

Aware Super Product  
Performance Report 2022

There for  
our members





# How we report

Our purpose is 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 2021–22 Annual Report is only one of the many ways in which we live up to this purpose by communicating to our members and other stakeholders on our performance during the year, key outcomes achieved and our outlook for the future.

Our annual reporting documents include:



Annual Report 2022



Aware Super Product Performance Report 2022



VicSuper Product Performance Report 2022



Governance Report 2022



Responsible Investment Report 2022

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Other investment disclosure



Disclaimer

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

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

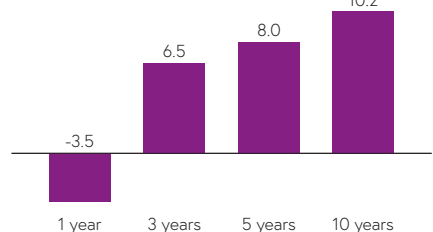
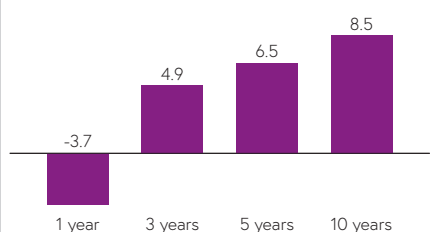
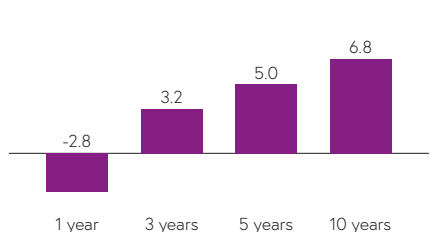
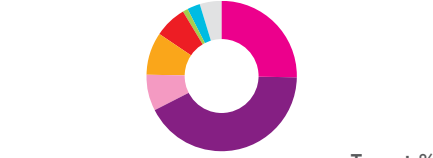


Issued November 2022.

# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Accumulation and Transition to Retirement Income Stream

### Diversified options

High Growth	Growth	Balanced Growth
Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>
		
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
CPI + 4.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
 Target %	 Target %	 Target %
<ul style="list-style-type: none"><li>Australian equities 25.5</li><li>International equities 42.0</li><li>Private equity 8.0</li><li>Infrastructure &amp; real assets 9.0</li><li>Property 7.0</li><li>Liquid alternatives (Growth) 1.0</li><li>Liquid alternatives (Defensive) 0.0</li><li>Credit income 3.0</li><li>Fixed income 0.0</li><li>Cash 4.5</li><li>Currency exposure<sup>4</sup> 27.0</li></ul>	<ul style="list-style-type: none"><li>Australian equities 21.5</li><li>International equities 35.0</li><li>Private equity 6.0</li><li>Infrastructure &amp; real assets 9.0</li><li>Property 7.0</li><li>Liquid alternatives (Growth) 1.0</li><li>Liquid alternatives (Defensive) 0.0</li><li>Credit income 5.0</li><li>Fixed income 10.0</li><li>Cash 5.5</li><li>Currency exposure<sup>4</sup> 22.0</li></ul>	<ul style="list-style-type: none"><li>Australian equities 15.0</li><li>International equities 24.5</li><li>Private equity 5.0</li><li>Infrastructure &amp; real assets 8.0</li><li>Property 8.0</li><li>Liquid alternatives (Growth) 1.0</li><li>Liquid alternatives (Defensive) 0.0</li><li>Credit income 7.0</li><li>Fixed income 17.0</li><li>Cash 14.5</li><li>Currency exposure<sup>4</sup> 16.0</li></ul>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
6 – High	6 – High	4 – Medium

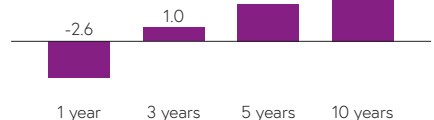



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3 We may vary the asset allocation for an investment option from time to time. Each of the asset classes may include small cash balances for portfolio management purposes. For information on the latest asset allocations, see [aware.com.au](https://www.aware.com.au)

4 These currency exposure targets and ranges refer to the proportion of assets that are subject to foreign exchange rate movements. The actual currency exposure in place at a point in time depends on market conditions and the liquidity needs of the investment option. In addition, the trustee may change the currency exposure targets or ranges from time to time.

5 For more information on the methodology used to determine risk measures, see [aware.com.au/investmentandrisk](https://www.aware.com.au/investmentandrisk)

Conservative Growth	Diversified Socially Responsible Investment
Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>
	
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
CPI + 1.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
 Target %	 Target %
<ul style="list-style-type: none"><li>Australian equities 6.0</li><li>International equities 10.0</li><li>Private equity 0.0</li><li>Infrastructure &amp; real assets 6.0</li><li>Property 6.0</li><li>Liquid alternatives (Growth) 0.0</li><li>Liquid alternatives (Defensive) 0.0</li><li>Credit income 4.0</li><li>Fixed income 20.0</li><li>Cash 48.0</li><li>Currency exposure<sup>4</sup> 6.0</li></ul>	<ul style="list-style-type: none"><li>Australian equities 21.5</li><li>International equities 35.5</li><li>Private equity 6.0</li><li>Infrastructure &amp; real assets 9.0</li><li>Property 7.0</li><li>Liquid alternatives (Growth) 0.0</li><li>Liquid alternatives (Defensive) 0.0</li><li>Credit income 5.0</li><li>Fixed income 10.0</li><li>Cash 6.0</li><li>Currency exposure<sup>4</sup> 22.0</li></ul>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
2 – Low	6 – High

