



Making a difference

Annual Report
2021



We recently merged with VicSuper, so now we have the capacity for even greater good!

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For more information or to request a printed copy free of charge, please call **1300 650 873**.

 aware.com.au

Important information and disclaimer:

Prepared and issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Unique Superannuation Identifier (USI) 53 226 460 365 001, MySuper Authorisation Numbers 53 226 460 365 073 and 53 226 460 365 954. When members receive advice, they receive it under our financial planning business, Aware Financial Services Australia Limited ABN 86 003 742 756 AFSL No. 238430. Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) is wholly owned by Aware Super.

Issued October 2021.

How we report

Helping members, employers and other stakeholders find and understand the information that’s most relevant to them is part of our commitment to putting members’ needs first.

This year we’ve introduced some improvements to our annual report to help our members, employers and other stakeholders find the information they need more easily.

Part of the Annual Report



Aware Super
Product Performance
Report 2021



VicSuper
Product Performance
Report 2021



Governance
Report 2021

Additional reports



Destination Net
Zero Report



Stewardship
Report 2021

Our improvements are informed by the International Integrated Reporting <IR> Framework. We believe that integrated reporting will help us understand and share how we create value (or benefits) for our members and their communities as well as how we respond to the challenges we face.

This report focuses on:

- clearly identifying the internal and external resources used;
- explaining how we create services and products from these resources; and
- how, combined, these contribute to generating strong and sustainable value for our members and other stakeholders.

In addition, further detail on the investment performance of our investment options as at 30 June 2021 can be found in the Product Performance Reports online.

- ➔ aware.com.au/performance
- ➔ vicsuper.com.au/performance

Our latest investment returns can be found on our websites:

- ➔ aware.com.au/returns
- ➔ vicsuper.com.au/returns

Formerly StatePlus:

- ➔ aware.com.au/otherfunds



We'd love to get your feedback on our report:

If you have any comments about the content covered in our annual report, please don't hesitate to contact us:

✉ corporate.responsibility@aware.com.au



Reporting scope








The scope of this report is limited to the operations of Aware Super Pty Ltd, as a trustee of Aware Super. Our report covers the financial year 1 July 2020 to 30 June 2021 for Aware Super Pty Ltd, unless otherwise stated.

Materiality

To ensure we develop a concise account of how we create value (benefits) for our members, we sought feedback from our member representatives on the board about the themes we should cover in this report. Given the unprecedented changes in our external environment and our own journey in past 18 months, we were encouraged to focus on sharing our strategy so members could clearly see where we are headed as a fund, what we need to get there and the benefits of this strategy to them.

As part of our four-year strategic plan, we have seven areas we want to be known for that set the direction for our fund, and which will allow us to live up to our purpose of being a force for good in super and retirement, shaping the best outcomes for our members, their families and communities and our industry.

The table below presents the location of each key theme covered in our 2020-21 annual report.

Areas we want to be known for	Annual report section	Page
 Best help for members	Providing the best help for our members	23
 Go-to for retirement	Go-to for retirement	19
 Profoundly simple, consistent experience	Delivering simple, consistent experiences	26
 Strong returns and responsible ownership	<ul style="list-style-type: none">➔ aware.com.au/performance➔ vicsuper.com.au/performance➔ aware.com.au/stewardship➔ aware.com.au/netzeroreport Delivering strong returns through responsible ownership	32
 Responsible and ethical reputation	Being responsible and ethical	42
 Relative scale and supporting low fees	A message from our Chair and CEO About Aware Super	4 6
 Best place to work	Creating the best place to work	44

A message from our Chair and CEO

It's impossible to introduce this year's annual report without acknowledging the impact COVID-19 has had on us all. The ongoing pandemic has tested the resilience of all Australians, notwithstanding the fact that many of our members are frontline workers who have experienced challenges none of us could have imagined.

We therefore cannot express enough just how grateful we are to our members and employers for their continued commitment to keeping our communities healthy and safe, our children learning, and essential services running.

Despite the challenges brought by the pandemic, 2020-21 was a strong year for financial markets and in turn for your investments in Aware Super. As at 30 June 2021, both our Aware Super Growth and VicSuper Growth options delivered strong positive performance of over 18%¹. These returns placed us above the median fund versus peers.² Importantly, our 5 year returns of 9.8% p.a. and 10 year returns of over 9% p.a. for our main default fund have ensured that our members have had strong returns over the medium and long term which is critical for their long term retirement savings and place the fund as one of the Top Performing funds in Australia over those time horizons³.

It's been a year of change and growth for us. During the last financial year, we completed our merger with VicSuper and WA Super, and changed our name to Aware Super, to enable one national identity that best represents our members and our culture. We now have over \$148 billion in funds under management and 1,304 employees, making us one of the largest funds in Australia. Ultimately this scale and

growth, including mergers, is not about just being large, but rather using this scale and efficiencies to deliver better outcomes to you, our members, through strong returns, lower fees and enhanced services. We are already starting to see strong long term member outcomes from this scale with a 20% reduction in administration fees for VicSuper accumulation members and an average reduction in fees of approximately 10% for Aware Super pension members.

Throughout 2020-21 it was critical that we provided the right help, guidance and support to our members. This is a core part of our strategy and service. With COVID-19 impacting many members' income sources, we facilitated the process for over 100,000 members experiencing financial hardship to access \$882 million from their super through the Government's Early Release Scheme. We ensured members had access to the right information by quickly updating our website on topics such as financial education, advice and insurance. We received over 484,000 calls into our member service centre. For those members either approaching or entering retirement, we provided access to over 950 educational webinars and seminars (349 public and 605 at workplaces). Our digital capabilities were enhanced to provide members with a better customer experience and our award-winning app⁴ now provides a broader range of services – a one-stop solution that empowers members and gives you control of your super anytime, anywhere as well as the ability to book an appointment with one of our advisors or

use our 'Explorer' tool to estimate how much you may need for retirement.

Mindful of members changing investment needs we introduced enhancements to our default investment approach, MySuper Lifecycle to help our members retire with more. It adapts to members' needs during different life stages and gradually moves their investments from higher return/higher risk (growth) assets to a more balanced mix of growth and income assets closer to retirement. This helps by balancing risk and return, to match members' age and risk profile, and better navigates market movements.

A key differentiator for our fund is the way we **do well** for our members by delivering strong investment returns *and* **good for all** by investing in opportunities that can also make a positive difference today and into the future.

Being responsible owners means we also act on issues that impact the sustainability of our members' returns. We have made commitments in approximately \$1bn dollars in renewables and low carbon technologies, achieved a 45% reduction in emissions intensity across our listed equities portfolio, committed over \$600m in affordable housing and championed the 40:40 Vision to ensure more females are in senior leadership positions. Each of these initiatives look to enhance member returns *and* improve our communities.

Corporate responsibility is also an important element of our commitment to do good for all - our fund does have an impact on society, the environment and the economy. Having an effective corporate responsibility plan in place adds value to our members and stakeholders, and ensures we operate in a sustainable way. Our plan focuses on three main areas: climate change, gender equality and reducing inequalities. While it's early days yet we've taken steps towards implementing our Reflect Reconciliation Action Plan to improve the outcomes of our Aboriginal and Torres Strait Islander members and are working to achieve operational carbon neutrality.

Of course none of this work would have been possible without our people. We would like to thank them for their resilience in these challenging times and their unwavering passion for putting our members first. "We wish to thank our board for their strong commitment to acting in the best interests of our members and for their wise guidance."

As custodians of our members' retirement savings, we take very seriously our responsibility of reporting back to you, our members, on our performance, key highlights of the year and outlook for the future. It is therefore our great pleasure to present to you this year's annual report.



Neil Cochrane
Chair



Deanne Stewart
CEO

1 Past performance is not indicative of future performance. Our latest investment returns are available on our websites:

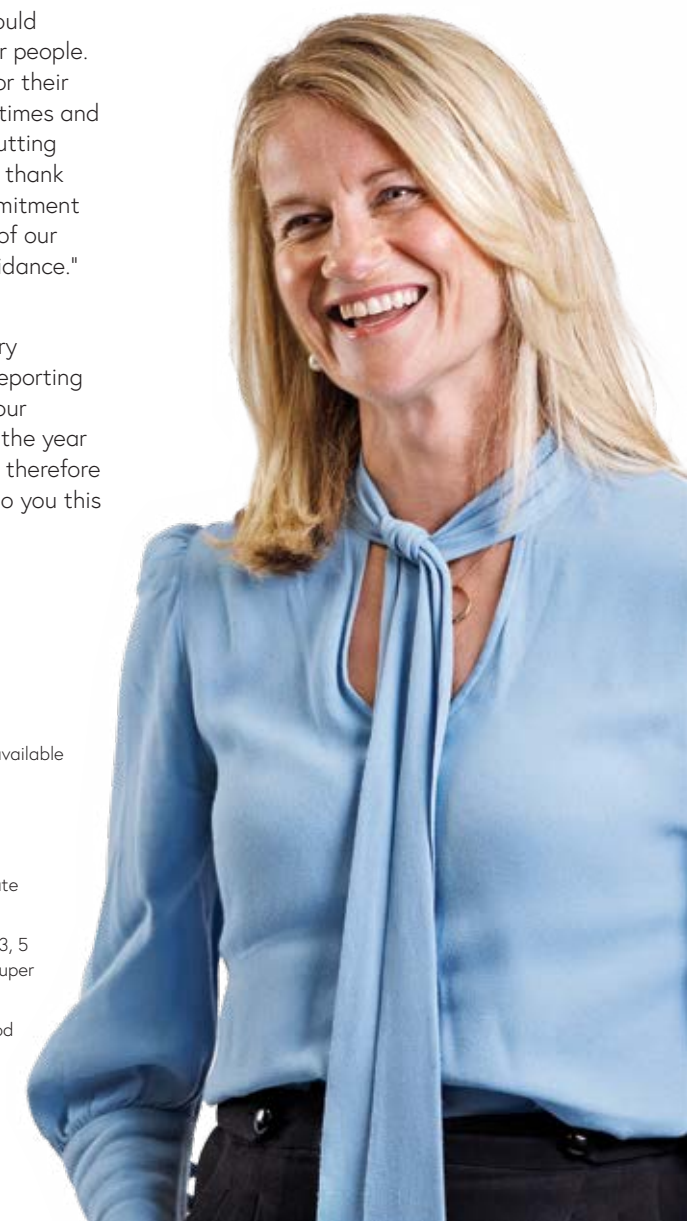
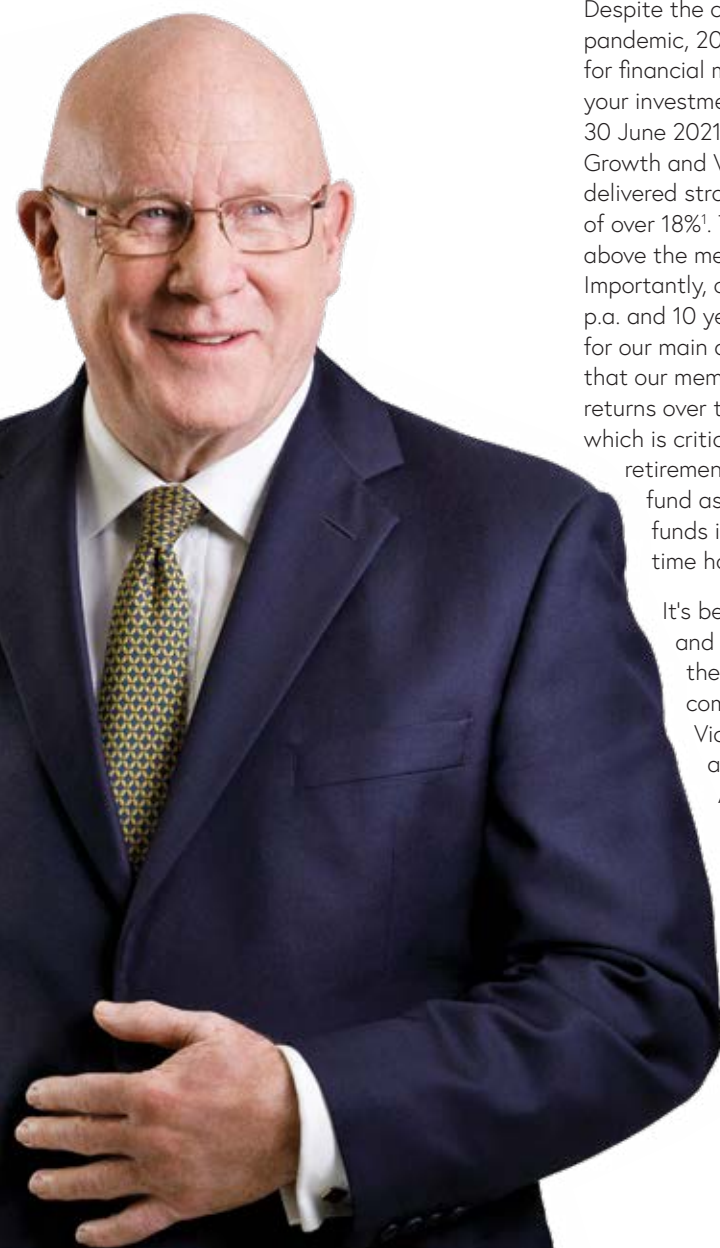
 aware.com.au/returns

 vicsuper.com.au/returns

2 Peer median return was 17.85% for the year to 30 June 2021. SuperRatings Fund Crediting Rate Survey, June 2021. SR50 Balanced (60-76) Index, 50 funds.

3 Returns for the Aware Super Growth (MySuper) investment option were in the top 10 for the 3, 5 and 10 year periods as published in the SuperRatings Fund Crediting Rate Survey (SR50 MySuper Index) for 31 July 2021. Past performance is not a reliable indicator of future performance.

4 Winner of the Gold Design Award for Digital – New Service or Application at the Sydney Good Design Awards, 2019. Winner of the Good Design Award – Digital Apps and Software at the Good Design Australia Awards 2020.



