



FIRST
super



ABN 56 286 625 181

Annual Report
for the financial year ended 30 June 2025

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First Super Directors' Report

The directors of First Super Pty Limited (the Trustee), as trustee for First Super (the Fund), present their report together with the financial statements of the Fund for the financial year ended 30 June 2025.

Directors and Company Secretary

The names of the directors and the Company Secretary in office of First Super Pty Limited during the financial year and until the date of this report are set out below. Directors were in office the entire period unless otherwise stated.

Name	Position
Dean Brakell	Director
Robyn Burns	Director
Denise Campbell-Burns	Director
Janet Gilbert	Director
Lisa Marty	Independent Director
Scott McDine	Director
Michael O'Connor	Director and Co-Chair
Anthony Pavey	Director
Mike Radda	Director and Co-Chair
Tri Nguyen	Independent Director
Deborah Smith	Director
Casey Thompson	Director
Jennifer Glass	Company Secretary

Principal activities

First Super is a public offer superannuation fund operating for the purpose of providing retirement and death and permanent disablement benefits. First Super provides members with financial advice, education and information to enable members to achieve and maintain a dignified retirement.

First Super's office is in Carlton, Victoria where the majority of staff are based. First Super also has staff based in Adelaide, Mt Gambier, Tumut, Sydney, Launceston and Goonellabah providing face to face member and employer servicing in those locations.

Review of operations and results

The profit from operating activities for the year ended 30 June 2025 was \$434,418,000 (2024: \$364,726,000).

Net assets available for member benefits at 30 June 2025 was \$5,210,227,000 (2024: \$4,583,252,000).

Fund inflows increased on prior year by 20.5%, driven by an increase in both employer contributions and transfers from other funds, however fund outflows on prior year also increased by 35%.

Investment Performance

No investment managers were terminated or appointed.

Investment returns were strong again for the year ended 30 June 2025 despite global market volatility, inflation, high interest rates and cost of living pressures making it a challenging year for many. The Balanced investment option returned 9.0% for the year ended 30 June 2025 with an average annual return of 7.41% over the last 10 years. All but the cash investment option returned above investment return targets. For multi-asset options, significant contributors to those returns in absolute terms were First Super's exposures to Australian and international listed equities and Australian and international infrastructure.

First Super Directors' Report

Fund Membership

During the year ended 30 June 2025 membership numbers remained stable at approximately 79,000. Member service remains paramount, with an increased focus on call answer times, claims handling and the introduction of several initiatives to streamline the processing of KiwiSaver transfers.

Significant changes in state of affairs

Federal Court Proceeding

On 5 September 2024, APRA commenced proceedings in the Federal Court against Michael O'Connor, Co-Chair of First Super for alleged contraventions of ss52A(2)(a), (b), (c) and (d) of the Superannuation Industry (Supervision) Act 1993. Mr O'Connor has taken an approved leave of absence from the First Super Board.

APRA provided its report into the investigation, which led to the Federal Court proceedings in December 2024 in which it closed its investigation without any findings against the Trustee or any other current or former director or employee.

Change of Auditor

Following a tender process, Ernst & Young (EY) was appointed in January 2025 to replace BDO Audit Pty Ltd as External Auditor. Going to market for audit services every four to five years ensures the independence, objectivity and veracity of audit work performed.

In the opinion of the Directors there were no other significant changes in the state of affairs of the company that occurred during the financial year.

Significant events after the end of the financial year

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations of the Fund, or the state of affairs of the Fund in future financial years.

Likely developments in the Fund's operations and expected results

First Super's annual business plan and three year strategy does not propose any new investment options, delivery of new services or the significant targeting any new membership markets.

Financial investment will be made in FY2025/26 to uplift First Super's cyber and information technology capability and administration platforms.

Growth in membership and funds under management will be through organic growth generated through its workplace distribution strategy, digital initiatives and promotion of the Fund's KiwiSaver facility.

The results of these initiatives will be affected by a number of factors, including investment performance which is not guaranteed.