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# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Retirement Income Stream

### Diversified options

High Growth	Growth	Balanced Growth																																																																								
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>																																																																								
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<table><tr><th></th><th>Target %</th></tr><tr><td>Australian equities</td><td>29.0</td></tr><tr><td>International equities</td><td>38.5</td></tr><tr><td>Private equity</td><td>8.0</td></tr><tr><td>Infrastructure &amp; real assets</td><td>9.0</td></tr><tr><td>Property</td><td>7.0</td></tr><tr><td>Liquid alternatives (Growth)</td><td>1.0</td></tr><tr><td>Liquid alternatives (Defensive)</td><td>0.0</td></tr><tr><td>Credit income</td><td>3.0</td></tr><tr><td>Fixed income</td><td>0.0</td></tr><tr><td>Cash</td><td>4.5</td></tr><tr><td>Currency exposure<sup>4</sup></td><td>25.0</td></tr></table>		Target %	Australian equities	29.0	International equities	38.5	Private equity	8.0	Infrastructure & real assets	9.0	Property	7.0	Liquid alternatives (Growth)	1.0	Liquid alternatives (Defensive)	0.0	Credit income	3.0	Fixed income	0.0	Cash	4.5	Currency exposure <sup>4</sup>	25.0	<table><tr><th></th><th>Target %</th></tr><tr><td>Australian equities</td><td>24.5</td></tr><tr><td>International equities</td><td>32.0</td></tr><tr><td>Private equity</td><td>6.0</td></tr><tr><td>Infrastructure &amp; real assets</td><td>9.0</td></tr><tr><td>Property</td><td>7.0</td></tr><tr><td>Liquid alternatives (Growth)</td><td>1.0</td></tr><tr><td>Liquid alternatives (Defensive)</td><td>0.0</td></tr><tr><td>Credit income</td><td>5.0</td></tr><tr><td>Fixed income</td><td>10.0</td></tr><tr><td>Cash</td><td>5.5</td></tr><tr><td>Currency exposure<sup>4</sup></td><td>20.0</td></tr></table>		Target %	Australian equities	24.5	International equities	32.0	Private equity	6.0	Infrastructure & real assets	9.0	Property	7.0	Liquid alternatives (Growth)	1.0	Liquid alternatives (Defensive)	0.0	Credit income	5.0	Fixed income	10.0	Cash	5.5	Currency exposure <sup>4</sup>	20.0	<table><tr><th></th><th>Target %</th></tr><tr><td>Australian equities</td><td>16.5</td></tr><tr><td>International equities</td><td>21.5</td></tr><tr><td>Private equity</td><td>5.0</td></tr><tr><td>Infrastructure &amp; real assets</td><td>8.0</td></tr><tr><td>Property</td><td>8.0</td></tr><tr><td>Liquid alternatives (Growth)</td><td>0.0</td></tr><tr><td>Liquid alternatives (Defensive)</td><td>4.0</td></tr><tr><td>Credit income</td><td>7.0</td></tr><tr><td>Fixed income</td><td>17.0</td></tr><tr><td>Cash</td><td>13.0</td></tr><tr><td>Currency exposure<sup>4</sup></td><td>14.0</td></tr></table>		Target %	Australian equities	16.5	International equities	21.5	Private equity	5.0	Infrastructure & real assets	8.0	Property	8.0	Liquid alternatives (Growth)	0.0	Liquid alternatives (Defensive)	4.0	Credit income	7.0	Fixed income	17.0	Cash	13.0	Currency exposure <sup>4</sup>	14.0
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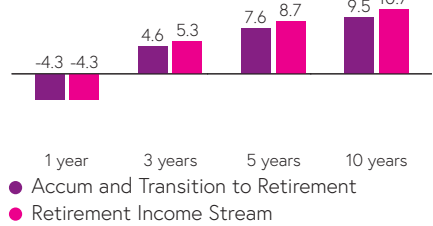
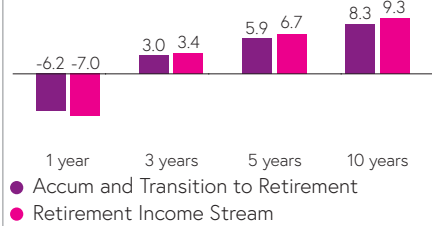
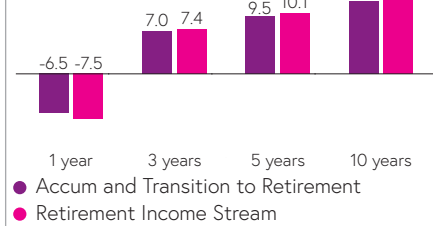
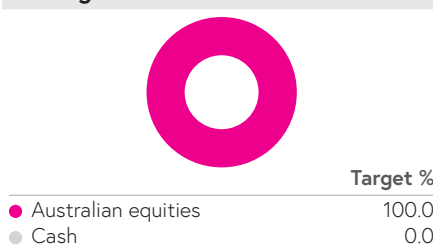
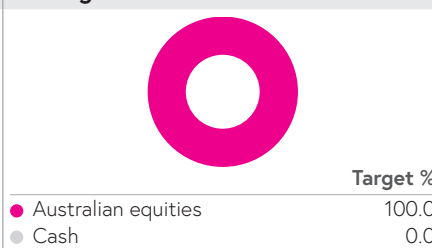
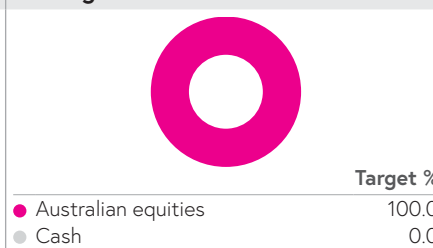
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# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Accumulation, Transition to Retirement Income Stream and Retirement Income Stream