About Aware Super

1966

Health Super was established to serve the Victorian public health sector employees



1992

First State Super was established to serve the NSW public sector employees and their families



1981

WA Super was established to serve local government employees.



1994

VicSuper was established to serve many Victorian public sector employees and their families



Over a period of time

First State Super, Health Super, VicSuper and WA Super opened their membership to anyone



1 July 2020

First State Super merged with VicSuper



2011

Health Super merged with First State Super



September 2020

We became Aware Super



3 December 2020

WA Super merged with Aware Super



Our journey so far

We began putting members first in 1992 when we were known as First State Super. In 2020 we merged with VicSuper and WA Super, and became known as Aware Super. One thing hasn't changed though, our unwavering commitment to our members and our desire to do good for all.

Together, we can make an enormous difference to our members and the community at large. Our scale and expertise enables us to do well for our members as one of Australia's top performing super funds² and, at the same time, do good for all. Our products, services, education, and advice combined, provide a quality member experience and work together to deliver even better retirement outcomes. Our investment approach is committed to shaping the best outcomes for all stakeholders and delivering positive financial and societal outcomes.

What makes us different

1 Scale and expertise

We are one of the largest super funds in Australia with over \$148 billion¹ under management, serving over 1.1 million Australian members. Our scale and expertise enable us to continue to aim to deliver strong returns, low fees and enhanced member services, including advice and insurance.

2 Members first approach

We're proudly a profit to member fund. Everything we do is for the benefit of our members, from our products and services, to advocating on behalf of member's best interests.

3 Investment track record

We've consistently delivered strong long-term outcomes for our members, while continuing to do good for the broader community.

4 Commitment to responsible investing

We invest to make a positive difference. We actively seek investments that are not only sustainable but deliver value to the communities in which our members live.

Doing well and making a positive difference to our members and the communities they live in

- ✓ being one of Australia's best performing super funds with top 10 performance over 3, 5 and 10 years²;
- ✓ being recognised as Money Magazine's Best Super Fund 2021³;
- ✓ delivering an average annual return of over 9.80% over five years⁴;
- ✓ our fees are competitive⁵;
- ✓ empowering our members through quality education, guidance and advice, online, over the phone or face to face;
- ✓ driving better investment outcomes by being an active and responsible owner;
- ✓ making investments that benefit the community, economy and broader society; and
- ✓ acting on issues that impact the sustainability of returns - including climate change.

¹ As at 30 June 2021.

² Returns for the Aware Super Accumulation Growth option were in the top 10 performing super funds for the 3 (49 funds), 5 (49 funds) and 10 (33 funds) year periods ending 30 June 2021, SuperRatings Fund Crediting Rate Survey (SR50 MySuper Index). Investment returns are not guaranteed. Past performance is not a reliable indicator of future performance.

³ We have been awarded Best Super Fund 2021 by Money Magazine.

⁴ Returns for the Aware Super Accumulation Growth option were an average of 9.80% pa for the 5 year period ending 30 June 2021. SuperRatings Fund Crediting Rate Survey (SR50 MySuper Index) June 2021. Investment returns are not guaranteed. Past performance is not a reliable indicator of future performance and should not be the sole factor when considering if Aware Super is right for you.

⁵ The total annual fee (inclusive of admin and investment fees) for our Accumulation Growth option is 1.04% pa the overall average is 1.35% pa Chant West Super Fund Fee Survey, June 2021, based on a \$50,000 balance in a Growth option.

Highlights

as at 30 June 2021

\$148bn

Members' savings managed

1.1m

Total members

47,311

Net new members

93%

Member satisfaction on
superannuation advice services

35% male
65% female

Membership by gender (%)

69,666

Number of active employers

Doing well for our members...



...by making a difference

~\$1bn

Committed in renewables
and low carbon technologies

45%

Reduction in emissions intensity
in our listed equities portfolio

\$112,441

Average account balance

VicSuper

18.5%

VicSuper Growth (MySuper)
FutureSaver 1 year performance

\$125,769

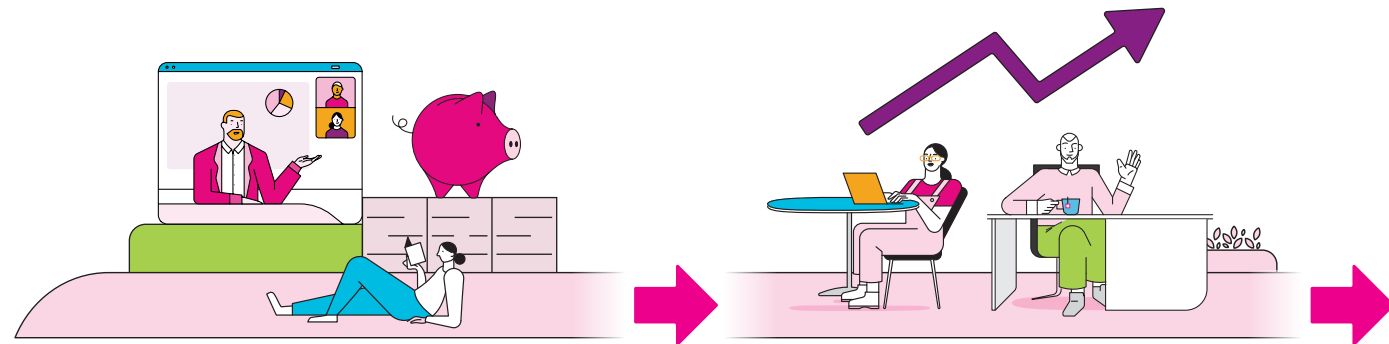
Average account balance

Aware Super

18.0%

Aware Super Growth 1 year performance

Creating value



The resources...

\$ Our members' savings

🗨️ Our relationships with our stakeholders

💡 Our data, digital and technology

👥 Our people and culture

we use...

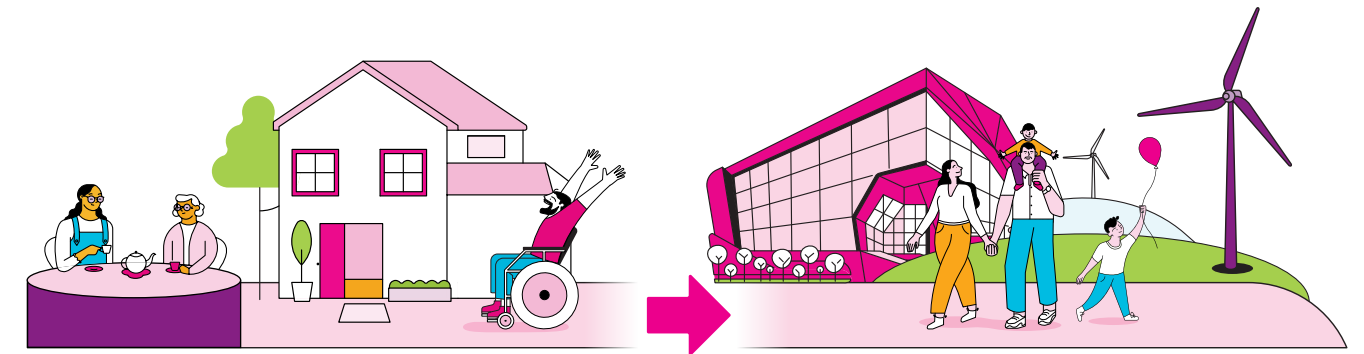
Our members entrust us to invest their retirement savings to aim to deliver strong, long-term financial outcomes.

We actively engage and collaborate with our stakeholders to better serve our members.

We use data, digital systems and technology to make it easier for our members to engage with their super anytime, anywhere.

Our purpose, vision and values collectively build our strong culture. Our people understand that our members are at the heart of what we do and are empowered to deliver quality services and sustainable member outcomes.

As a super fund we have access to a range of resources to create sustainable value for our members and deliver positive outcomes for the communities in which they live.



to do well for our members...

Scale ensures we access investment opportunities others can't.

It provides members with value for money, keeping fees as low as possible, while maximising returns.

Our stakeholders help in many ways – they provide goods and services, keep our operations running, assist in delivering strong long term member returns and help identify the support our members need. This in turn strengthens our stakeholder relationships and allows continued delivery of quality experiences and positive retirement outcomes.

We deliver simple digital experiences that help members understand their situation, explore their options, and make better retirement decisions. We also protect our members' personal information, respecting their privacy, and safeguarding their data.

We build our members' confidence and help them make good decisions by providing access to financial education, guidance and advice. We offer product and investment solutions to meet their changing lifestyle needs and aim to deliver the best possible retirement outcomes.

while doing good for all.

We do good by investing our members' money in ways that aim to deliver strong long term returns, at the same time as making a positive difference to society.

As a responsible owner, we take an active interest in the environmental, social and governance practices of the companies we invest in.

Through our full range of investments – including renewables, affordable housing, infrastructure and new technologies – we're helping to create jobs, contributing to a more productive economy, and supporting the communities where our members live, work and retire.

We take our legal and regulatory requirements seriously and ensure that we act in the best interest of members.

We do good for our people by providing them with meaningful work that adds value to the community and achieves long term returns for our members.

Engaging with our stakeholders helps us create value

Receiving feedback from our members, employers and other stakeholders is incredibly important to us. We use a range of channels to speak directly to our stakeholders; including surveys, meetings, roundtables, conferences and working groups. Stakeholder feedback highlights the important issues and helps inform what we advocate for, be it through Government submissions or proxy voting in the companies we invest in.



Creating value (continued)

“

Getting personalised advice about my super made it easy for me to set goals for my retirement.”

– Andrea



Making a difference for Andrea



When she joined our fund in 2017, we were there

- When Andrea changed jobs and joined our fund, she received a welcome email with the relevant information she needed to choose an investment product that aligned with her values and goals.
- She consolidated her super with us online helping reduce her overall fees.

When she decided to know more about super, we were there

- Andrea received free superannuation advice and set goals for retirement.
- This resulted in upgrades in her insurance products, to make sure she can still meet her lifestyle and retirement goals even under unforeseen circumstances.

When her career progressed, we were there

- Andrea consulted our retirement income calculator, to plan for her future.
- Downloaded the app and has kept track of her super through time.
- She updated her insurance option to reflect her new circumstances.

When she decided to take her retirement seriously, we were there

- Our advice team helped Andrea develop a strategy for the short term.
- She decided to make additional contributions to her super to meet her retirement goals.

To ensure she has the best possible retirement, we will be there to support her on her journey with us

- Andrea welcomes the option to go back for personalised advice every few years.
- She will continue to plan for her retirement by consulting the information on our website.

Our approach

The United Nations Sustainable Development Goals (SDGs)

Identifying ways we can further increase the positive impact we have on member outcomes while adding value to the community at large.



Climate change, and the risks associated with it, can have a direct impact on the financial outcomes and health and wellbeing of our members. To address this, we have a long term focus on achieving net zero emissions by 2050.



Our work to progress gender equality and provide inclusive financial education also provides quality education and improves individuals' good health and wellbeing.



Reducing inequalities by providing inclusive financial education increases the financial confidence of our members and of the broader community.



Gender equality, especially the financial security of women in retirement, is high on our agenda. Our focus is on championing women's economic security and promoting the importance of financial education.

Our members' quality of life in retirement is dependant on their savings and income levels. It can also be impacted by other significant social and environmental factors.

The United Nations' Sustainable Development Goals (SDGs) are a set of 17 universal goals designed to provide a global framework for addressing the environmental, political and economic challenges facing our world by 2030.

We use the SDGs as a framework for identifying where and how we'll have a positive impact on members and their communities – ensuring we look beyond the positive financial impact we aim for and to make a positive societal impact too.








The SDGs guide our strategy and how we invest, and the following SDGs have been used to establish our corporate responsibility priorities outlined above.

More information about these priority areas can be found in the [Delivering strong returns through responsible ownership](#) and [Being responsible and ethical](#) sections of this report. While our focus is on these three priorities, throughout the report a clear alignment with other SDG goals is identified with the relevant SDG icon.

Our strategy

At Aware Super, our vision is to be the most trusted choice for super, retirement and advice.

Our four-year strategic plan guides us to deliver on our purpose and vision. We focus on how we can improve members' retirement outcomes at the same time as having a positive impact on society. Our plan is ambitious, and we're confident the work underway, and detailed throughout the annual report, lays strong foundations for success.

Why?	Our purpose	To be a force for good in super and retirement, shaping the best outcomes for our members, their families and communities, and our industry.						
	Our vision	To be the most trusted choice for superannuation, retirement and advice.						
What?	What we want to be known for							
		Best help for members	Go-to for retirement	Profoundly simple, consistent experience	Strong returns and responsible ownership	Responsible and ethical reputation	Relative scale supporting low fees	Best place to work
How?	Delivery approach	Perform ¹		Grow ¹		Transform ¹		
		Excellence in safe and sustainable execution and continuous improvement across all we do.		Driving scale to underpin low fees, strong performance, and great member services.		Step-change in our capabilities and the experience for our members, employers, advisors, and teams.		
	Values	Enablers	Members first	Best place to work	Strong risk culture & capability	Digital, data & technology		
		We put members first as we deliver honourably, care deeply and lead bravely.						

Our top 3 priorities for FY22 are:


























Perform1	Grow2	Transform3
Excellence in core fund operations, across our member services, investment activities, and risk culture and capability, enabled by technology and continuous improvement.	Continue to grow the fund by building our brand and membership through existing and new channels, as well as merger partners with aligned values, to enhance scale and reduce costs to members. As part of this, before the end of 2021, we will complete the merger with the Victorian Independent Schools Superannuation Fund (VISSF).	Delivering simple, consistent experiences for our members, advisors, and teams by continuing the transformation of our administration operations and the technology that supports services to members – internally known as Program Catalyst.

1 Based on the run-grow-transform model developed by Gartner.
2 This number includes the number of members who attended public education seminars and webinars, number of superannuation, comprehensive and specialist advice appointments with members and number of times our "Explorer" tool was accessed by members.
3 Excluding members who chose to cash out their super.