First Super Directors' Report

Rounding off of amounts

First Super is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Environmental Regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Non-audit services

The following non-audit services were provided by the Fund's auditor, Ernst & Young Australia. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied because the Audit and Compliance Committee or its delegate has assessed each services, having regard to auditor independence requirements of applicable laws, rules and regulations, and concluded that the provision of each service or type of service would not impair the independence of Ernst & Young Australia.

Ernst & Young Australia received or are due to receive the following amounts for the provision of non-audit services:

	\$
Assurance services that are required by legislation to be provided by the external auditor	37,000
Other assurance provided	-
Non-assurance services (e.g. tax compliance)	34,150
	<u>71,150</u>

First Super Directors' Report

Remuneration Report (Audited)

1. Remuneration report overview

The directors of First Super Pty Limited (the Trustee) present the remuneration report for the Fund for the year ended 30 June 2025. The remuneration report forms part of the directors' report and has been audited in accordance with section 300C of the Corporations Act 2001. The remuneration report details the remuneration arrangements for key management personnel (KMP) of the Fund which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund. For First Super this includes:

- Directors of First Super Pty Limited, the Trustee for the Fund
- Certain senior executives of First Super who meet the definition of KMP above.

Key Management Personnel

The key management personnel and their movements during the year ended 30 June 2025:

i) Executive KMP

Name	Position	Term as KMP
William Watson	Chief Executive Officer	Full financial year
Michelle Boucher	Deputy Chief Executive Officer	Full financial year
Hayley Pope	Executive Manager - Governance	Full financial year
Jennifer Glass	Senior Counsel and Company Secretary	Full financial year

ii) Directors of the Trustee

Name	Nominated by	Term as KMP
Dean Brakell	Employer – Australian Cabinet and Furniture Association Ltd	Full financial year
Robyn Burns	Employer – Australian Cabinet and Furniture Association Ltd	Full financial year
Denise Campbell-Burns	Employee – CFMEU – Manufacturing Division	Full financial year
Janet Gilbert	Employer – Timber Trade Industrial Association	Full financial year
Lisa Marty	Independent	Full financial year
Scott McDine	Employee – CFMEU – Manufacturing Division	Full financial year
Tri Nguyen	Independent	Full financial year
Michael O'Connor (Co-Chair)	Employee – CFMEU – Manufacturing Division	Full financial year
Anthony Pavey	Employee – CFMEU – Manufacturing Division	Full financial year
Mike Radda (Co-Chair)	Employer – Australasian Furniture Association	Full financial year
Deborah Smith	Employer – Peuker & Alexander Pty Ltd	Full financial year
Casey Thompson	Employee – CFMEU – Manufacturing Division	Full financial year

First Super Directors' Report

2. Overview of Director and Executive Remuneration

Our approach to remuneration

At First Super, our approach to paying remuneration is to balance the need to pay appropriate remuneration to attract suitably qualified and experienced directors and staff while strictly avoiding any conflict between the method of remuneration and the interests of the beneficiaries of the Fund. We therefore do not pay variable remuneration to any directors or staff, including senior executives.

Our Framework

Our remuneration framework encompasses a Remuneration Policy (Policy), Remuneration Committee established by a Remuneration Committee Charter (Charter), as well as performance management and disciplinary procedures, all of which form part of the Trustee's risk management framework.

Our framework is aligned with our business plan and strategic objectives. The Policy covers all Trustee directors and employees, the approved auditor and internal auditor, and any other contractors who are covered by other APRA requirements. Remuneration arrangements for external service providers including investment managers are covered by the Trustee's outsourcing framework and due diligence requirements.

Governance and Oversight

The Trustee's Remuneration Committee assists the Board in the review and management of remuneration, with the Board ultimately responsible for making decisions about remuneration. The Remuneration Committee makes at least annual recommendations to the Board on the remuneration of Directors, Officers, other employees of First Super, and any other person or entity covered by the Remuneration Policy. The terms of reference for the Remuneration Committee are to provide quality assurance in respect of remuneration policies with a primary emphasis on the remuneration of the Chief Executive Officer and executives in senior responsible roles.