Single asset class options

Australian Equities		Australian Equities Socially responsible Investment		International Equities	
Net investment returns % p.a. <sup>1</sup>		Net investment returns % p.a. <sup>1</sup>		Net investment returns % p.a. <sup>1</sup>	
					
Investment objective <sup>2</sup>		Investment objective <sup>2</sup>		Investment objective <sup>2</sup>	
To track the return of the Aware Super Custom Index on MSCI Australia Shares 300 <sup>3</sup> , before taking into account fees, costs and tax.		To outperform the Aware Super Custom Index on MSCI Australia Shares 200 <sup>3</sup> over rolling 5-year periods, before tax and after taking into account fees and costs.		To track the return of the Aware Super Custom Index on MSCI World ex-Australia (unhedged) in Australian dollars <sup>3</sup> , before taking into account fees, costs and tax.	
Strategic asset allocation <sup>4</sup>		Strategic asset allocation <sup>4</sup>		Strategic asset allocation <sup>4</sup>	
					
Standard Risk Measure <sup>6</sup>		Standard Risk Measure <sup>6</sup>		Standard Risk Measure <sup>6</sup>	
7 – Very high		7 – Very high		7 – Very high	

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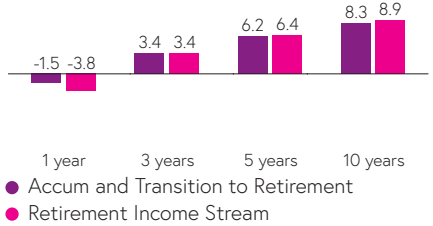
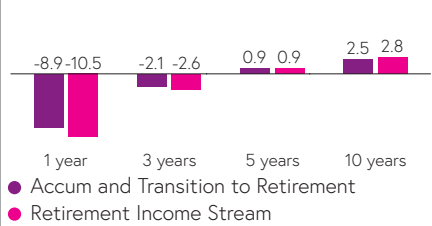
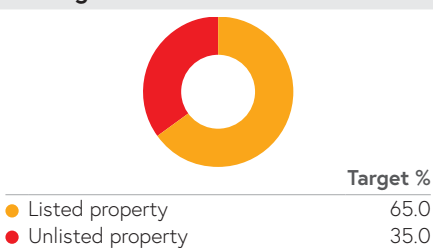
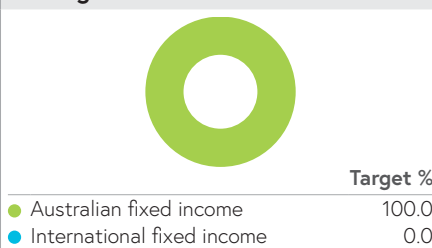
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3 A custom Index calculated by MSCI based on the responsible ownership criteria provided by Aware Super.

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6 For information on the methodology used to determine risk measures, see [aware.com.au/investmentandrisk](https://www.aware.com.au/investmentandrisk)

Property		Australian Fixed Interest	
Net investment returns % p.a. <sup>1</sup>		Net investment returns % p.a. <sup>1</sup>	
			
Investment objective <sup>2</sup>		Investment objective <sup>2</sup>	
To outperform a weighted index – namely 65% to the FTSE EPRA/NAREIT Developed Rental Index Net Dividends Reinvested (100% hedged) in Australian dollars and 35% to CPI + 5% p.a. – over rolling 5-year periods, before tax and after taking into account fees and costs.		To track the return of the Bloomberg AusBond Composite 0+ Yr Index, before taking into account fees, costs and tax.	
Strategic asset allocation <sup>3</sup>		Strategic asset allocation <sup>3</sup>	
			
Standard Risk Measure <sup>5</sup>		Standard Risk Measure <sup>5</sup>	
6 – High		5 – Medium to high <sup>6</sup>	

1 All data as at 30 June 2022. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance.

2 The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

3 We may vary the asset allocation for an investment option from time to time. Each of the asset classes may include small cash balances for portfolio management purposes. For information on the latest asset allocations, see [aware.com.au](https://www.aware.com.au)

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6 Despite the Australian Fixed Interest investment option being assessed as having a Standard Risk Measure of '5 – Medium to high', when we assess the expected risk more holistically, the option is only expected to have a moderate level of risk.



The Certification Symbol signifies that a product or service offers an investment style that takes into account certain environmental, social, governance or ethical considerations. The Symbol also signifies that the Aware Super Australian Equities SRI option adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Superfund Option.

