trust Units	100	100
UniSuper Forestry Investments Limited	New Zealand	Ordinary	100	100
UniSuper Forestry Trust No. 1	Australia	Trust Units	100	100
UniSuper Infrastructure USA Inc	United States	Ordinary	100	100
UniSuper International Investments Trust	Australia	Trust Units	100	100
UniSuper KSC Intermediate Trust	Australia	Trust Units	100	100
Water Investments Trust	Australia	Trust Units	100	100
UniSuper Management Pty Ltd	Australia	Ordinary	100	100
Adelaide Airport Limited	Australia	Ordinary	51	51
Australian Core Retail Trust	Australia	Trust Units	50	50
Burra Park - Head Trust 1	Australia	Trust Units	50	-
Burra Park - Head Trust 2	Australia	Trust Units	50	-
Burra Park - Head Trust 3	Australia	Trust Units	50	-
Cawley Road Industrial Trust	Australia	Trust Units	100	100
Deer Park Industrial Trust	Australia	Trust Units	100	100
First Sentier Managed Debt Trust	Australia	Trust Units	100	100
M Property Trust	Australia	Trust Units	100	100
Marrickville Trust	Australia	Trust Units	100	100
Parkville Holdings Nominees Pty Ltd	Australia	Ordinary	100	100
Parkville Trust	Australia	Trust Units	100	100
Pendal Australian Long/Short Fund	Australia	Trust Units	97	97
Prospect Water Trust	Australia	Trust Units	100	100
Quarry Estate Trust	Australia	Trust Units	100	-
Regal Australian Small Equities Fund	Australia	Trust Units	100	-
Revolution UniSuper Private Debt Fund	Australia	Trust Units	100	-
Tanarra Credit Partners UniSuper Separate Managed Account Trust	Australia	Trust Units	100	100
Tribeca Alpha Plus Fund	Australia	Trust Units	79	79
Truganina Estate Trust	Australia	Trust Units	100	-
Wattletree Trust	Australia	Trust Units	100	100

20 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

Trustee's declaration

In the opinion of the directors of the Trustee of UniSuper:

- a. the financial statements and notes set out on pages 30 to 67 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- b. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c. the operation of UniSuper was governed by the UniSuper Trust Deed dated 24 December 1982 as amended from time to time.

Signed in accordance with a resolution of the Board of Directors of UniSuper Ltd as Trustee for UniSuper.

Signed for and on behalf of the Trustee



Chair
19 September 2024



Director



Chief Executive



Independent auditor's report

To UniSuper Limited, the Trustee of UniSuper (ABN: 91 385 943 850)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of UniSuper (the RSE/ Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in member benefits for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustee's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the RSE, its accounting processes and controls and the industry in which it operates.

Our audit of the financial report focused on where the Trustee made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Our audit approach reflects the nature of UniSuper's investment operations and administration of member balances, with consideration to the work undertaken by UniSuper's third-party service organisations, external investment managers and external valuation experts.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Finance and Risk Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Valuation of investments in property and infrastructure <i>Refer to note 8E Fair values of investments</i></p> <p>At 30 June 2024, UniSuper's investments in property and infrastructure comprised directly held property and infrastructure and unlisted pooled property and infrastructure funds, amongst others.</p> <p>Note 8E of the financial report describes the valuation techniques and inputs (the "valuation models") used by UniSuper to measure the fair value of property investments and infrastructure investments under Australian Accounting Standards.</p> <p>UniSuper's investments in unlisted pooled property and infrastructure funds are valued</p>	<p>We assessed the design and implementation, and evaluated the operating effectiveness, of key controls supporting UniSuper's valuation process including investments in property and infrastructure.</p> <p>Directly held infrastructure investments For a selection of material directly held infrastructure assets, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • together with assistance from PwC valuation experts, assessed the appropriateness of the valuation methodology and significant assumptions used in the valuations by reference to market evidence, where relevant; • assessed the accuracy of key data used



Key audit matter	How our audit addressed the key audit matter
<p>using the valuation provided by the relevant external investment manager responsible for each investment fund, in most cases.</p> <p>We considered this a key audit matter because of the:</p> <ul style="list-style-type: none"> • financial significance of property and infrastructure investments to the Fund's Statement of Financial Position; • the level of judgement involved in developing the underlying assumptions used in the valuation models, including discount rate, capitalisation rate and gearing levels; • the level of judgement involved in the determination of the valuation of unlisted pooled funds by the external investment managers; • the sensitivity of the fair value to material changes in key data and assumptions used in the valuation models or by the external investment managers. 	<p>by the external valuer in the valuation model by reference to management information and market evidence, where relevant; and</p> <ul style="list-style-type: none"> • compared the fair value reported by the external valuer to UniSuper's accounting records. <p>Directly held property investments</p> <p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • inspected the most recent report provided to UniSuper by the property investment manager setting out the controls in place at that service provider, which included an audit opinion from the investment manager's auditor over the design and operating effectiveness of those controls; • developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the investment manager's auditor on the design and operating effectiveness of controls, to the extent relevant to our audit of the valuations of UniSuper's property investments; • inspected an audit report from the service provider's auditors on the valuation of UniSuper's property investments as at balance date. We compared the value of the property portfolio at 30 June 2024 as recorded in UniSuper's financial statements and underlying accounting records to this report. <p>Unlisted pooled funds</p> <p>For a selection of material unlisted pooled funds, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • obtained a valuation statement from the external investment manager of the