The Remuneration Committee comprises 5 directors, namely:

- Lisa Marty (Chair)
- Denise Campbell-Burns
- Janet Gilbert
- Mike Radda
- Anthony Pavey

Responsibilities of the Committee include:

- definitions of materiality hurdles at which management must make recommendations to the Committee on proposed changes to remuneration and employee benefit policies.
- remuneration policies and any other forms of reward;
- oversight of the annual CEO performance review;
- alignment of remuneration with the Trustee's objectives and performance; and
- retirement, termination, retention and redundancy policies.

Consequence Management

First Super has performance management procedures in place to manage poor performance or failure to effectively manage risk. In the absence of variable remuneration, consequence management includes non-remuneration-based consequences depending on the severity of the performance or conduct issue.

First Super Directors' Report

Key terms of employment contracts

First Super Executives are employed on individual employment contracts with remuneration based upon advice from the recruitment consultant engaged to manage the recruitment process and internal pay relativities. Executive employment contracts do not provide any guaranteed remuneration increase or potential bonus. First Super does not pay any staff member bonuses.

3. Statutory Remuneration

3a. Executive KMP remuneration for the year ended 30 June 2025

	Short-term benefits			Long-term benefits		Total
	Salary & fees	Annual Leave ¹	Non-monetary benefits ²	Superannuation	Long Service Leave ³	
	\$	\$	\$	\$	\$	\$
William Watson	455,572	8,848	3,049	30,000	21,293	518,732
Michelle Boucher ⁴	356,023	(13,664)	3,481	29,932	11,669	387,441
Hayley Pope	257,602	(6,119)	25,586	29,932	8,170	315,171
Jennifer Glass	215,957	(452)	-	29,141	5,983	250,629

¹ Annual leave represents the movement in annual leave provisions recognised during the year.

² Non-monetary benefits comprise salary sacrificed motor vehicles and work related training benefits.

³ Long term benefits include movements in long service leave accrued balances. Long service leave generally cannot be accessed until after seven years of continuous service.

⁴ After year end, Michelle Boucher resigned from the Fund and ceased employment on 24 July 2025.

First Super Directors' Report

3b. Directors' remuneration

The Directors of First Super Pty Ltd are paid for the work they do for the Fund. In some cases, payment is made to a Director's employer or another party specified by them, in accordance with the Remuneration Policy. The fees paid to Directors are paid in respect of:

Board meetings

Covering preparation for and attendance at Board meetings. Payment includes an allowance for travel and accommodation, where applicable.

Committee and subcommittee meetings

Covering preparation and attendance at committee and subcommittee meetings. Payment includes an allowance for travel and accommodation, where applicable.

Workshop and training courses

Covering Director participation in all approved workshop and training courses and relevant incurred expenses.

Conferences

Covering Director participation in approved conferences and relevant incurred expenses for travel and accommodation, where applicable.

Extra duties

On occasion the Board may require Directors to take on extra duties. An additional fee may be paid to the Director at the Board's discretion.

Interstate travel

Directors travelling interstate for governance meetings and representation duties will be paid an Interstate Allowance Rate of \$1,375.35 for only one meeting on the first day and no additional Interstate Allowance Rate for any other meetings held on the same or successive days. However, those Directors shall be reimbursed for accommodation, meals and incidentals at the prevailing ATO reasonable travel rate applying to the location at which the meeting is held for second and subsequent days.

Intrastate travel

Directors travelling intrastate for governance meetings and representation duties are paid an Intrastate Allowance Rate of \$550.14 per day where an overnight stay is required.

Professional development

On accepting a position on the Board, all Directors are required to participate in a thorough induction program leading up to and following their appointment. All Directors maintain their skills and competencies by meeting the required professional development each year. Professional development may include participation in industry programs, seminars and conferences, relevant presentations at Board and committee meetings, and other approved workshops and training courses.

Hospitality and gifts

First Super Directors and senior management may on occasion accept hospitality and gifts within the constraints of the Hospitality and Gifts Policy. All hospitality and gifts that are accepted are recorded in the Hospitality and Gifts Register. The Register is provided to the Audit and Compliance Committee at each meeting and is published on the First Super website.