The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Aware Super's methodology and performance can be found at [responsiblereturns.com.au](https://www.responsiblereturns.com.au), together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

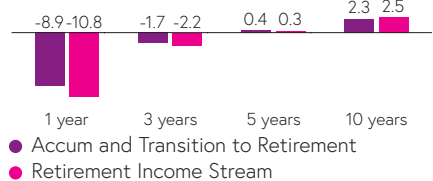
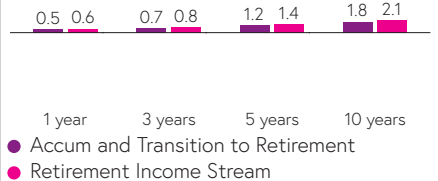




# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Accumulation, Transition to Retirement Income Stream and Retirement Income Stream

Single asset class options

International Fixed Interest	Cash												
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>												
													
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>												
To track the return of the Bloomberg Barclays Global Aggregate Float-Adjusted ex-CNY Index (100% hedged) in Australian dollars, before taking into account fees, costs and tax.	To meet or exceed the return of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.												
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>												
 <table><thead><tr><th></th><th>Target %</th></tr></thead><tbody><tr><td>International fixed income</td><td>100.0</td></tr><tr><td>Cash</td><td>0.0</td></tr><tr><td>Currency exposure<sup>4</sup></td><td>0.0</td></tr></tbody></table>		Target %	International fixed income	100.0	Cash	0.0	Currency exposure <sup>4</sup>	0.0	 <table><thead><tr><th></th><th>Target %</th></tr></thead><tbody><tr><td>Cash</td><td>100.0</td></tr></tbody></table>		Target %	Cash	100.0
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Currency exposure <sup>4</sup>	0.0												
	Target %												
Cash	100.0												
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>												
4 – Medium	1 – Very low												

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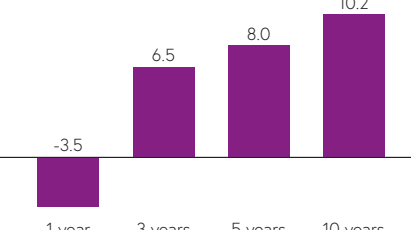
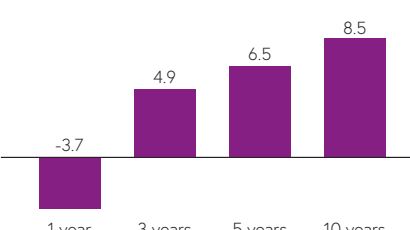
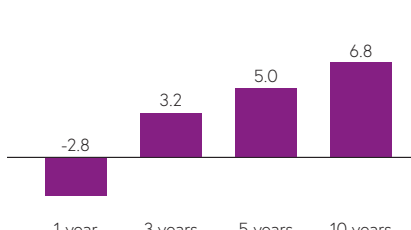
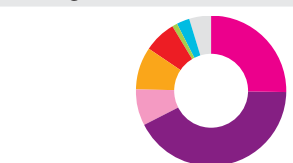
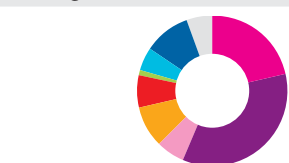
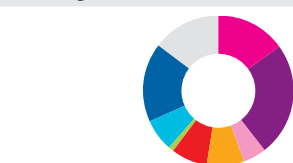
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5 For information on the methodology used to determine risk measures, see [aware.com.au/investmentandrisk](https://www.aware.com.au/investmentandrisk)

## Aware Super Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension

Diversified options

High Growth	Growth	Balanced Growth																																																																								
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>																																																																								
																																																																										
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5 For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](https://retire.aware.com.au/srm)

# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension

Diversified options

Conservative	Defensive	Socially Conscious
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
CPI + 2.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 1.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
3 – Low to medium	2 – Low	6 – High

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5 For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](#)

## Aware Super Flexible Income Plan, Allocated Pension and Term Allocated Pension

Diversified options

High Growth	Growth	Balanced Growth
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
CPI + 4.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 4.25% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
6 – High	6 – High	4 – Medium

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5 For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](#)

# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Flexible Income Plan, Allocated Pension and Term Allocated Pension Diversified options

Conservative	Defensive	Socially Conscious
Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
CPI + 2.50% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 1.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
3 – Low to medium	2 – Low	5 – Medium to High

<sup>1</sup> All data as at 30 June 2022. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance. The above returns are not reflective of the actual return received, these investment options were introduced on 2 June 2022. For historical returns please visit [retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products](https://retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products)

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<sup>5</sup> For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](https://retire.aware.com.au/srm)

## Aware Super Tailored Super Plan, Personal Retirement Plan, Transition to Retirement Pension, Flexible Income Plan, Allocated Pension and Term Allocated Pension Single asset class options

Australian Equities	International Equities
Net investment returns % p.a. <sup>1</sup>	Net investment returns % p.a. <sup>1</sup>
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
To track the return of the Aware Super Custom Index on MSCI Australia Shares 300 <sup>3</sup> , before taking into account fees, costs and tax.	To track the return of the Aware Super Custom Index on MSCI World ex-Australia (unhedged) in Australian dollars <sup>3</sup> , before taking into account fees, costs and tax.
Strategic asset allocation <sup>4</sup>	Strategic asset allocation <sup>4</sup>
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
7 – Very high	7 – Very high

<sup>1</sup> All data as at 30 June 2022. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance. The above returns are not reflective of the actual return received, these investment options were introduced on 2 June 2022. For historical returns please visit [retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products](https://retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products)

<sup>2</sup> The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

<sup>3</sup> A custom Index calculated by MSCI based on the responsible ownership criteria provided by Aware Super.