Key audit matter	How our audit addressed the key audit matter
<p>Level 1 and 2 financial assets and liabilities <i>Refer to note 8E Fair value of investments</i></p> <p>At 30 June 2024, UniSuper's level 1 and 2 financial assets and liabilities included investments in listed equities, interest bearing securities, short term deposits and derivative assets and liabilities, amongst others.</p> <p>Note 8E of the annual report describes the valuation methodology used by UniSuper to measure the fair value of the level 1 and 2 financial assets and liabilities under Australian Accounting Standards.</p> <p>Valuation of level 1 and 2 financial assets and liabilities was a key audit matter because of the financial significance of the balances in UniSuper's statement of financial position.</p>	<p>pooled fund and compared the valuation quoted by the external investment manager to UniSuper's accounting records; and</p> <ul style="list-style-type: none"> assessed the reliability of the valuation statements provided by the external investment managers by reference to the audited financial statements of the unlisted pooled funds, or by performing other procedures.
<p>Level 1 and 2 financial assets and liabilities <i>Refer to note 8E Fair value of investments</i></p> <p>At 30 June 2024, UniSuper's level 1 and 2 financial assets and liabilities included investments in listed equities, interest bearing securities, short term deposits and derivative assets and liabilities, amongst others.</p> <p>Note 8E of the annual report describes the valuation methodology used by UniSuper to measure the fair value of the level 1 and 2 financial assets and liabilities under Australian Accounting Standards.</p> <p>Valuation of level 1 and 2 financial assets and liabilities was a key audit matter because of the financial significance of the balances in UniSuper's statement of financial position.</p>	<p>We assessed the design and operating effectiveness of key controls operated by the third-party service organisation ('service provider') that provides administration and custody services. We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> inspected the most recent reports provided to UniSuper by the service provider setting out the controls in place at that service provider, and that included an audit opinion over the design and operating effectiveness of those controls; developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the auditor of the service provider on the design and operating effectiveness of controls, to the extent relevant to our audit of UniSuper's level 1 and 2 financial assets and liabilities. <p>Together with assistance from PwC valuation experts we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> for listed equity securities obtained an external market price and compared that price to UniSuper's valuation of listed equity securities; for a selection of interest-bearing securities and short term deposits, recalculated the valuation and



Key audit matter	How our audit addressed the key audit matter
<p>Valuation of Defined Benefit members liabilities <i>Refer to note 4 Member liabilities and note 6 Defined benefit member liabilities</i></p> <p>At 30 June 2024, UniSuper's member liabilities includes defined benefit member liabilities.</p> <p>Note 4 and 6 of the financial statements describes the actuarial valuation techniques and assumptions used by UniSuper to measure the accrued benefits of the defined benefit members ('accrued benefits') as required by the Australian Accounting Standards. The accrued benefits are determined by UniSuper's actuary each year.</p> <p>We considered this a key audit matter because of the:</p> <ul style="list-style-type: none"> • financial significance of the accrued benefits; • judgement involved in developing key actuarial assumptions used in the valuation of the accrued benefits, including investment returns for active members and pensioners, salary inflation and price inflation; and • the sensitivity of the accrued benefits to changes in key data and significant assumptions used in the actuarial models. 	<p>compared that valuation to the value of UniSuper's interest bearing securities and short term deposits.</p> <p>We assessed the objectivity, competency and capability of UniSuper's actuary and evaluated whether the actuarial valuation was performed in accordance with Australian Accounting Standards.</p> <p>In relation to the accrued benefits, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • together with assistance from PwC actuarial experts, assessed the appropriateness of the valuation methodology and significant assumptions used in the actuarial valuation by reference to market evidence, where relevant; • assessed the reliability of the member data report provided to UniSuper's actuary by agreeing a sample of data points to the member administration system; and • compared the defined benefit accrued liabilities reported by UniSuper's actuary to UniSuper's accounting records. <p>We assessed the reasonableness of UniSuper's disclosures in the financial report in light of the requirements of Australian Accounting Standards. In particular, we considered the reasonableness of the disclosures made in notes 4 and 6 of the financial report.</p>

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Trustee for the financial report

The directors of the Trustee (the directors) are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www/auasb.gov.au/auditors_responsibilities/ar6.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of UniSuper for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Nicole Osborne'.

Nicole Osborne OAM
Partner

Melbourne
19 September 2024

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