Our strategy scorecard

We've developed a performance scorecard to ensure we deliver on our strategy and keep ourselves accountable to our members.

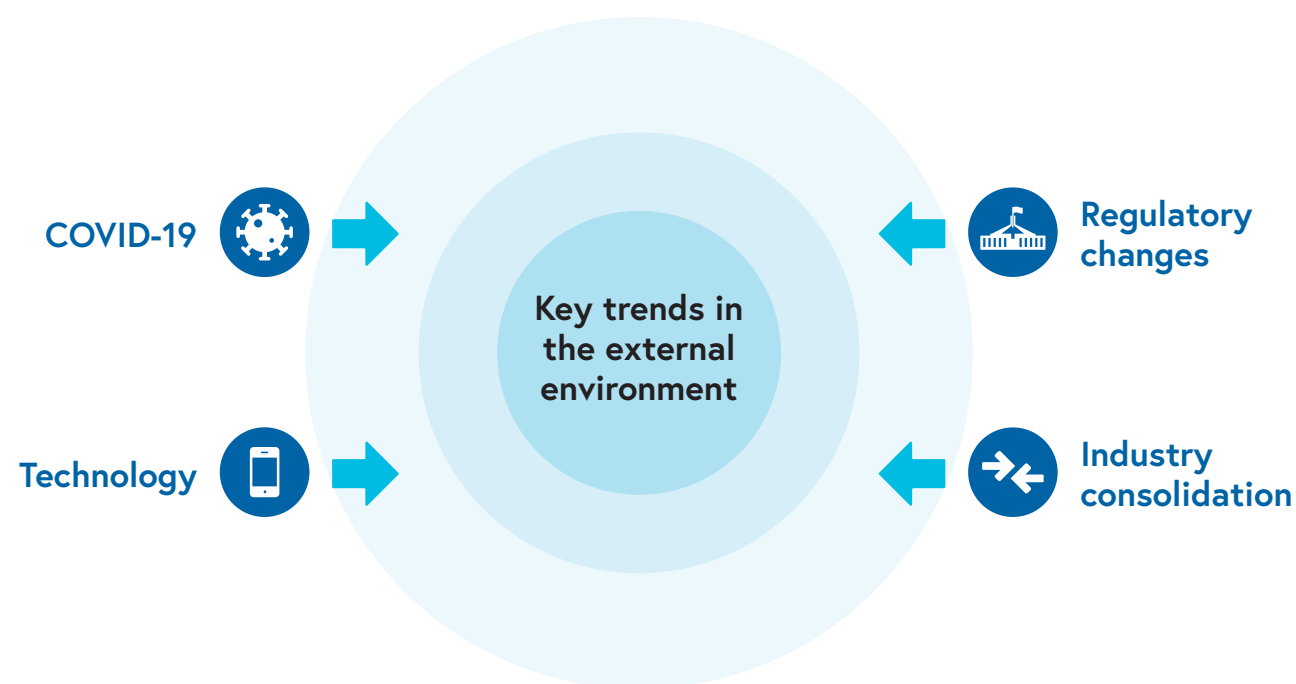
The scorecard monitors performance, member outcomes and the value provided against the identified areas we want to be known for. It contains a number of key performance indicators (KPIs) to help us measure and track progress each year. We'll keep our members informed by regularly reporting against these KPIs.

What we want to be known for		2020-21 Performance for the reporting period as at 30 June 2021		SDG Alignment
 Best help for members	# of members accessing advice and education ²	132,519		
	% of members choosing us for retirement phase ³	50%		 
 Profoundly simple, consistent experience	% of members that have downloaded the Aware Super app	43%		
 Best help for members				
 Strong returns and responsible ownership	MySuper Growth Performance ranking 5 years	Top 10 ⁴		 
	Reduction of carbon emissions achieved in our equities portfolio ⁵	45%		 
 Responsible and ethical reputation	Completion of Reflect Reconciliation Action Plan	In progress		
	Achieve Climate Active Certification for our operations	In progress		 
	Achieve Workplace Gender Equality Agency citation annually	Achieved		 
 Relative scale supporting low fees	Funds under management	\$148bn		
	New members ⁶	47,311		
	Administration fees in lowest quartile of all MySuper products	Yes ⁷		
 Best place to work	Turnover	15.2% ⁸		 

4 Returns for the Aware Super Growth (MySuper) investment option were in the top 10 for the 3, 5 and 10 year periods as published in the SuperRatings Fund Crediting Rate Survey (SR50 MySuper Index) for 31 July 2021. Past performance is not a reliable indicator of future performance.
5 30% reduction target in emissions intensity against a 2019 baseline by 2023 for the our listed equities portfolio. Source: Aware Super equities portfolio data.
6 Net member growth organic and inorganic.
7 Source: Chant West Super Fund Fee Survey June 2021. Administration fees and costs includes administration fees, expenses recoveries, Operational Risk Financial Requirement (ORFR) fees and trustee fees. Where the benefit of the tax deduction relating to a fee is not passed on to the member as either reduced contributions tax or a reduced fee deducted from their account, the fee is 'grossed-up' (i.e. divided by 0.85). This is the case for Aware Super and several other not for profit funds. © Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403) 2021. Fees are based on information sourced from publicly available disclosure documents or directly from product providers and are subject to change. Chant West has not considered your objectives, financial situation or needs in preparing this comparison and neither has it considered the target markets of financial products, where applicable. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs, and read the relevant Product Disclosure Statements, before making any decisions. Chant West's Financial Services Guide is available at chantwest.com.au.
8 In 2020-21, some areas of the business experienced restructuring, directly contributing to this metric.

External environment

The world is constantly changing and in ways never imagined. The more we understand these changes and their contributing factors, the better we'll meet the challenges and opportunities they bring.



COVID-19

The pandemic increased concerns about financial security, propelled an unprecedented shift to flexible work arrangements, and brought about market uncertainty. The full extent of these implications is yet to unfold but our members remain our priority.

A good example of this is how we facilitated the process for our members to access their super under the Government's Early Release Scheme. This scheme allowed eligible individuals experiencing financial hardship with access to up to \$10,000 of their super between 20 April 2020 and 31 December 2020; and \$10,000 between 1 July 2020 and 31 December 2020. In total, the ATO approved applications from

3.05 million people, totalling the release of \$37.8 billion of superannuation funds¹. During the financial year, we helped 53,083 members with total payments of \$466 million and, for the duration of the scheme, we assisted over 100,000 members with the release of more than \$882 million.

More information on how we supported our members during the pandemic can be found in the [Providing the best help for our members](#) section of this report.

Technology

The importance of our digital channels continues to increase with heightened member expectations for personalised, seamless, and simple experiences. Our award-winning app and our retirement calculator tool demonstrate how data, digital and technology combine to

enable us to deliver great member experiences. Technology investment is a major priority area for the year ahead as we continue in our efforts to enhance our digital infrastructure, technology for our operations/member services and investments.

Regulatory changes

The *Your Future, Your Super* reforms aim to improve our superannuation system - by providing more transparency around the performance of funds, calling out underperforming funds and 'stapling' Australians to their first super fund (unless they choose to change) to avoid the creation of multiple accounts and multiple fees for one person.

These changes are positive, but they do highlight the importance of consolidating super into a fund

that performs well. We're pleased to confirm that Aware Super passed the performance test, and our members can feel confident that our strong long-term performance is helping them retire with more, by growing their super savings.

Other regulatory changes include the increase of the Super Guarantee from 9.5% to 10% at 1 July 2021, increasing to 12% over the next 5 years, and the removal of the \$450 per month wage threshold. People who earn below this amount will now receive super payments from their employers. This was something that we advocated for strongly on behalf of our members to ensure all working Australians had access to super for their retirement.

In addition, those members who accessed money from their super fund as part of the Early Release Scheme (i.e. up to \$20,000) will be able to re-contribute the super they took out by completing a re-contribution form from the ATO.

Consolidation in the superannuation industry

The regulatory changes introduced by the Government have increased scrutiny on product performance, driving more competition among super funds, and increased the need for scale and efficiency. This has resulted in industry consolidation with the emergence of a handful of funds with over \$100 billion in funds under management.

During 2020 we merged with VicSuper and WA Super, making us one of the largest super funds in Australia. This brings scale benefits that enable us to reduce costs, increase the benefits we offer to all our members and the ability to take advantage of investment opportunities not available to smaller investors. Before the end of 2021, we will complete the merger with the Victorian Independent Schools Superannuation Fund (VISSF).

Outlook

One of the Government's priorities for 2021 and beyond is to implement the *Your Future, Your Super* legislation. The impact of some of these changes will have a lasting effect on the superannuation industry.

Lower-fee environment

Many funds will be affected by the competitive lower-fee environment.

We'll continue to leverage our scale to lower our costs and fees over time.

Annual performance tests

This change is expected to drive even greater competition within the superannuation sector.

Our commitment to delivering strong long-term member outcomes remains unchanged.

Weakening default system

From November 2021, a member's super account will follow them when they change employment.

In our submissions to the Government, we raised the risk of members being stapled to low-performing super funds if they aren't proactive.

Fund governance and strong risk culture and capability

Ensuring a rigorous focus on our members' best interests.

The Aware Super board is responsible for the overall governance, management and strategic direction of our fund. It oversees its strategy, conduct and behaviours. A strong risk culture and capability is an important enabler to delivering on our strategic objectives.

Board activities

Over the last year the board has assessed the risks and opportunities in our industry and approved our revised four-year strategy to address the challenges they present. As a result, the year ahead will see us prioritise projects that focus on the continuous improvement in our operations (Perform), delivering fund growth (Grow) and providing a simple and consistent member experience (Transform).

Together with our CEO and executive team the board has additionally overseen a number of other initiatives including the merger with WA Super, the approval of our Modern Slavery Act Statement and the adoption of our fund's first Reconciliation Action Plan as part of our corporate responsibility strategy. A merger with the Victorian Independent Schools Superannuation Fund (VISSF) will be completed before the end of 2021.

Strong risk culture and capability

One of the key enablers to deliver on our strategy is ensuring we have a strong risk culture and capabilities which is both dynamic and reflective of our changing business needs. We have effective risk governance and processes

in place to ensure we know our risks and run our fund safely and sustainably. We manage risks consistently using our values and risk appetite to ensure we continue to be a members first organisation, delivering favourable member outcomes.

Throughout the reporting period we have continued to uplift our risk capabilities, processes and culture.

More information about how we manage risk, pursue opportunities and govern our fund can be found in our Governance Report 2021.

[aware.com.au/governancereport](https://www.aware.com.au/governancereport)



Go-to for retirement

Contributed
to SDGs



Every member deserves to live their best possible retirement. We're committed to providing our members with the products, services, education and advice to give them confidence as they move towards and through retirement.

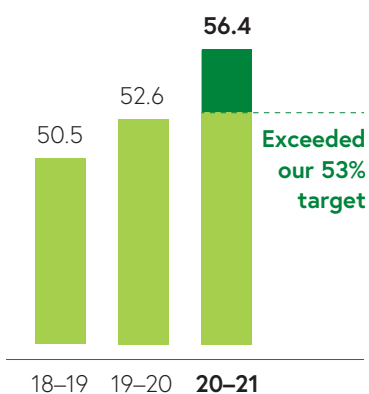
Each year, we measure how retirement ready our members are by calculating the percentage of members who are on track to reach the ASFA Comfortable Retirement Standard. As of 30 June 2021, 56.4%¹ of our members are on track to reach this standard – exceeding our 53% target.

Whether planning for, transitioning to or enjoying retirement our products and services, with easy access to education and advice, ensure our members can make the most of today and confidently plan for the future.

Helping our members get the best possible income in retirement is a fundamental part of what we do - we're retirement experts.

- We're Australia's largest profit to member retirement provider, managing over **\$30 billion**² for over **100,000 members** in retirement.
- Our retirement income products are highly rated by independent Ratings Agencies; achieving **top Platinum Performance** 15 years in a row from SuperRatings and a **Five-Apple** rating with Chant West.
- We have the size and scale to warrant a **dedicated in-house investment team** focused on managing retirement assets and developing strategies to help our members get the best possible outcomes.

Members on track to reach the ASFA Comfortable Retirement Standard (%)



¹ We enhanced our model to calculate the figure to better reflect retirement readiness of the membership. Previous years were recalculated for comparability purposes.
² Based on the DEXXAR Market Share Report December 2020 FUM for Retirement Income Products across AwareSuper, VicSuper and Heritage State Plus members.



Go-to for retirement (continued)

Being able to live the retirement our members have worked hard for all their lives is what they deserve.

	Accumulation – Grow	
		
Age	45 to 59 →	60+ →
Member Lifestage	Getting serious about the future	Moving into Retirement
Member needs	Desire to be more engaged with super, take more control and make decisions to plan for the future.	Support during the transition
Examples of the areas in which we can help members make good decisions	<ul style="list-style-type: none">• Understanding their retirement needs and aspirations• <u>Setting, reviewing and refining retirement goals</u>• Navigating change• Making effective contributions and understanding their investment options• Adequate insurance to protect assets and income	<ul style="list-style-type: none">• Transitioning to retirement goals and strategies• Setting income goals• Creating a tax effective retirement income• Optimising age pension entitlements• Setting up a pension• Making additional contributions• Responding to change

Helping our members get the best retirement outcomes

Being able to live the retirement our members have worked hard for all their lives is what they deserve. Yet for many, particularly those over age 45, compulsory employer contributions may not be enough to achieve the income

they may want when they retire. That's why we have dedicated programs and services to help our members take the small steps needed to get the most out of their super as early as possible.

With a member satisfaction rating of 8.01 out of 10, as at June 30 2021, many of our retired members are strong advocates of the services and support we provide.