<sup>4</sup> We may vary the asset allocation for an investment option from time to time. For information on the latest asset allocations, see [aware.com.au](https://aware.com.au)

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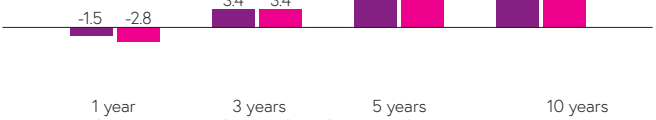
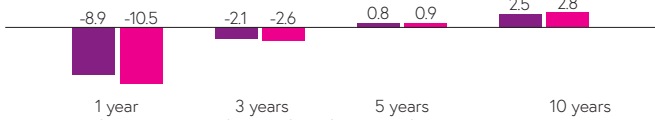
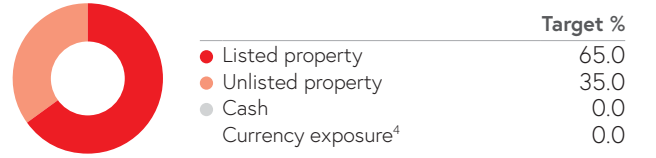
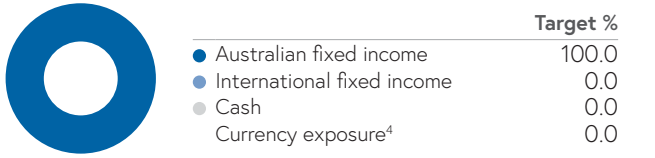


# Investment objectives and performance

For the year ended 30 June 2022

## Aware Super Tailored Super Plan, Personal Retirement Plan, Transition to Retirement Pension, Flexible Income Plan, Allocated Pension and Term Allocated Pension

Single asset class options

Property	Fixed Income
Net investment returns % p.a <sup>1</sup>	Net investment returns % p.a <sup>1</sup>
	
● Personal Retirement Plan, Tailored Super Plan, Transition to Retirement Pension ● Allocated Pension and Term Allocated Pension, Flexible Income Plan	● Personal Retirement Plan, Tailored Super Plan, Transition to Retirement Pension ● Allocated Pension and Term Allocated Pension, Flexible Income Plan
Investment objective <sup>2</sup>	Investment objective <sup>2</sup>
To outperform a weighted index – namely 65% to the FTSE EPRA/NAREIT Developed Rental Index Net Dividends Reinvested (100% hedged) in Australian dollars and 35% to CPI + 5% p.a. – over rolling 5-year periods, before tax and after taking into account fees and costs.	To track the return of the Bloomberg AusBond Composite 0+ Yr Index, before taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>	Strategic asset allocation <sup>3</sup>
	
Standard Risk Measure <sup>5</sup>	Standard Risk Measure <sup>5</sup>
6 – High	5 – Medium to high <sup>6</sup>

1 All data as at 30 June 2022. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance. The above returns are not reflective of the actual return received, these investment options were introduced on 2 June 2022. For historical returns, see [retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products](https://retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products)

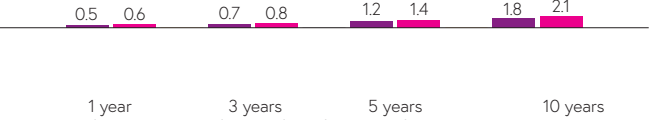

2 The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

3 We may vary the asset allocation for an investment option from time to time. For information on the latest asset allocations, see [aware.com.au](https://aware.com.au)

4 These currency exposure targets and ranges refer to the proportion of assets that are subject to foreign exchange rate movements. The actual currency exposure in place at a point in time depends on market conditions and the liquidity needs of the investment option. In addition, the trustee may change the currency exposure targets or ranges from time to time.

5 For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](https://retire.aware.com.au/srm)

6 Despite the Fixed Income investment option being assessed as having a Standard Risk Measure of '5 – Medium to high', when we assess the expected risk more holistically, the option is only expected to have a moderate level of risk.

Cash
Net investment returns % p.a <sup>1</sup>

● Personal Retirement Plan, Tailored Super Plan, Transition to Retirement Pension ● Allocated Pension and Term Allocated Pension, Flexible Income Plan
Investment objective <sup>2</sup>
To meet or exceed the return of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.
Strategic asset allocation <sup>3</sup>

Standard Risk Measure <sup>4</sup>
1 – Very low

1 All data as at 30 June 2022. Net investment returns are compound average returns after allowance for tax (accumulation options only) and investment management expenses, but before the deduction of administration fees. We do not guarantee the performance of the investment options and the value of your account balance can go up or down. Past performance is not a reliable indicator nor is it a guarantee of future performance. The above returns are not reflective of the actual return received, these investment options were introduced on 2 June 2022. For historical returns, see [retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products](https://retire.aware.com.au/investments/investment-returns-stateplus-retirement-fund-products)

2 The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

3 We may vary the asset allocation for an investment option from time to time. For information on the latest asset allocations, see [aware.com.au](https://aware.com.au)

4 For information on the methodology used to determine risk measures, see [retire.aware.com.au/srm](https://retire.aware.com.au/srm)

# Defined benefit fund

## Health Super defined benefit sub-fund

### Actuarial review

We're required to maintain the defined benefit fund in a satisfactory financial position. The fund's defined benefit asset value must be at a level sufficient to cover the value of vested benefit liabilities of members as they fall due.

Every year, our actuary reviews the financial position of our defined benefit fund and makes a recommendation about the required level of future employer contributions, and every third year a more in-depth triennial review is conducted. The fund is considered to be in a satisfactory financial position if the fund's defined benefit asset value is at least 100% of vested benefit liabilities.

We have set the shortfall limit at 98% because we expect a shortfall of this amount can be recovered through normal market movements within one year.

However, if the defined benefit asset value of the fund falls below the 98% shortfall limit, we'll notify members and set out a restoration plan to return the fund to a satisfactory financial position.

### The actuarial report for the year to 30 June 2022

An in-depth triennial investigation was conducted during the year and the actuarial investigation report was received on 19 August 2022. The report shows the fund was in a satisfactory financial position. The defined benefit fund position, with assets of \$1,060.9 million, exceeded vested benefits liabilities of \$965.1 million by \$95.8 million (9.9%). A margin of assets above vested benefits is desirable to provide some security against adverse market conditions. The actuary also recommend the employers maintain the current contribution rates unless there is significant fall in the financial position of the fund.

### Investment objectives

The investment objectives for the defined benefit fund are to:

- (primary objective) maintain a ratio of assets to vested benefit liabilities at a minimum target level of 100% over the long term,
- achieve sufficient asset coverage above vested benefits to adopt a plan that minimises funding risk over the long term,
- maintain a balance between reducing the long-term cost of the benefits and reducing the volatility of the required employer contribution rate, and
- generate sufficient liquidity to provide for the cash flow requirements of the fund.

### Investment returns and member benefit entitlements

Member benefit entitlements are determined by a formula in the trust deed, based on salary and length of service. While investment returns don't generally affect a defined benefit entitlement, there are some limited instances where benefit entitlements are calculated with reference to investment returns. Employers bear the risk of lower than expected investment performance affecting the financial position of the fund. For more information about investment returns that may be relevant to our members' benefits, see:

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

### How the defined benefit assets are invested

Asset class	Defined benefits as at 30 June 2022
	Strategic asset allocation – target
Australian equities	7%
International equities	12%
Private equity	8%
Infrastructure and real assets	8%
Property	10%
Liquid alternatives – Growth	0%
Liquid alternatives – Defensive	2%
Credit income	7%
Fixed income	43%
Cash	3%
<b>Total</b>	<b>100%</b>

### Investment strategy

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 the annual 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.

### How the defined benefit pension grows

We adjust the defined benefit lifetime pension and deferred benefits twice a year in accordance with movements in the Consumer Price Index (CPI). The update is reflected in the first pension payment in June and December each year. The defined benefit lifetime pension and deferred defined benefits do not have investment returns allocated to them in the same way as other superannuation products but we invest the pool of defined benefit assets in a way to allow it to meet the benefits payment liability.

## VISSF defined benefit sub-fund

### New defined benefit sub-fund created following successor fund transfer on 30 November 2021

Under a successor fund transfer (SFT), all assets and liabilities of the Victorian Independent Schools Superannuation Fund (VISSF) were transferred to Aware Super on 30 November 2021. Defined benefit assets and liabilities were transferred to a new sub-fund within Aware Super, the VISSF defined benefit sub-fund. The VISSF defined benefit sub-fund contains 13 school accounts.

### Actuarial review

We are required to maintain the defined benefit fund in a satisfactory financial position. The fund's defined benefit asset value must be at a level sufficient to cover the value of vested benefit liabilities of members as they fall due.

As the VISSF defined benefit fund only pays lump sum benefits without any lifetime pension, detailed actuarial investigation review is only required on a triennial basis. In between the triennial review, we asked the fund actuary to conduct an annual financial position update.

At least every three years, our actuary reviews the financial position of our defined benefit fund and makes a recommendation about the required level of future employer contributions, and the extent to which the surplus assets can be used to finance other benefits and super guarantee contribution requirements. The fund is considered to be in a satisfactory financial position if the fund's defined benefit asset value is at least 100% of vested benefit liabilities.

We have set shortfall limits for each school account to be between 97.6% and 100%, depending on the number of members remaining in each school account, and we expect a shortfall of this amount can be recovered through normal market movements within one year.

However, if the defined benefit asset value of any school account falls below the shortfall limit, we'll notify members and set out a restoration plan to return the fund to a satisfactory financial position.

### The most recent triennial actuarial report and the financial position update as at 30 June 2022

The most recent triennial actuarial investigation was conducted as at 31 January 2022 to align with the VISSF financial reporting cycle which falls on 31 January each year. It was received on 15 July 2022. The reports show all 13 school accounts were in a satisfactory financial position with the Vested Benefit coverage ratio ranging between 128% and 568%.

The financial position update on 30 June 2022 shows the defined benefit fund position, with assets of \$32.0 million, exceeded Vested Benefit liabilities of \$21.7 million by \$10.3 million (47.6%).

The actuary recommends that all schools continue with the 'contribution holiday' until a future year when the expected coverage of Vested Benefits fall below 110%. This results in one school expecting to resume contribution from 1 February 2024, and three other schools expecting to resume contribution from 1 February 2026. The

actuary also recommends the maximum contributions to be financed from each school account to meet Award and super guarantee contributions requirement where relevant.

### Investment strategy

The actuary reviewed and confirmed the current investment policy is suitable.

All 13 schools have their defined benefit asset invested in the Aware Super Growth investment option. One of the schools has requested us to invest a portion of the assets more conservatively in the Aware Super Conservative Growth investment option.