Retirement - Enjoy		
		
First 5 years in retirement →	5+ years in retirement to age 75 →	75+ →
Retirement Apprentices	Retirement Masters	Ageing Well
Help to understand their options so they can feel confident and reassured about their income during retirement.		
<ul style="list-style-type: none">• Income budgeting• Drawing down a sustainable income• Responding to change• Balancing lump sum and income expenditure• Downsizing	<ul style="list-style-type: none">• Drawing down a sustainable income• <u>Estate planning</u>• Responding to change	<ul style="list-style-type: none">• <u>Support into aged care</u>• <u>Estate planning</u>• Maintaining an income that lasts• Helping reduce decisions in later years

Go-to for retirement (continued)



Making a difference for David

David Tucker has been our member since 1987. He joined when he was in his early 20's, while he was working for the NSW Government.

"I didn't really pay much attention to my super. My journey started as a set and forget, and my appreciation of how important super is, came when I was older. In my late 40s I started reviewing whether I was in the right fund and if there was a better deal out there. As I looked around, I learned that I was able to directly compare the performance of funds and was reassured, based on the numbers, that I was in the right fund for me!" recalls David.

He had been working as a member of the Commonwealth Administrative Appeals Tribunal for some time when he heard about our recent brand change. He was keen to check out his account online to see what it was all about. However, he had never accessed our website before and was unsure of the best way to do this with little to no information about his account.

"I wanted to check my super balance and get set up to use your website. When I rang, I only had my name and date of birth. I assumed that the process would be like speaking with a bank, laborious and complicated. I

had been putting it off for this reason," explains David. "My experience with Aware was so easy."

"The thing that impressed me the most was that I was treated with patience and respect and was stepped through the website in a clear and helpful way. Your website is very well done!" he adds.

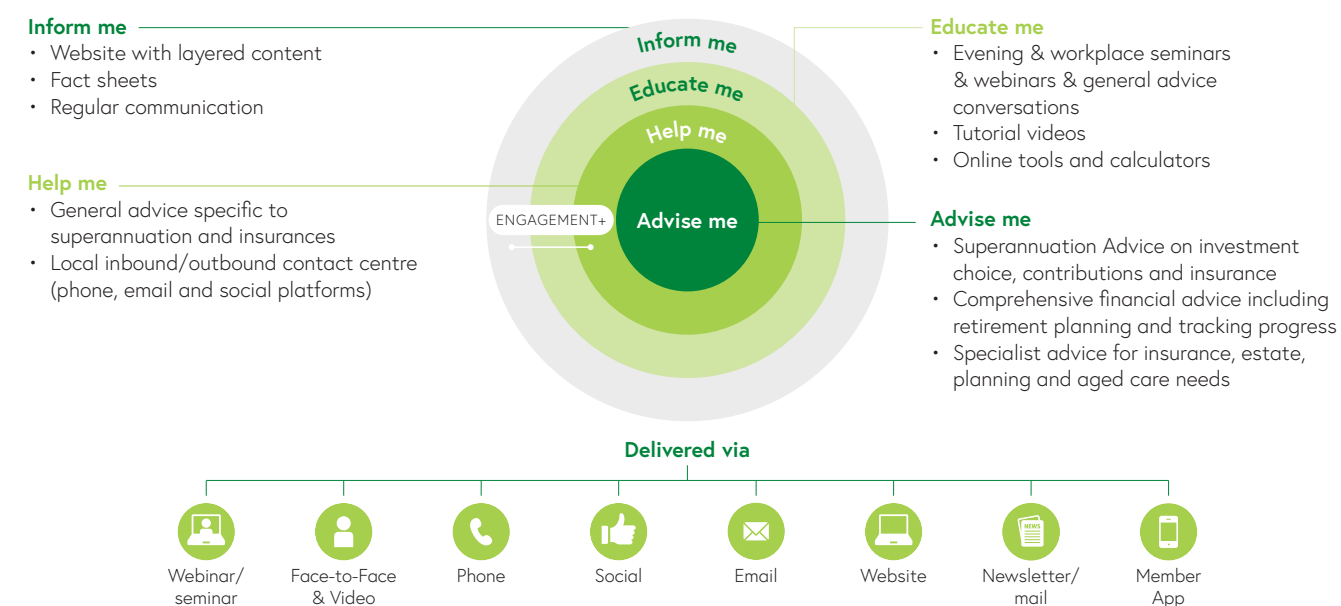
Since then, David has been able to easily access information about his account at any time. He was delighted to learn he can also review his beneficiaries, contributions, account transactions, account balance and adjust his communication preferences online.

Providing the best help for our members

Contributed to SDG



Our members always come first. We're dedicated to providing them with the help they need to make better and more informed decisions to help them achieve their best possible retirement outcomes.



Our approach

We know how important it is for our members to have access to the right help and guidance so they can make informed decisions about their retirement. That's why our online, phone and face to face service teams take the time to understand our members' needs and provide them with the most appropriate help. Last year more members than ever contacted our Member Service Centre to talk and learn about their superannuation with a 9% increase compared to the previous year.

We provided essential support during the pandemic

To help our members through these difficult times we delivered a series of Workplace Wellbeing Webinars covering an array of topics regarding financial wellbeing and learning and development. Overall 4,835 members participated

and of those who participated in the financial wellbeing topics 90% thought the information would help them take action; while over 90% who participated in the learning and development webinars said they could apply the learnings in their workplaces.

We also assisted members in accessing their super as part of the Government's Early Release Scheme. More information can be found in the [External environment](#) section of this report.

Addressing our members' needs through accessible education

Accessible education helps build our members' confidence to make informed financial decisions now and for their future. That's why we continue to provide accessible education and resources at no extra cost to our members.

In the last year, we've run more public seminars and webinars than ever – we reached 12,290 members (over 2,000 more than last year) and delivered 349 public events (a 5% increase from the previous year). In addition, the General Advice sessions held by our education team had 2,273 attendees of which 400 decided to seek further advice.

We plan to extend and enrich our educational content, use alternative technology platforms to explore new ways to reach more members and provide advice in all workplace, public, unions and association channels.

Providing the best help for our members (continued)

Our Member Service Centre received

484,477

Calls

151,372

Emails

8.2/10

Member satisfaction score (from more than 17,676 member surveys)

Helping our members achieve their retirement goals through advice and guidance



Digital advice and calculators (Free advice)

We provide our members with access to online digital advice tools and calculators to help them assess their current situation and retirement projections.



Superannuation advice (Free advice)

Our Superannuation Advice Team provides our members with personal advice on their account including:

- investment options
- contributions
- insurance cover
- retirement income stream.



Comprehensive advice (Fee applicable)

Our qualified financial advisors help our members to:

- understand their broader financial situation;
- establish goals;
- assess options and strategies;
- build a plan based on the agreed scope of the advice; and/or
- track progress and adjust their plans for changes.



Specialist advice (Fee applicable)

Our Specialist Advice Team provides members with advice in relation to their estate planning, aged care and insurance needs.

Last year



Free advice

65,000+

Members used our digital advice tool Explorer

7,068

Superannuation appointments were held with our members



Fee applicable

47,176

Comprehensive advice appointments were held with our members

985

Specialist appointments were held with our members

To ensure the continued provision of quality advice, we invest in the professional development of our advisers and make regular service improvements. In addition, we complete advice assurance reviews.

Satisfaction with our advice and guidance services

Member satisfaction with our advice and guidance services is an important element of our member-first approach. We actively listen to our members in a range of different ways to ensure

our services are helping them build confidence and achieve better outcomes.

For those members who haven't sought advice, we asked why. We learnt that some of the barriers included the cost of advice and a lack of understanding about the benefits. As a result of this feedback, we'll make sure we provide our members with more detailed information about the benefits of advice as well as provide other advice options that are free of charge.

Advice Team satisfaction scores for year ended 30 June 2021.

93%

From members who received superannuation advice

96%

For existing clients that received comprehensive advice

91%

For prospective clients who received comprehensive advice

Delivering simple, consistent experiences

It's hard to make things easy, but we're determined to make things simple, so that our members achieve the best possible retirement outcome. We're working to empower our members through easy access to information, data and technology.

43%
of our members used our app

7.1m
App views

Building for the future

Through a dedicated program of work, we are investing significantly in new technology to provide simple, accessible and personalised digital experiences so members can have access to the information and advice they need, at a time and place that best suits them.

By the end of 2022-23 we will have transformed our Administration operations and technology to create the next generation of service excellence, taking greater ownership of how we serve our members. We will have aligned our teams and streamlined our processes and products to better

support members, whether they are growing their super, experiencing hardship or enjoying the benefits of their hard-earned retirement.

The consolidation and uplift of our technology will increase the efficiency and quality of the services we provide to our members. It will also provide a strong operational backbone so the fund can safely support future mergers and growth. Importantly, it will also place us in a unique position to lead the industry in response to future technology innovations and regulatory or economic changes.

Known internally as Program Catalyst, this initiative will help us shape the best possible future for our members.

Providing effective and simple digital experiences to our members today

During the last year, our award-winning app¹ delivered an expanded range of services to provide one easy place for members to control their super anytime, anywhere. At the end of the last reporting period, 43% of our





members used our app and the app was viewed 7.1m times.

Within the app our members can:

- check their balance
- check performance charts
- see their transactions and statements
- change their investment mix
- consolidate other accounts
- make personal contributions
- manage pension payments
- check their insurance cover
- use Explorer – our income projection tool
- book an advice appointment
- check the unit price charts
- find their member number
- update their communication preferences.

We know that simple digital experiences are key to providing a compelling member experience and will continue to enhance these capabilities as time goes by. Excitingly, VicSuper members will have access to some of these enhancements over the next few months.

Program Catalyst

Simple experiences	Member first	Digital first	Technology investment
Ensuring we provide experiences for our members that are simple, safe and personalised	Aligning our teams so they can better support our members in their journey to and after retirement	Easy access to digital experiences so our members can get the help they need anywhere, anytime	Building a strong operational backbone so the fund can safely grow, while reducing risk and costs to members
			

¹ Winner of the Gold Design Award for Digital – New Service or Application at the Sydney Good Design Awards in 2019 and winner of the Gold Design Award for Digital Apps and Software in 2020.



“
I downloaded the Aware Super app and found it very easy to use. Consolidating my super was so simple. I just had to tap a button!”

– Kathy

Making a difference for Kathy

Kathy has been a nurse since 1982. She currently works at a private hospital in one of the areas with the highest demographics for ageing in NSW. This has made her conscious about the importance of understanding what is happening with her super.

"I've always been aware and interested in super. When our children were young, my husband and I struggled to make ends meet. At times, we lived from week to week. As part of planning for our future, we have recently started to renovate our old farmhouse to make it more comfortable and practicable for retirement," says Kathy.

When she realised her previous fund was not performing very well and that her balance wasn't increasing as she expected, Kathy decided to move her funds to Aware Super account. However, she didn't want to go through all the trouble of using forms or looking via the MyGov website so she decided to give us a call to see what her options were.

"When I called for assistance, the person that I spoke with was very helpful and answered all my questions. I was looking for a simple and easy solution and the person helping me suggested I download the app," she recalls.

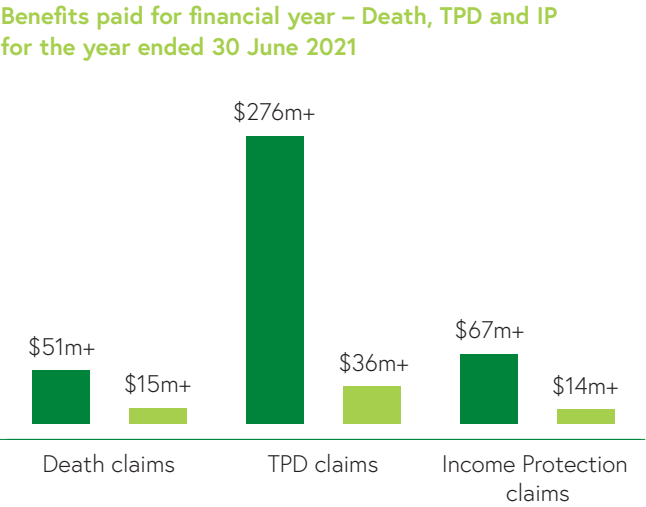
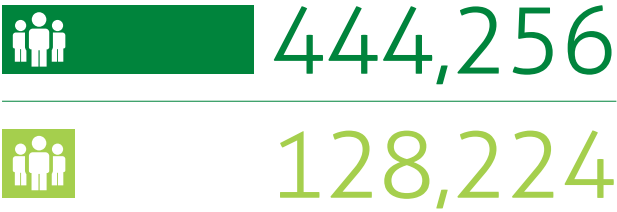
"I'm in my 60s and sometimes find technology challenging. I downloaded the Aware Super app and found it very easy to use. Consolidating my super was so simple. I just had to tap a button! I was able to find all my lost super very quickly and Aware had it transferred into my account. The app is excellent and it's very easy to navigate. I'm so glad I consolidated my super into one account," says Kathy sounding relieved.

Adding value to our members through insurance

Having insurance in place gives our members and their families confidence they're financially secure in the event of illness, disability or death.

Members insured

- Aware Super members
- VicSuper FutureSaver members



Insurance can protect our members from the potential financial impacts of illness, disability or death. Automatic insurance is available to eligible members who join us through a participating employer, and we give our members the option to change their cover based, on individual needs¹. Death, total and permanent disablement (TPD) and income protection insurance cover is provided under TAL Life Limited for Aware Super members and is provided by MetLife Insurance Limited for VicSuper FutureSaver members.

Raising awareness of the importance of insurance

Understanding insurance and its benefits is extremely important for our members. During the year, we delivered 47 member education sessions about insurance cover.

Member resources to improve health and wellbeing

Never before has the need for physical and mental wellbeing been more important to our members. That's why we offer a range of health and

wellbeing programs through our trusted insurers. These give our members the resources, support, and guidance needed to take care of themselves. Some of these programs focus on the prevention and early detection of illness, while others facilitate the best recovery possible from a serious illness. During the insurance claim process, our claims team guides members to the program that best suits their needs. Our Aware Super members have access to those developed by TAL and our VicSuper FutureSaver members can access services through the MetLife 360Health program.