Volatility in the school account's investment returns affects the financial position of the school account and potentially the required level of school contributions. Even for those schools where most or all of the liabilities are linked to investment returns, volatility in the school account's investment return will impact the dollar amount of 'surplus' assets available to meet the cost of ongoing benefit accruals and expenses. Additionally, the nature of the liabilities could change if investment returns were significantly lower (or salary growth significantly higher) than the assumptions adopted for the investigation.

Asset class	How the VISSF defined benefit assets are invested	Aware Super Growth investment option as at 30 June 2022	Aware Super Conservative Growth investment option as at 30 June 2022
	Strategic asset allocation – target		
Australian equities	21.5%		6.0%
International equities	35.0%		10.0%
Private equity	6.0%		-
Infrastructure and real assets	9.0%		6.0%
Property	7.0%		6.0%
Liquid alternatives – Growth	1.0%		-
Liquid alternatives – Defensive	-		-
Credit income	5.0%		4.0%
Fixed income	10.0%		20.0%
Cash	5.5%		48.0%
<b>Total</b>	<b>100%</b>		<b>100%</b>

# Other investment disclosures

## Product upgrade

Effective 2 June 2022, we switched the Tailored Super Plan, Personal Retirement Plan, Transition to Retirement Pension, Flexible Income Plan, Allocated Pension and Term Allocated Pension investment options to new options that were also available in other Aware Super products. This is part of a gradual process of aligning the investments, products and systems across all of Aware Super over the next 18 months. We also introduced additional investment options for these products:

- High growth – new for Tailored Super Plan, Transition to Retirement Pension, Flexible Income Plan
- Socially Conscious
- Property.

Overall, the investment changes were minimal:

- For the Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension, the new

investment options have a slightly higher allocation to international equities at the expense of Australian equities. The more conservative options (Balanced Growth, Moderate, Conservative) were aligned to our growth-focused portfolios.

- For the Flexible Income Plan, Allocated Pension and Term Allocated Pension, there were no changes in the strategic asset allocation as a result of this change.

## Investment fees

Investment fees encompass an array of fees and costs associated with the continued management of the fund's investments and underlying investment vehicles. Investment fees include costs that relate to the purchase and sale of investments, investment managers' fees and amounts paid to a range of third parties, such as our brokers, custodian and government authorities. Investment fees and costs are not deducted directly from our members' accounts; they are paid from the assets of the investment

option before we calculate the unit price.

While Aware Super does not charge performance fees, we have performance fee arrangements with certain investment managers. Under these arrangements, performance fees are paid if the manager delivers performance above an agreed level. As these fees are dependent on the performance of the underlying managers, they can vary from year to year. However, most of these performance fees are accrued and only paid on the realisation of an investment, so it's possible not all these costs will end up getting paid.

The strong returns in the 2020–21 financial year resulted in an increase in performance-related costs, particularly for options with higher allocations to unlisted asset classes, such as private equity, property and infrastructure and real assets. Performance fee arrangements are common for these asset classes and it would be difficult to access certain investment opportunities without having performance fee arrangements in place with our investment managers. Performance fees can be used to align the investment outcomes of our members with the interests of our investment managers, by giving them an incentive to deliver strong performance. In other words, they get paid more when performance is high.

While we try to keep our fees and costs as low as possible, we believe investments in these asset classes are important as they help diversify risk and enhance returns for our members over the long term (even after taking into account the total fees paid).

Our fees for the 2021–22 financial year, which are disclosed in the Product Disclosure Statement dated 30 September 2022, are generally lower than the fees in the 2020–21 financial year. In some cases, such as in our higher risk diversified options, we have seen a sizeable reduction in the investment fees for the 2021–22 financial year. The reduction in investment fees can broadly be attributed to the removal of the

management fee/trustee charge, the change to disclose performance fees using a five-year average rather than a one-year amount and strong negotiation on fees with our external managers. We have also increased the proportion of assets we manage ourselves in some asset classes (for example, cash, credit income, property and infrastructure) and this has helped further drive down costs.

In the 2021–22 financial year, Aware Super transitioned into the new regulatory guidelines for fee disclosure. As part of these requirements, performance fees are reported as a five-year average. This will help reduce the volatility of investment fee reporting in future years.

## Aware Super Accumulation and Transition to Retirement Income Stream

As a component of 'Other fees and costs', the investment fees for each of the diversified options include the trustee's charge of 0.04% per year. The trustee charge will no longer apply from 30 September 2022.

## Aware Super Retirement Income Stream, Tailored Super Plan, Personal Retirement Plan, Transition to Retirement Pension, Flexible Income Plan, Allocated Pension and Term Allocated Pension

The investment fees for these accounts include a management fee of 0.15% per year for diversified options and 0.06% per year for single asset class options (excluding the cash option). The management fee is payable for expenses related to the development of enhanced retirement offerings, retirement specific product management strategies and expenses incurred by the trustee (e.g. fund governance).

As part of the product upgrade mentioned on page 18, from 2 June 2022

the management fee for the Tailored Super Plan, Personal Retirement Plan and Transition to Retirement Pension changed to a trustee charge and reduced as follows:

- For diversified options, the management fee of 0.15% p.a. changed to a trustee charge of 0.04% p.a.
- For single asset class options (excluding cash), the management fee of 0.06% p.a. changed to a trustee charge of zero.
- For cash, there is no trustee charge.

There was no change to the management fee for the Aware Super Retirement Income Stream, Flexible Income Plan, Allocated Pension and Term Allocated Pension.