Aware Super members – TAL Programs	VicSuper members – MetLife 360Health program
<div></div> <div>Headlight provides members with wellbeing and mental health resources.</div>	<div></div> <div>MetLife 360 Health program provides members with resources on wellbeing, mental health and a range of diseases.</div>
<div></div> <div>TAL Health Connector – directory of government and community resources.</div>	<div></div> <div>Nourish rehabilitation program – for members who make a claim.</div>



Making a difference for Jane

For Jane Hogeveen, working in the Human Resources team of the City of Stirling in WA is something she really enjoys. A key focus for the HR team is to encourage employees to be interested in super so she understands firsthand just how daunting super can be for some people.

"When I was 17, I got my first job, and was given a form to tell my employer what super fund I wanted to go with. I didn't know anything about super, so I just ticked a box on the form for the default fund," remembers Jane. "My grandparents never had super, only savings. Now, we have this amazing opportunity to plan for our retirement and even to be involved in selecting the type of investment strategy."

Since her first job Jane has learnt more about super and has collaborated with our education team to ensure City of Stirling employees know more about it.

"Having an education manager dedicated to our employees is a benefit that Aware Super provides to us. Sean, who is part of Aware's education team, comes to our corporate inductions, organises regular seminars and sets up one-on-ones with our employees to talk to them about super. Having a friendly person, who can be the face of the fund for our employees, helps them engage with their super. In the last year around 30% of our staff have attended these one-on-ones," says Jane.

Coming from WA Super Jane has had a good experience with Aware Super since the merger.

"I became a member of WA Super when I joined the City of Stirling and rolled into Aware Super with the merger. Having WA Super and now Aware Super as the default for a local government has been a great choice. Employees have been very happy with the

transition. Aware Super has provided us with a good level of information, and it is always easy to get in touch with the fund. You actually get to see a person rather than just phoning, someone who physically comes into our offices that our employees can identify with. They have often said 'Can we get the super guy to come again?' I think the level of support has only increased since the merger. We're getting more frequent sessions, on a monthly basis, so we can ask any questions we have. This has been really beneficial for employees; specially given we have around 12% of our employees that will reach retirement age in the next few years."

Partnering with our employers and stakeholders

Engaging and supporting our employers and stakeholders helps us better serve our members. Together, we can encourage our members to engage with their super earlier, to take action and to be more confident in their retirement outlook.

69,666

Active employers as at 30 June 2021

We work closely with our employers and stakeholders giving them a range of services to make superannuation easy for them to manage.

Providing our services in the workplace

Last year we improved the accessibility of our workplace education and advice services and partnered with several employers, unions and industry associations to deliver a range of sessions. We saw an increase of 45% in workplace activity compared to the previous year and our education team engaged with 15,920 members and non-members, through 605 workplace seminars and webinars.

More information about these can be found in the [Providing the best help for our members](#) section of this report.

Helping employers navigate regulatory change

Our Relationship Management teams have been supporting employers, unions and other key stakeholders with information to better understand the changes *Your Future, Your Super* legislation will bring. We've explained how the legislation may potentially impact the administration process for employers, as well as the potential impacts for individual members.

Additionally, we've provided reassurance about how we're intending to support members, employers and stakeholders through the change.

Empowering women

Women currently retire with 47% less superannuation than men and the pandemic has further exacerbated their economic insecurity. With women making up a significant proportion of our member base we've supported employers to empower women in a number of ways including:

- Facilitating 47 tailored educational 'Super Women' sessions and 2 'Women and Super' conferences for workplaces with 1,778 attendees in total. The conferences were held in collaboration with NSW Teachers Federation and NSW Public Service.

Supporting our nurses and midwives

We're incredibly proud to serve the superannuation needs of nurses and midwives nationally with a number of education and support initiatives in place:

- In partnership with the [Nurse and Midwife Support, Nursing and Midwifery Health Program Victoria](#), and [Nurses Midwives Health](#), we provided financial support to create a podcast to support members' wellbeing. During the podcast a health, wellbeing and stress management expert discussed stress and crisis and how to understand stress responses and establish wellbeing anchors.

This podcast was shared through our social channels enabling members from all industries and sectors access to these valuable insights. Participant feedback was overwhelming.

Contributed to SDGs



Strengthening our industry relationships

In 2020-21, we continued to partner with our unions who provide us tremendous opportunities and scale to access members, imparting education via training schedules, conferences, workplace visits and industry events.

Australian Nurses and Midwives Victorian Branch (ANMF) Vic

We participated in more than 10 virtual conferences including Student conferences, the bi-annual Wellness Conference and the highly attended delegates conference. Engaging virtually gave us the opportunity to offer access to one-on-one General Advice appointments.

Police Association of NSW

We participated in the Biennial Conference for the NSW Police Association Members. This provided access to over 200 delegates where we discussed superannuation and insurance cover.

Health Services Union ACT/QLD/NSW

Our attendance at many workplace appreciation events for frontline healthcare workers was our way of showing appreciation for their services during the pandemic.

NSW Teachers Federation

Despite the pandemic, and wherever possible, we provided face-to-face education and webinars for our public educators via Federation events. We participated in the Aboriginal Conference, Women's Conference, Beginner Teachers and Principals' conferences; and visited Broken Hill in early 2021 to provide super information and education to 125 new teachers in regional NSW.

Health and Community Services Union (HACSU) Victoria

The annual conference of HACSU Victoria provided a great opportunity to engage directly, explain the benefits of the recent mergers and to share our Super Women and Retire Ready education sessions.

Rail, Tram, and Bus Union NSW Branch

We attended the International Women's Day event, in person, to connect and raise awareness about the super gender gap.

Australian Education Union Vic Branch (AEU Vic.)

In support of our AEU Vic members, we provided education and advice at the union's member conferences; including their Women's Conference, Reps' Conference, Student Conference and Student Teachers Conference.

Public Service Association of NSW

We attended many workplace visits to correctional services centres across NSW and presented at Women's Conference about superannuation topics, with over 700 members attending virtually.

Investments

Our default Growth investment options delivered double digit returns for our members last financial year. These results contribute to our objective of helping our members achieve the retirement outcomes they deserve.

The investment context

The year in review

2020-21 will be remembered as a truly extraordinary year for the global economy and markets. Many governments responded to the pandemic with the introduction of income support schemes, like JobKeeper, aimed at replacing workers' lost income during lockdown. These schemes and other economic support measures were a lifeline for workers, but also came at an economic cost with record deficits and increased national debt. The Reserve Bank helped keep our economy moving by keeping interest rates at historically low levels.

In early 2021, we began to see signs of recovery. The development of an effective vaccine and easing of restrictions meant economies began to reopen - and economic growth was unexpectedly strong. When the lockdown was lifted, Australians were able to go out and start spending the savings they had built up during the restrictions. These positive factors pushed the share market to historic highs and has helped drive the strong performance our members have enjoyed.

Delivering strong, positive returns for members

We delivered positive one-year returns for members in our diversified options. This included our default MySuper options, with the Growth option returning 18% for both Aware Super and VicSuper for the year to 30 June 2021.

Over the past 3, 5, and 10 years to 30 June 2021, we've continued to deliver strong, positive returns in our default Growth options. Our performance over the long-term for these Growth options are also above median industry performance in both our Accumulation and Pension options over 5 and 10 years¹.

The year ahead

The global economic recovery continues as vaccine rollouts progress and economies reopen. Looking forward we anticipate some of the strong growth seen over the past year to moderate, particularly as emergency fiscal and monetary measures are wound back. However, given uncertainties remain, we anticipate continued volatility as markets adapt to navigating a post-pandemic world with the chance of returning to the subpar economic outcomes seen pre-pandemic. In this environment we would expect performance to moderate.

Our investment approach

Our investment approach is designed to meet the differing needs of our members, in accordance with our responsible ownership approach detailed in the [Responsible ownership](#) section of this report. We take care when choosing investments to ensure we only take on risk we believe will provide adequate reward. Our focus is on investing in a diversified mix of good quality assets that can grow our members' retirement savings over time.

Streamlining our investment portfolios post-merger

At the time of the merger of VicSuper and Aware Super on 1 July 2020, we moved the assets and investments being retained to sit within the Aware Super structure. In November 2020, we streamlined how we manage our members' money by aligning VicSuper investment option objectives and strategic asset allocations with Aware Super.

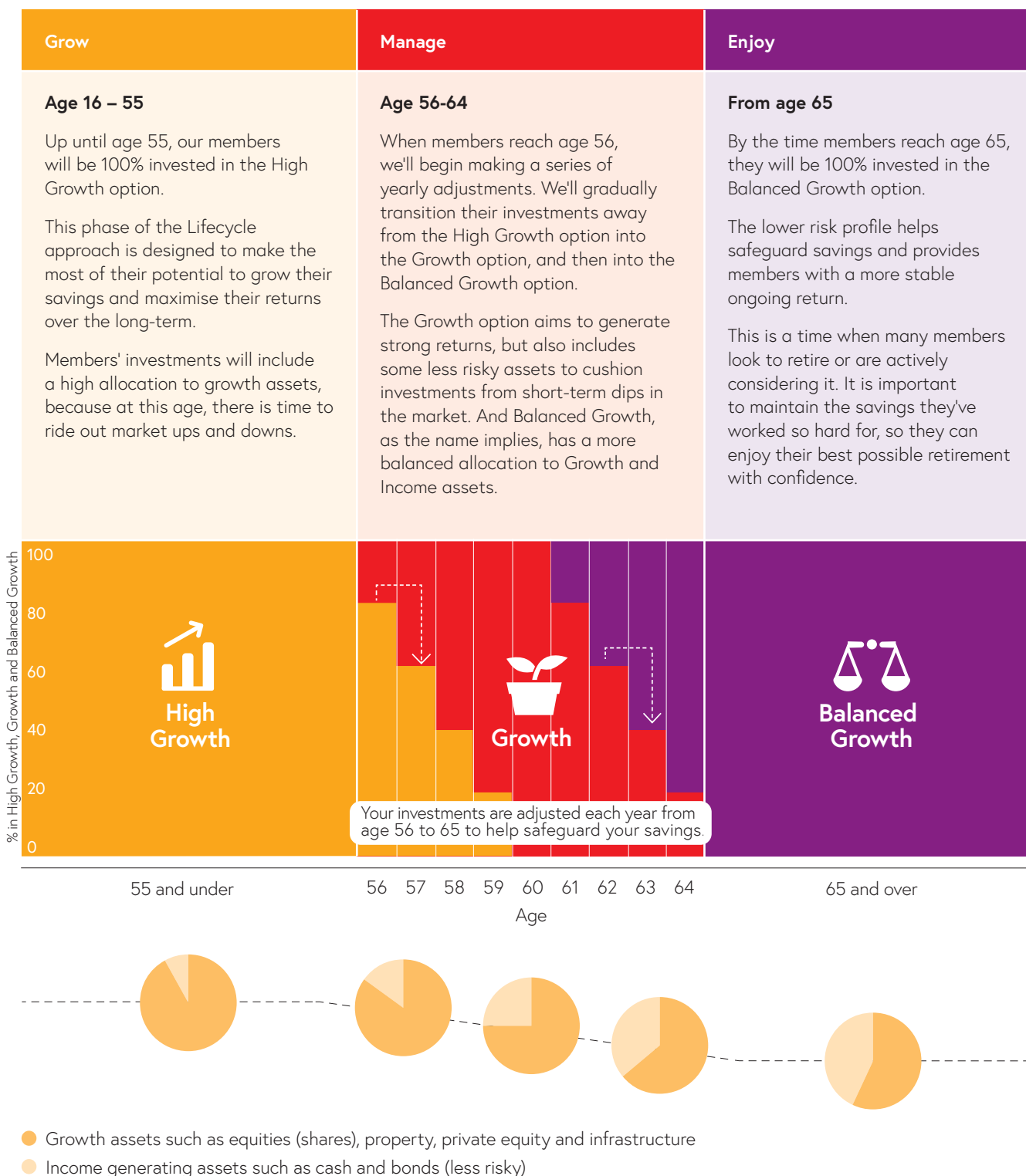
MySuper – Innovating to meet our members' changing needs

Members' superannuation needs change over time, so we tailor how we manage members' investments to ensure they remain appropriately matched to their stage in life.

Aware Super MySuper Lifecycle helps members **grow** their savings while they are young, **manage** the balance between risk and return as they move through life and ensure they can **enjoy** their savings in retirement.

The difference between the previous default MySuper Lifecycle investment approach and the enhanced MySuper Lifecycle approach is that we have moved from an automatic switch, at age 60, from Growth to the less risky Balanced Growth option; to a *gradual* shift from higher risk (growth) assets to a more balanced mix of growth and income generating assets over a number of stages.

How we adjust our members' MySuper Lifecycle investments²



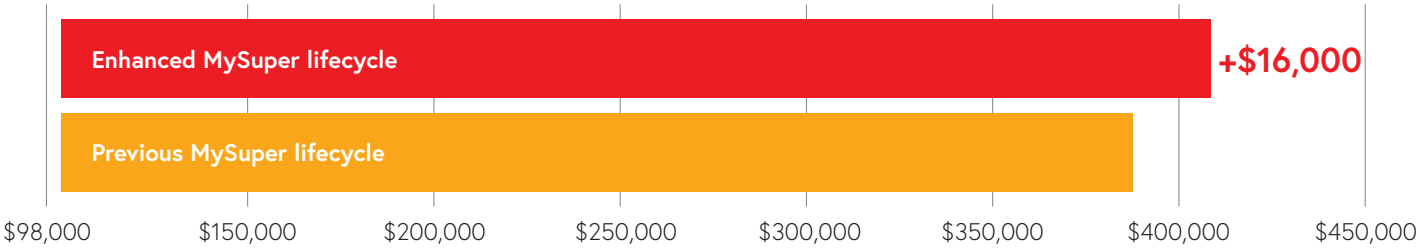
¹ SuperRatings Fund Crediting Rate Survey June 2021 SR50 Balanced (60-76) Index, median returns: 5 years 8.7% (vs. Aware Super Growth: 9.8% and VicSuper Growth 9.5%) and 10 years 8.3% (vs. Aware Super Growth: 9.0% and VicSuper Growth: 9.0%) and SuperRatings Pension Fund Crediting Rate Survey, June 2021, SRP50 Balanced (60-76) Index, median returns: 5 years 9.4% (vs. Aware Super Growth: 10.6% and VicSuper Growth 10.2%) and 10 years 9.2% (vs. Aware Super Growth: 9.9% and VicSuper Growth: 9.9%). Past performance is not a reliable indicator of future performance.

² As at 30 June 2021.

Investments (continued)

MySuper Lifecycle puts our members in a better position to achieve their best possible retirement

Estimated balance return for a member¹



Benefits of MySuper Lifecycle for our members

An industry leader in performance	Investments managed by expert team	Confidence to plan for retirement
<p>Our members are invested in a top-ten performing fund². Our Growth investment option is a top-ten performer over multiple periods of 3, 5 and 10 years, placing us in the top quartile compared to other super funds. Our High Growth option is the investment option all members under 55 will be invested in. Returning 10.6% p.a. over 10 years to 30 June 2021, this option has outperformed the top performing MySuper option over the same period.³</p> <div>1</div>	<p>Knowing when to move retirement savings to more conservative investments can be complex and difficult to time correctly for members. Our dedicated team of experts make this decision for our members, all with a view to helping them get better retirement outcomes.</p> <div>2</div>	<p>By managing the balance between risk and return to suit our member's age, we aim to provide a more stable ongoing return in the lead up their retirement. This helps to safeguard their savings during this important time so that our members can enjoy their best possible retirement.</p> <div>3</div>

This enhanced default investment approach for our Aware Super members is being rolled out in stages and will be made available to all our members over time. Members' account numbers won't change, and any insurance cover they have won't be affected as part of the Aware Super transition. More information about our enhanced Lifecycle approach can be found on our website:

 [aware.com.au/lifecycle](https://www.aware.com.au/lifecycle)

1 These projections are estimates and not guaranteed, based on key characteristics of our typical (average Aware Super) member. This includes current age of 45, median starting balance, and average contributions and insurance arrangements at each age through to retirement at age 67, investment returns after all tax and fees equal to the CPI+ investment objective of the relevant Aware Super investment options as at 2 February 2021, assuming CPI of 2.5%. Results are based on today's dollars deflated using wage inflation (AWOTE) of 3% pa.

2 Returns for the Aware Super High Growth and Growth investment options were in the top 10 for the 3, 5, 7 and 10-year periods, as published in the SuperRatings Fund Crediting Survey SR25 High Growth (91-100) and Balanced (60-76) Index for 30 June 2021. Past performance is not a reliable indicator of future performance.

3 Aware Super Accumulation High Growth option.

Portfolio management

Investment managers

We have an in-house investment team dedicated to managing investments in private equity, credit income, cash, infrastructure, Australian equities and unlisted property. To ensure each option aligns as near as possible to the target asset allocations, our team carries out the portfolio and cash flow re-balancing function for our diversified investment options.

We also partner with external investment managers. Our investment partners for the year ended 30 June 2021 are shown in the table below.

List of partners as at 30 June 2021 by asset class

Australian equities

Acadian Asset Management (Australia) Limited
Aware Super Pty Ltd
Eley Griffiths Group Pty Limited
First Sentier Investors (Australia) IM Ltd
Hyperion Asset Management Limited
Investors Mutual Limited
Nikko AM Limited
Northcape Capital Pty Ltd
Plato Investment Management Limited
Redpoint Investment Management Pty Ltd
Schroder Investment Management Australia Limited
Selector Funds Management Limited
State Street Global Advisors, Australia, Limited
Vinva Investment Management Ltd
Yarra Funds Management Limited

International equities

Acadian Asset Management (Australia) Limited
Ardevora Asset Management LLP
Artisan Partners Limited Partnership
Aware Super Pty Ltd
Baillie Gifford Overseas Ltd
BlueBay Asset Management LLP
C Worldwide Asset Management
Fondsmæglersekskab A/S
EAM Global Investors LLC
FIL Investment Management (Australia) Limited
First Sentier Investors (Australia) IM Ltd
Hermes Investment Management Ltd
HSBC Global Asset Management (UK) Limited
Macquarie Investment Management Australia Limited
Neo-Criterion Capital Limited
Sanders Capital LLC
Southeastern Asset Management, Inc.
State Street Global Advisors, Australia, Limited
Sustainable Growth Advisers, LP
Veritas Asset Management LLP
Wellington Management Australia Pty Ltd

Fixed income

Ardea Investment Management Pty Ltd
Aware Super Pty Ltd
BlackRock Investment Management (Australia) Limited
Challenger Life Company Limited
State Street Global Advisors, Australia, Limited

Property

Altis Property Partners Pty Ltd
Aware Super Pty Ltd
Barwon Investment Partners Pty Ltd
Blackoak Capital Pty Ltd
Brookfield Asset Management Private Institutional Capital Adviser US, LLC
Dexus Wholesale Property Limited
EG Funds Management Pty Ltd
Goodman Brazil Logistics GP, LLC
Goodman Funds Management Australia Limited
GPT Funds Management Limited
Hillwood Investment Properties
Invesco Advisers, Inc
Investa Property Group
Lendlease (US) Investment Management LLC
Lendlease Real Estate Investments Limited
Nuveen Real Estate Management Limited
Satterley Property Group Pty Ltd
State Street Global Advisors, Australia, Limited
Stride Property Limited
Vicinity Limited

Private equity

Adamantem Capital Pty Ltd
AE Industrial Partners, LLC
Allegro Funds Pty Ltd
Aware Super Pty Ltd
Blackbird Ventures Pty Ltd
Bridgepoint Advisers Limited
Bridgeport Capital Management Pty Ltd
Castik Capital Partners S.à r.l.
Continuity Capital Partners Pty Limited

Investments (continued)

Crescent Capital Partners Management Pty Limited
Emerald Cleantech Ventures AG
Foundry Group Next, L.P.
FTV Management Company, L.P.
Generation Investment Management LLP
GHO Capital Partners LLP
IFM Investors Pty Ltd
Kohlberg Kravis Roberts & Co. L.P. (KKR)
LYFE Capital Investment Management Limited
Motive Capital Management, LLC
New 2ND Capital Advisors, LP
Nexus Point Management Limited
Northlane Capital Partners, LLC
Odyssey Private Equity Pty Limited
Openspace Ventures Pte Ltd
Potentia Capital Management Pty Ltd
Potentum Partners, L.P.
ROC Capital Pty Ltd
Searchlight Capital Partners, L.P.
SER Capital Partners, LLC
Solace Capital Partners, LLC
StepStone Group LP
Sterling Fund Management, LLC
Udata Management, LLC
Warburg Pincus LLC
Webster Equity Partners, LLC
Wesbeam Holdings Limited
Wilshire Australia Pty Ltd

Infrastructure and real assets

Argyle Capital Partners Pty Ltd
Aware Super Pty Ltd
Brookfield Asset Management Inc
Campbell Global, LLC
Capella Capital Pty Limited
Darby Servtec Energia GP, LLC
Equis Funds Pty Ltd
First Sentier Investors (Australia) IM Ltd
HRL Morrison & Co (Australia) Pty Limited

Impact Investment Group
Infrastructure Capital Group Limited
IFM Investors Pty Ltd
J.P. Morgan Asset Management (Australia) Limited
Kilter Pty Ltd (Kilter Rural)
Lighthouse Infrastructure Management Limited
Maple-Brown Abbott Limited
Macquarie Infrastructure Partners, Inc.
Morgan Stanley Investment Management Ltd
Orion Energy Partners LLC
Palisade Investment Partners Limited
QIC Limited
ROC Capital Pty Ltd
Stafford Capital Partners Limited
StepStone Group Real Assets LP

Credit income

Ares Management
Aware Super Pty Ltd
Bain Capital Credit, LP
Flag Asset Management Pty Ltd
Intermediate Capital Group (ICG)
Oaktree Capital Management
Payden & Rygel Global Limited
Quadrant Real Estate Advisors LLC
Westbourne Credit Management Ltd

Liquid alternatives (Growth)

Bridgewater Associates Inc
GMO LLC
Insight Investment Management Global Ltd
Nephila Capital Ltd
Pacific Investment Management Company LLC (PIMCO)

Liquid alternatives (Defensive)

36 South Capital Advisors LLP
AlphaSimplex Group LLC
AQR
GSA Capital Partners LLP
Invesco Australia Ltd

Cash

Aware Super Pty Ltd
Flag Asset Management Pty Ltd
Perpetual Limited

Currency management

State Street Global Advisors, Australia, Limited

Since 30 June 2021 this list has changed. A list of our current investment partners can be found on our websites:

- aware.com.au/investmentmanagers
- vicsuper.com.au/investmentmanagers

Consultants

The investment team engages specialist consultants as required to provide specific advice relating to discrete assets or other investment-related advice, e.g. advice on infrastructure and property investments or appropriate asset allocation for each of our investment options.

The trustee uses a professional asset consultant to provide independent advice to the trustee board on a range of services. A list of consultants we engage with can be found on our website.

- aware.com.au/consultants

Responsible ownership

We actively seek investments that will not only aim to deliver strong long-term returns, but are sustainable, support employment, foster innovation and contribute to a more productive economy – now and into the future.

When we invest our members' money we are looking for strong returns to drive the best retirement outcomes. As part of our responsible ownership approach, we actively consider how a range of environmental, social, and governance (ESG) factors impact our investments.

We've been integrating ESG for over a decade and recognised as a global leader in responsible ownership and have achieved this recognition through a variety of awards, memberships, and invitations to participate in global initiatives.

- Recognised as one of the leading super funds for responsible investment by the Responsible Investment Association Australasia (RIAA).
- Received the highest A+ rating from the Principles for Responsible Investment (PRI) for Strategy & Governance.
- Recognised by the PRI as a leader for our approach to the appointment, selection and monitoring of fund managers.
- Recognised by the PRI as a leader for our climate change reporting.
- We were the only Australian super fund to be awarded the global ESG Incorporation Initiative of the Year by PRI in 2019.
- One of only 30 global companies invited to join the UN Global Investors for Sustainable Development Alliance.
- First major Australian super fund to become Tobacco Free in 2012.

Our investments, engagement and the measurement of impact across our portfolio supports our commitment to the UN Sustainable Development Goals.

Affordable housing investments

We're one of the largest institutional investors in the key-worker affordable housing sector in Australia. We've committed over \$600m dollars to these housing developments as at 30 June 2021.

One of our recent projects is the Meridian development in Miranda in Sydney's south – our first purpose-built affordable housing development. The development consists of 102 units, of which 50% are key-worker affordable housing aimed at allowing key workers to secure quality, affordable rental accommodation close to their work.

Investing in renewable energy and reducing emissions

In the past year we've committed approximately \$1bn in renewables and low carbon technologies.

In February 2021, we acquired a 10% interest in **Terra-Gen**, a US renewable energy platform focused primarily in California. The platform operates more than 1,600 megawatts (MW) of operating assets across wind, geothermal, solar, and battery storage technologies and has more than 3,000 MW of projects under development.

In partnership with Lendlease we invested in a portfolio of multifamily (residential for rent) properties in the United States. We've achieved an audited net-zero carbon emissions in both the delivery and operations of the properties, including resident emissions.

We are also a co-investor in Queensland Investment Corporation's Powering Australian Renewables Fund (PowAR)

~\$1bn

Committed in renewables and low carbon technologies

\$600m+

Committed to key-worker affordable housing

which recently acquired TILT Renewables Australian Platform. TILT Renewables is the owner and operator of wind farms across Australia and New Zealand. With a significant development pipeline of large-scale wind, solar and battery projects, PowAR's portfolio is the largest and most diversified privately owned renewable portfolios in Australia, owning more than 1,300MW of operational renewable energy capacity.

Stewardship

An important element of our responsible investing approach is actively monitoring and engaging with the companies we invest in, and the fund managers we partner with. This engagement helps influence positive improvement in areas such as climate change, worker safety, diversity, company conduct and culture, and cultural heritage management. Additionally, we use our voting rights to ensure these companies are governed in a way which both enhances their performance over the longer term and holds them accountable.


More information and examples of our active ownership, voting and engagement can be found in our Stewardship Report 2021.


- aware.com.au/stewardshipreport

Responsible ownership (continued)

Outcomes through Engagement

Some of the important outcomes we've helped achieve in our investments over the year are:

-  **Environmental**
- Linking climate related metrics to executive remuneration;
 - Net zero and more ambitious emission reduction targets through our lead role within Climate Action 100+;
 - Commitments to an advisory vote on companies' climate transition plans at 2022 Annual General Meetings (AGMs).

-  **Social**
- Greater accountability for cultural heritage management, at Rio Tinto, following Juukan Gorge destruction;
 - Accountability for conduct issues and governance at AMP;
 - Greater focus on modern slavery and labour rights through Investors against Slavery & Trafficking Asia-Pacific (IAST-APAC);
 - Implementation of external whistleblower line to support employees speaking up;
 - Commitment to diversity targets at the executive level through 40:40 Vision.

-  **Governance**
- Improved board skills, independence and diversity;
 - Board oversight of safety risks during COVID-19;
 - Executive incentives aligned to shareholder and employee experience during the pandemic.

Environmental: Climate change



In 2019 we created our comprehensive Climate Change Portfolio Transition Plan (CCPTP) to build resilience in our investment portfolio in the face of the worsening impacts of climate change. Our overarching aim is to achieve net-zero emissions across our entire investment portfolio by 2050.

For this year, we've outlined progress against our short, medium, and long-term goals in our *CCPTP one year on report*, which can be found on our website.