Note the management fee and trustee charge will no longer be charged from 30 September 2022.

Investment fees may vary from year to year and cannot be precisely calculated in advance. The investment fee for future years will depend on the actual fees and costs incurred by the trustee in managing the investment options. For more information about our latest estimated investment fees, see:

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

## Investment reserves

After providing for taxes and investment expenses, all investment earnings or losses in our investment options are reflected in our current unit prices. We do not place investment earnings in an investment reserve to smooth the member investment returns.

## Hedging

When investing in overseas assets such as international equities or fixed interest, returns reflect changes in the value of the underlying investments, as well as currency movements. We may hedge some of the currency exposure back to Australian dollars to manage risk or enhance returns.

The targeted level of foreign currency exposure, as well as the minimum and maximum exposure levels, is defined for each investment option as part of the strategic asset allocation process. We may change the currency exposure over time with the intention of improving the investment option's ability to meet its performance and risk objectives.

The level of foreign currency exposure in each investment option is monitored on an ongoing basis and hedges are rebalanced when the estimated foreign currency position drifts away from its target.

## Derivatives

Derivatives are investment products whose value is dependent on the value of other assets, liabilities or indices. Futures, options, swaps, forwards, warrants and other related instruments are considered derivatives.

We consider the use of derivatives as part of our fund's overall investment strategy and for each investment option. Derivatives may be used to enhance returns, manage tactical investment decisions (e.g. asset allocation activities), improve transaction efficiency and reduce costs, and manage risk (e.g. hedging against foreign currency changes).

During the reporting period, our derivatives charge ratio didn't exceed 5% of the total market value of our fund's assets. The derivatives charge ratio is the percentage of the total market value of the assets of the fund (other than cash) that the trustee has charged as security for derivatives investments made by the trustee.

## Custodian

Our custodian, State Street Australia Limited, monitors each investment manager's daily activity and values our fund's investments each business day.





# Other investment disclosures (continued)



### Risk label

The Standard Risk Measure (SRM) allows consumers to compare investment options within and across funds. This methodology is based on one developed by the industry. We use it to assign a risk band, risk label and estimated number of negative annual returns over any 20-year period to different investment options for comparison purposes. Band 1 is the lowest risk measure while Band 7 is the highest. The investments that make up the option and the risk profile of the asset classes determine the SRM of an investment option. For more information about the application of the standard risk measure, see:

[aware.com.au/measuring-risk](https://www.aware.com.au/measuring-risk)

### Calculating our members' investment returns

We calculate our members' investment returns daily. Our members' investment options are valued each business day and tax and investment fees are deducted from this value. The resulting amount is the net value of each investment option. We obtain the unit price by dividing this figure by the number of units issued for that investment option. Finally, we multiply that day's unit price by the number of units our members have, obtaining the daily value of our members' accounts. Investment returns can be positive or negative. Our members' accounts go up or down in value as a result of the daily fluctuation in the unit price. For more information about the current and historical unit prices for all our investment options, see:

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

### Holdings over 5% of total fund assets

At 30 June 2022, there were no exposures over 5%. For more information about the portfolio holdings of each investment option, see:

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

For more information about the risk profile of each investment option, see:

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

We do not guarantee the performance of the investment options. Past performance is not a reliable indicator nor is it a guarantee of future performance.

# Recognition and awards



We'd love your feedback on our report

Let us know your thoughts on the content of our annual report by emailing us:

[corporate.responsibility@aware.com.au](mailto:corporate.responsibility@aware.com.au)

### Canstar<sup>1,2</sup>



### Chant West<sup>3,6</sup>



### Money magazine<sup>5</sup>



### Rainmaker



### SuperRatings<sup>4</sup>



1 The Canstar 2022 Outstanding Value Award was received in March 2022 for the Aware Superannuation Fund.

2 The 2022 Canstar Most Satisfied Customer – Superannuation was received in May 2022.

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4 SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings), a third party company, has issued the Platinum rating to Aware Super. This rating is SuperRatings' highest rating; for details on their ratings, criteria and methodologies see [superratings.com.au](https://superratings.com.au). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. © 2022 SuperRatings. All rights reserved.

5 Money magazine's Best of the Best Award 2022 for Innovation and Investment Leader. The Award recognises the major role Aware Super plays in the superannuation industry and that we're one of Australia's most consistent funds for high risk-adjusted returns. It also reflects our recent innovations including the new lifecycle default product, our investment in affordable housing and our commitment to responsible ownership.

6 Chant West © Zenith CW Pty Ltd ABN 20 639 121 403 (Chant West), AR of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872/AFS Rep No. 1280401, 2022. Chant West ratings (assigned December 2021) are limited to General Advice only. Individuals should seek their own independent financial advice, read

the PDS or offer document and consider the appropriateness of any financial product in light of their own circumstances and needs before making any investment decision. The advice has been prepared without considering the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Past performance is not an indication of future performance. Chant West does not make any representation or give any guarantee or assurance as to the performance or success of any financial product based on the ratings. Chant West may charge the product issuer, fund manager or related party for use of ratings. Chant West does not accept any liability whether direct or indirect, arising from use of the information. Chant West ratings and research are prepared by Chant West and are not connected in any way to research and ratings prepared by any of our related entities. Go to [www.chantwest.com.au](https://www.chantwest.com.au) for full information on Chant West's research methodology, processes, ratings definitions and FSG.



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