 [aware.com.au/transitionplan](https://www.aware.com.au/transitionplan)

Social: Cultural heritage



In 2020, people all over the world were shocked and saddened by Rio Tinto's destruction of significant sites in the Juukan Gorge in Western Australia, and the irreversible loss of First Nations' cultural heritage. Sadly, this event was neither unique nor the first of its kind. A legislative review process is now underway to strengthen cultural heritage protection in Australia.

Poor cultural heritage management not only contravenes the right of First Nations Peoples globally, it threatens a company's social license to operate. As part of our Reconciliation Action Plan, we have committed to report about how we engage with companies on issues related to Indigenous land rights and cultural heritage.

Direct engagement: Throughout the year we have continued our engagement with Rio Tinto as well as engaging directly with an additional 7 companies on their engagement with First Nations people and cultural heritage management. For example, we met with a company regarding concerns around the free, prior and informed consent from First Nations people in the Northern Territory.

These discussions are ongoing and important to provide investors evidence of free, prior and informed consent.

Voting: While a legislative review process is underway in Australia to strengthen cultural heritage protections, shareholders, including Aware Super, can use their rights to bring forth and vote resolutions at a company's AGM, to take interim steps in strengthening cultural heritage management.

Collaborative engagements: We are building further momentum on the issue of cultural heritage by participating in other working groups. We are a member of the Rights and Cultural Heritage Risk Management Working Group, an ACSI and investor collaborative effort. This group aims to promote a better understanding of the risks associated with failing to protect indigenous cultural heritage.

Additionally, we supported a letter sent to 78 global mining companies to support their approach to consult with Traditional Owners and Indigenous stakeholders, in particular in relation to free, prior and informed consent.

Social: Cultural heritage



Engagement with Rio Tinto Ltd

Goal: Accountability and improved cultural heritage management

Direct

Aware Super and Rio Tinto Chair meeting to get an understanding of incident and failures

Collaborative

Aware Super a signatory to letter to Rio Tinto's board calling for greater action in response to the destruction of Juukan Gorge

Group meetings with Rio Tinto Chair prior to AGM to discuss matters further

Voting

Aware Super voted against Rio Tinto's remuneration report for not taking accountability of Juukan Gorge destruction

Outcomes to June 2021

- CEO, CEO Iron Ore and GE Corporate Relations resignation from Rio Tinto
- Rio Tinto confirms Parliamentary committee recommendations will be implemented
- Rio Tinto formed an Indigenous advisory group to work with Rio Tinto management, enabling traditional owners have alternative pathways communicating with the board

Monitoring and focus areas

- Performance of new CEO and executives in cultural heritage practices
- Highlight benefit of independent assessment of 'what can be done' by Rio Tinto in cultural heritage management
- How Rio Tinto is engaging with communities and First Nations, company culture, information flow and governance across the organisation.

Responsible ownership (continued)



Making a difference for Meg

Meg Pillai is working full-time as a Water Market Data Specialist at the Department of Environment, Water, Land and Planning (DEWLP) in Victoria. Like most Australians, she started working out of high school in casual jobs and didn't really give super a lot of thought.

"I ended up with several super accounts. Every time I changed jobs, I signed up to the one that my new workplace had as default. I would then forget about all the other accounts I had," recalls Meg. "It was only when I took my second full-time job that I decided to consolidate my super."

As Meg started to get serious about her super, she realised there were many aspects to consider.

"When my super became a proper amount of money, I felt more aware of the impact the investment could have in the world. I decided to move from my previous fund because they invested in a lot of fossil fuels and their fees were high."

Being passionate about the environment, Meg decided to join VicSuper for their responsible approach to investment. When VicSuper merged with Aware Super Meg was delighted to find how closely the values

across both funds aligned and the approach that Aware Super had to Responsible Ownership.

"Climate change is a huge problem and it is going to take a lot of work from the Government and from industries to address it. Super funds can hold companies to account. I am proud to be part of a fund that is taking action," says Meg. "I know Aware Super does a lot of engagement with the companies they invest in on environmental, social and governance issues, including climate change."

Addressing climate change is not the only thing Meg is interested in when it comes to her super. She has started to consider how it will help her become financially secure when she reaches retirement age.

"I used to think more about my investments outside of my super for my financial security. Now, I have started to think more about the future of my super, and I have made an appointment with a financial adviser to help me plan for my retirement."

More information about our climate change approach can be found on our Destination Net Zero Report:

aware.com.au/netzeroreport

Measuring our impact and the results to date

In 2018, we established a framework to help measure the impact of our investments and assess how some of our key investments are contributing to the United Nations Sustainable Development Goals (SDGs). Our Impact Measurement Framework measures the positive impact of a portion of our investments across the following areas:

- Environmental impacts, such as climate change solutions and renewable energy generation.
- Social impacts, such as jobs creation and access to affordable housing.
- Sustainability impacts, such as waste avoided and contributions to a circular economy.

For the year to 30 June 2021, we mapped our investments to overarching SDGs and believe our investments are making a positive contribution. Building on our reporting from 2020, we are measuring the positive impacts of 14 assets – representing approximately \$2.9 billion of our members' retirement savings.

Over time we will seek to add more assets and a greater percentage of our overall portfolio.

More information about our responsible ownership approach can be found in our Stewardship Report 2021 and on our website.

aware.com.au/stewardshipreport

Positive social impact

Contributed to SDGs



1,125
Retirement villas occupied at an average 15% discount

248
Key workers have access to affordable housing

2,677
People benefited from health and wellbeing initiatives

17.5m
New public transport passenger journeys (192 million passenger kms travelled)

Climate change solutions

Contributed to SDGs



1,209
GWh of renewable energy generated (enough to power 288,002 homes for a year in Australia¹)

~611,710
Tonnes of CO₂ emissions avoided through renewable energy generation

313
Retirement village villas fitted with solar and battery storage

Sustainability and waste avoided

293
Hectares of water where food is grown sustainably



10.2
Hectares of water where sustainability initiatives are being implemented



329,706
end-of-life tyres processed, resulting in:
244 tonnes of steel reclaimed
1,450 tonnes of char reclaimed
1,200 tonnes of fuel reclaimed



Note: outputs have not been pro-rated relative to percentage of ownership.

¹ Overseas renewable generation has been converted to the equivalent number of Australian houses for comparison.

Source: Aware Super, 2021

Being responsible and ethical

Corporate responsibility is an important part of our commitment to doing good for all. Making sure we manage operations responsibly, while upholding our member, employer and stakeholder expectations will help us deliver on that commitment.



Corporate responsibility (CR) relates to our corporate behaviour, our social, environmental and governance responsibilities. It differs from Responsible Ownership, which is focused on how we approach investing members' savings responsibly.

Having an effective corporate responsibility strategy adds value to our members and stakeholders, and ensures we operate in a sustainable way. The development of our strategy follows extensive consultation with our members, people, employers and other stakeholders to ensure alignment with expectations. We've identified 3 specific areas to drive positive impact.

- **Climate change** – identifying and mitigating our operational contribution.
- **Reducing inequalities** – among our members, other stakeholders and the broader community.
- **Gender equality** – improving the economic security of women.

Acting on climate change

Climate change is a significant long-term risk to the planet, our investment portfolio and ultimately our members' retirement outcomes. As part of our commitment, we'll develop and implement an emissions reduction strategy for our operations and measure our own carbon footprint to move towards carbon neutrality. Our goal for 2022 is to achieve Climate Active Certification within the first six months of the year.

More information about our work to address climate change risk in our portfolio can be found in our Stewardships Report 2021.

aware.com.au/stewardshipreport

Reducing inequalities through reconciliation

During the reporting period, we successfully launched and started to implement our Reflect Reconciliation Action Plan (RAP). During National

Reconciliation Week 2021 our member Shelley Ware, a proud Yankunytjatjara and Wirangu woman, interviewed AFL Player Neville Jetta, a proud Noongar man. Both shared with us their family stories and highlighted the importance that self-education on Australia's history has on reconciliation.

The implementation of our RAP reaffirms our public commitment to reducing the challenges and inequalities that Aboriginal and Torres Strait Islander people face in participating in and engaging with their super.

As part of our RAP, we have reported on how we engage with companies on issues related to Aboriginal land rights and cultural heritage. More information about our engagement and collaboration with companies on these issues can be found in the [Responsible ownership](#) section of this report.

Promoting gender equality

Women make up a significant 65% of our members so working to achieve gender equality is ingrained in our corporate practices. Our research into the inequities in retirement revealed that 1 in 2 women believe they will not have enough money to lead a comfortable retirement. As a result we believe a number of changes are required:

- A 12% Super Guarantee for all.
- Removal of the \$450 superannuation payment threshold, which has been legislated.

- Payment of superannuation for up to 12 months of family leave.
- Changes to family law to ensure a more equitable split in super assets due to partnership breakdowns, which is being legislated.
- Allowing couples to equalise their super through a joint account, providing this is in both parties' best interests.
- Better access and reduced cost of childcare, to enable women to return to the workforce.

We also support gender balance and are signatories of the 40:40 Vision, which aims to see women fill 40% of executive roles in ASX200 listed companies. We don't stop at just representation, we are proactive in our efforts – our CEO Deanne Stewart is a WGEA Pay Equity Ambassador and continually advocates for change.

More information about our work on workplace gender equality can be found in the [Creating the best place to work](#) section of this report.

Supporting our members and the communities they live in

Scholarships and Awards

Many of our members belong to professional communities, providing care and support to others. As a result, we've established scholarships to help foster excellence and career advancement for these members.

Last year, we established the Michael Dwyer Scholarship for Emerging Leaders, named after the former First State Super CEO Michael Dwyer AM (2004-2018). The scholarship provides a \$25,000 grant for one of our members to support their leadership development, professional education or ongoing vocational training.

'This Scholarship has helped me fund the first year of my Bachelor of Oral Health at La Trobe University, Bendigo, as well as various equipment, books and other resources I needed for my studies,' says Aisha Mansfield, winner of the 2020 Scholarship.

We're proud supporters of the NSW Women of the Year Awards for the fifth year in a row. These awards recognise and celebrate the outstanding contribution made by women across NSW and are run by Women NSW, who lead the NSW Government policy unit responsible for improving the quality of life of all NSW women.

Making a difference in our communities

We're passionate about making a difference and we're proud our people repeatedly participated in volunteering opportunities. Some of these initiatives are organised by our Employee Experience Tribes – representative employee groups. The last year saw our people contribute over 200 hours of their time to community volunteering. Our contributions include: donating blood, recycling over 6.4 tonnes of First

State Super paper collateral, raising \$45,867 for the Cerebral Palsy Alliance through the Steptember initiative and over \$3,400 for the Movember Foundation.

Our Workplace Giving Program also encourages our people to support a registered charity of their choice through one off or ongoing pre-tax payroll donations. During the year our employees donated \$5,900 to various charities such as Heartbeat Victoria, Royal Children's Hospital Foundation, Vic Women's Housing Association and Batyr Australia.

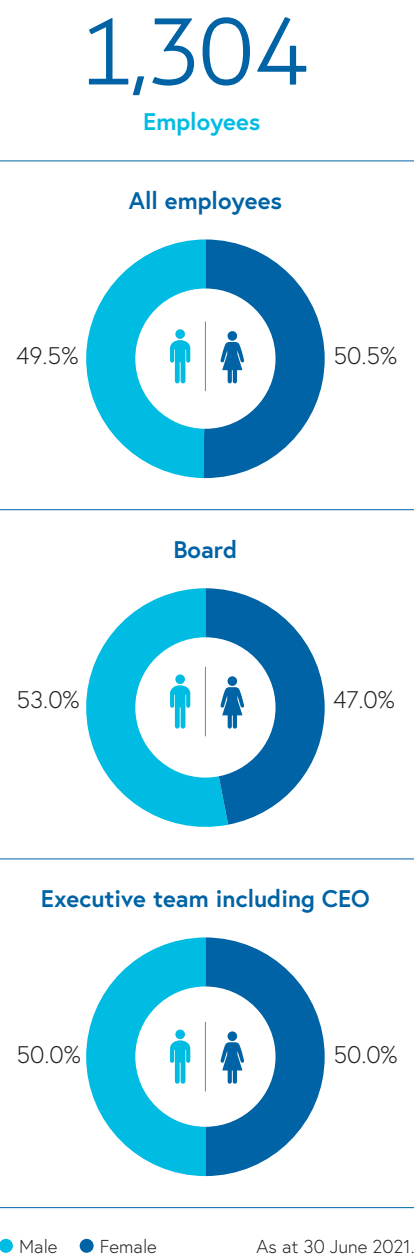


Contributed
to SDGs



Creating the best place to work

Our Member First values inspire the actions and behaviours of our people. We know that an inclusive and dynamic workplace culture underpinned by meaningful work delivers better outcomes for our members, employers and the community we serve.



Navigating the pandemic

Our approach to handling the pandemic focused on preventing and controlling the risk of exposure to our members, clients, visitors, stakeholders and our people. We followed Public Health Orders, Government restrictions and work health and safety guidance in each state and were able to maintain zero work-related exposure cases.

We implemented measures to make it easier for our people to face the challenges of lockdown.

Some of our initiatives were:

- holding informal check-ins with our people in various lockdowns
- including COVID-19 as a part of our regular agenda at all staff and leader forums where our people would share their personal experiences and strategies for coping
- providing a range of resources and webinars covering topics from home schooling and managing stress, to fatigue, burnout and dealing with uncertainty
- extending and communicating the benefits of our Employee Assistance Program, available to our people and their families.

We introduced a new Special Carer's leave provision that allowed parents, and those caring for family members, access to additional paid leave and flexible work arrangements to manage their responsibilities. Our people also had access to a range of resources in the Coronavirus Resource Hub and

a regular communication program to maintain positivity and productivity.

Our Social Connections Tribe focused on creating a sense of connection and belonging through several online initiatives, including a Virtual Trivia Night followed by a series of Virtual Lunches and Fireside Chats.

Our Employee Value Proposition

Our Employee Value Proposition (EVP) is an articulation of our employee offering, and the reason why people are attracted to, and remain working for, Aware Super. We know the importance of remaining competitive and constantly evolving to ensure we attract and retain the best talent. By seeking our people's feedback through our Speak Up Survey, our people have told us how we can continue to enhance our offering, the ongoing support they require and the tools they need to succeed.

Promoting and ensuring health, safety, and wellbeing

During the year, our people could participate in a range of holistic health and wellbeing initiatives. These were designed to improve knowledge and motivate our people to invest in all aspects of their health.

We reinforced the importance of Work Health and Safety (WHS):

- Providing core WHS training to all our people including specific training for our Group Executive and Board Directors.

- Creating a series of videos to raise awareness about our approach to mental health, injury management and recovery at work.
- Implemented a zero-tolerance policy for bullying, harassment, sexual harassment and victimisation.

Investing in learning and development opportunities

Investing in our people's professional development is an ongoing priority. We offered our leaders our new Elevate Leadership Program to enhance their leadership capabilities. Specific topics covered in Elevate are resilience, emotional intelligence, working remotely, agile working practices, virtual communication skills, coaching, and mindfulness, among many others. We also offered all employees blended virtual learning opportunities on presentation skills, self-management, resilience, influencing, wellbeing, managing through COVID-19 and development planning. For employees who embarked on external study we also supported them financially via our Education Assistance program.

Fostering gender equality, diversity and inclusion

Creating a workplace where our people can contribute to the best of their abilities is important to both our members and us. Similarly, attracting, retaining and developing people with different knowledge, experiences, backgrounds and abilities is just as critical.



Our new Gender Equality Strategy was developed last year. This promotes active management, focuses on gender pay equity and removing unconscious bias, while strengthening gender representation across the business. Our achievements have been repeatedly recognised and for the last five years we've been the certified as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA).

Throughout the year we've continued to advance workplace diversity and inclusion. Our Diversity and Inclusion Tribe organised the successful Wear It Purple Day panel event, LGBTIQ online learning, Queer Story Sharing event and established the Cultural Safety Training Pilot. The Tribe also organised for our people to become members of Pride in Diversity and the Diversity Council Australia.

Our internship programs

Our internship program with CareerSeekers, a nonprofit social enterprise, supports university students

from refugee background and those seeking asylum. In our new partnership with CareerTrackers, we also support Aboriginal and Torres Strait Islander university students. During the last 12 months we have placed seven interns across the business through these internship programs.

Recognition and reward

Employee recognition is a key part of a healthy workplace. Star is our employee reward and recognition program and shows appreciation for individuals who've both lived our values in an extraordinary way and delivered an outstanding performance in the workplace. As part of this program we have our Achievers Platform, where peers and leaders can post recognition of other employees for living our values. This year we registered a total of 4,655 instant recognitions.

Contributed
to SDGs



Financial disclosures

Our financial statements are audited by an independent third party and approved by our board. The abridged financial statements, for the year ended 30 June 2021, are presented below:

Statement of financial position as at 30 June 2021

	2021 \$m	2020 \$m
Cash and cash equivalents	738	786
Receivables	1,277	1,339
Financial assets	150,509	123,252
Current tax receivables	-	121
Investment in Service Entities	342	332
Plant and equipment	159	51
Deferred tax assets	612	430
Total assets	153,637	126,311
Liabilities		
Benefits payable	46	73
Accounts payable	1,643	813
Financial liabilities	710	303
Income tax payable	704	-
Deferred tax liabilities	2,508	1,790
Total liabilities excluding member benefits	5,611	2,979
Net assets available for members benefits	148,026	123,332
Defined contribution member liabilities	145,653	121,223
Defined benefit member liabilities	1,043	1,076
Total member liabilities	146,696	122,299
Net assets	1,330	1,033
Equity		
Reserves	1,235	992
Defined benefit surplus	95	41
Total equity	1,330	1,033

Income statement for the year ended 30 June 2021

	2021 \$m	2020 \$m
Investment revenue		
Interest – investments carried at fair value	626	575
Interest – bank deposits	1	3
Dividends	1,413	1,203
Distributions from unit trusts	1,584	1,083
Securities lending income	39	37
Other income	50	73
Changes in fair value of investments	16,964	(1,640)
Total revenue	20,677	1,334
Investment expenses	(399)	(345)
Administration expenses	(325)	(269)
Total expenses	(724)	(614)
Operating result before income tax expense	19,953	720
Income tax benefit/(expense)	(1,483)	488
Operating result after income tax expense	18,470	1,208
Net benefits allocated to defined contribution member accounts	(18,176)	(976)
Net change in defined benefit member accounts	(66)	(34)
Operating result	228	198

Financial disclosures (continued)

Statement of changes in member benefits

	Defined contribution member benefits \$m	Defined benefit member benefits \$m	Total \$m
Opening balances as at 1 July 2019	95,158	1,066	96,224
Employer contributions	4,401	15	4,416
Member contributions	1,853	-	1,853
Transfer from VicSuper Fund	24,189	-	24,189
Transfers from other superannuation funds	2,315	-	2,315
Superannuation co-contributions	24	-	24
Income tax on contributions	(622)	(2)	(624)
Net after tax contributions	32,160	13	32,173
Benefits to members	(6,687)	(87)	(6,774)
Insurance premiums charged to members' accounts	(312)	-	(312)
Financial advice fees deducted from members' accounts	(72)	-	(72)
Transfer (to)/from reserves	-	-	-
Net benefits allocated to members	976	34	1,010
Net change in member Defined Benefits	-	50	50
Closing balances as at 30 June 2020	121,223	1,076	122,299
Opening balances as at 1 July 2020	121,223	1,076	122,299
Employer contributions	6,075	9	6,084
Member contributions	2,292	5	2,297
Transfer from WA Super	4,168	-	4,168
Transfers from other superannuation funds	2,367	-	2,367
Superannuation co-contributions	31	-	31
Income tax on contributions	(874)	(1)	(875)
Net after tax contributions	14,059	13	14,072
Benefits to members	(7,227)	(58)	(7,285)
Insurance premiums charged to members' accounts	(503)	-	(503)
Financial advice fees deducted from members' accounts	(75)	-	(75)
Transfer (to)/from reserves	-	-	-
Net benefits allocated to members	18,176	66	18,242
Net change in member Defined Benefits	-	(54)	(54)
Closing balances as at 30 June 2021	145,653	1,043	146,696

Statement of changes in equity/reserves

	Investment Reserve ¹ \$m	Operational risk financial requirement Reserve ² \$m	Insurance Reserve ³ \$m	Administration Reserve ⁴ \$m	Total Reserves \$m
Opening balances as at 1 July 2019	166	240	10	219	635
Operating result	161	5	(7)	37	196
Transfer to defined contribution member accounts	-	-	-	-	-
Transfer to defined benefit member accounts	-	-	-	-	-
Transfer from VicSuper Fund	-	60	-	101	161
Closing balances as at 30 June 2020	327	305	3	357	992
Opening balances as at 1 July 2020	327	305	3	357	992
Operating result	124	51	9	44	228
Transfer to defined contribution member accounts	-	-	-	-	-
Transfer to defined benefit member accounts	-	-	-	-	-
Transfer from WA Super	-	11	-	4	15
Closing balances as at 30 June 2021	451	367	12	405	1,235

1 The Investment Reserve is an unallocated reserve being the difference between the cumulative amount of investment income (net of investment expenses) allocated to members accounts and the cumulative income (net of expenses) earned, after any transfers to ORFR Reserve, Insurance Reserve, and Administration Reserve.

2 The Operational Risk Financial Requirement Reserve is an unallocated reserve, held separately to the unitised assets of the Fund to maintain adequate financial resources to address potential losses arising from operational risks. The reserve may be used by the Trustee in accordance with the requirements of Superannuation Prudential Standard 114 Operational Risk Financial Requirement and the Fund's Operational Risk Financial Requirement Reserving Policy. The Trustee has assessed a reserve of approximately 0.25% of funds under management as being appropriate for the Fund.

3 The Insurance Reserve is an unallocated reserve which comprises the receipt of profit share and/or premium adjustment amounts from the Fund's group life insurers less the use of these amounts to reduce premiums for relevant members.

4 The Administration Reserve is an unallocated reserve held separately to the unitised assets of the Fund for use by the Trustee in accordance with the Trust Deed. It is funded by administration fees charged to members and funds the operations of the Trustee office, which may include investment in enhancing member services, expanding the product range or expenditure to achieve operational efficiencies. The reserve may also be used to reinstate the Operational Risk Financial Reserve following a loss or meet any fees charged by the Trustee under the powers permitted by the Trust Deed.

Financial disclosures
(continued)

Statement of cash flows for the year ended 30 June 2021

	2021 \$m	2020 \$m
Cash flows from operating activities		
Investment income	3,707	2,997
Investment expenses	(399)	(345)
Administration expenses	(362)	(639)
Income tax (paid)/refund	(1,285)	122
Net inflows from operating activities	1,661	2,135
Cash flows from investing activities		
Purchase of investments	(56,491)	(55,731)
Proceeds from sale of investments	49,601	53,077
Net outflows from investing activities	(6,890)	(2,654)
Cash flows from financing activities		
Contributions received	11,494	7,877
Benefits paid	(7,586)	(6,769)
Financial planning fees	(75)	(72)
Insurance premiums paid	(464)	(312)
Transfer from WA Super Fund	1,812	-
Transfer from VicSuper Fund	-	92
Net inflows from financing activities	5,181	816
Net (decrease)/increase in cash held	(48)	297
Cash at the beginning of the financial year	786	489
Cash at the end of the financial year	738	786

These tables contain information extracted from the fund's audited financial statements. A hard copy audited financial statements and auditor's report can be obtained free of charge by calling us on 1300 650 873. Alternatively, you can view a copy of the audited financial statements on our website:

 aware.com.au/reports

Additional disclosures

Unclaimed super is paid to the ATO

Under the superannuation rules, we must report and pay unclaimed super money and inactive low balance accounts to the Australian Taxation Office (ATO). Unclaimed super money includes the following:

- an account balance under \$6,000 held by a member who is uncontactable. The member is 'uncontactable' if we can't contact them by mail or email via the address(es) we hold for them and they haven't been in contact with us or contributed in the last 12 months;
- an inactive low-balance account under \$6,000 held by a member under age 65. This applies if we haven't received any contributions or rollovers for the member in the last 16 months or more, and they haven't notified us that they want to remain in the fund;
- an inactive account held by a member who is 65 years of age or more. This applies if we haven't received any contributions or rollovers for the member in the last two years and it's been five years or more since they last contacted us and we're unable to make contact with them. Once they reach 65, they can start an income stream or access their benefit in cash at any time.

The above excludes defined benefit accounts.

An inactive low-balance account is defined as a superannuation accumulation account where: no contribution or rollovers have been received for 16 months, a condition of release hasn't been met and none of the following have occurred in relation to the member in the last 16 months:

- the member has changed investment options
- the member has made changes to their insurance cover
- the member has made or amended a binding beneficiary nomination
- the member has elected to maintain insurance
- the member, by written notice given to the fund, has declared that they aren't a member of an inactive low-balance account
- the superannuation provider is owed an amount in respect of the member.

Benefits for the following people may also be transferred to the ATO:

- lost or uncontactable members
- former temporary resident members who have departed Australia
- deceased members whose benefits can't be paid following death
- a spouse who is entitled to a benefit split under the Family Law Act and can't be paid.

In most circumstances, simply contacting us will avoid the possibility of the member's account being transferred to the ATO. If their account is transferred to the ATO, any insurance cover you may have will cease. You can claim the money from the ATO at any time. Generally, they'll need to meet a condition of release to have this money paid in cash. Otherwise, it will need to be transferred to an eligible superannuation fund, such as Aware Super. Interest may also be payable by the ATO at the time the money is claimed. To find out how to keep their account active members can visit:

 aware.com.au/pys

Temporary residents

If a member is a temporary resident, they can usually receive their super when they leave Australia and their visa expires or is cancelled. Six months after their temporary residence visa has expired or is cancelled, the Australian Taxation Office (ATO) may require us to transfer their super to them. Non-residents can make an application to the Commissioner of Taxation to claim unclaimed super.

We aren't obliged to notify or provide an exit statement to a member who was a temporary resident if we transfer their superannuation to the ATO, following their departure from Australia. More information about how members can claim their super in these circumstances can be found on our websites:

 aware.com.au/leaving-australia

 vicsuper.com.au/contact-us/faqs

Additional disclosures (continued)

Superannuation surcharge

The superannuation contributions surcharge, which was a tax payable by high-income earners on employer contributions and termination payments, was abolished from 1 July 2005. We may still receive surcharge assessment notices from the ATO relating to a period where the surcharge was applicable. If we receive a notice in relation to a member's account, any surcharge will be debited from the member's superannuation account and paid to the ATO.

Compliance

Aware Super (ABN 53 226 460 365) is a resident regulated superannuation fund within, the meaning of the Superannuation Industry (Supervision) Act 1993 (SIS Act), and a complying superannuation fund for the purposes of the Income Tax Assessment Act.

We can accept transfers and rollovers under Aware Super's trust deed and rules, and the fund is authorised under MySuper legislation. Upon receipt of transfers and rollovers, we'll maintain and preserve the benefits in Aware Super to the extent required by the SIS Act and its regulations.

Administrator

Mercer Administration Services (Australia) Pty Ltd (Mercer) is responsible for the administration of Aware Super members accounts, which includes the processing of member and employer contributions, maintaining member records, paying benefits and pensions. Mercer is also the custodian for the Aware fund's Australian trust bank accounts.



Recognition and awards

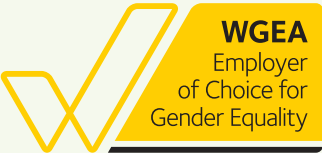
Money Magazine



Responsible Investment Association Australia



Workplace Gender Equality Agency





Contact us

Phone 1300 650 873

Fax 1300 722 072

Email enquiries@aware.com.au

Web aware.com.au

Post PO Box 1229, Wollongong NSW 2500