First Super Directors' Report

First Super Directors' fees and allowances

Role/Activity	Fees and Allowances
Co-Chairpersons	\$1,884.45 per month or part thereof
Co-Chairpersons and Directors - Board Meetings and Strategic Planning Day(s)	\$3,798.90 a meeting \$1,256.30 a meeting of three hours or less
- Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$1,884.45 a meeting
- Administration and Marketing, Audit and Compliance or Investment Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$628.15 a meeting of three hours or less
Associate Directors: - Board Meetings and Strategic Planning Day(s)	\$2,826.67 a meeting \$942.22 a meeting of three hours or less
- Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$1,413.90 a meeting
- Administration and Marketing, Audit and Compliance or Investment Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$471.68 a meeting of three hours or less
Workshops/Training Courses (Co-Chairs, Directors and Associate Directors)	\$1,884.23 a day
Domestic Conferences (Co-Chairs and Directors)	\$1,884.23 a day
Representational Fee	\$1,380.85 a day
SMC Chairs forums APRA consultations	\$2,826.67 a meeting (Plus, Allowance Rate where applicable)
Where the Director is required to represent the Fund	\$1,380.85 a day (Plus, Allowance Rate where applicable)
Teleconferences	Fees not applicable
International Conferences & Workshops (Co-Chairs and Directors)	\$1,884.23 a day plus reimbursement of travel, accommodation and incidental costs as deemed appropriate by the Chair of the Remuneration Committee on advice from the CEO; or in respect of the Committee Chair, as deemed appropriate by the Co-Chairs of the Fund on advice from the CEO; with details of proposed or incurred costs reported to the next board meeting.

First Super Directors' Report

Directors' remuneration for the year ended 30 June 2025:

Directors' Remuneration ¹					
	Short-term benefits		Post-employment	Total	Recipient Organisation / Entity
	Fees	Allowances	Superannuation		
	\$	\$	\$		
Dean Brakell	40,598	5,583	-	46,181	ACFA ²
Robyn Burns	55,277	8,822	-	64,099	Robyn Burns
Denise Campbell-Burns	60,738	-	-	60,738	CFMEU MD ³
Janet Gilbert	52,814	13,846	-	66,660	Janet Gilbert
Lisa Marty	69,097	-	-	69,097	Lisa Marty
Scott McDine	45,805	2,044	-	47,849	CFMEU MD ³
Tri Duc Nguyen	47,516	-	-	47,516	Tri Duc Nguyen
Michael O'Connor ⁴	8,407	-	-	8,407	CFMEU MD ³
Anthony Pavey	54,807	2,464	-	57,271	CFMEU MD ³
Mike Radda	95,522	8,332	-	103,854	Sterad Pty Ltd
Deborah Smith	40,034	5,996	-	46,030	A & D Holdings (QLD) Pty Ltd
Mick Stephens ⁵	27,324	2,586	3,475	33,384	Mick Stephens
Casey Thompson	82,978	7,785	-	90,763	CFMEU MD ³

¹The remuneration above includes fees paid to Directors for travel and accommodation, and GST and superannuation where applicable for current directors. Not all directors are registered for GST.

²ACFA = Australian Cabinet and Furniture Association.

³CFMEU MD = Manufacturing Division of the Construction Forestry Maritime Employees Union.

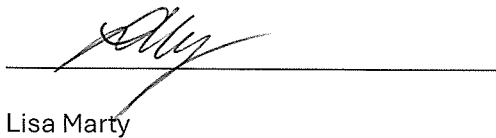
⁴Michael O'Connor was granted leave of absence by the Board of First Super on 17 September 2024.

⁵Mick Stephens is an Associate Director. Associate Directors are appointed under the Constitution of First Super Pty Ltd as part of Board succession planning. Associate Directors can attend meetings and receive relevant training and professional development to develop their suitability for appointment to the Board in the event of a vacancy. Associate Directors have no powers or entitlements as a director, and no vote.

First Super Directors' Report

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Trustee

A handwritten signature in black ink, appearing to read 'Lisa Marty', is written over a horizontal line.

Lisa Marty

Chair of Remuneration Committee

Dated this 16th day of September 2025,
Melbourne



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with confidence**

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Auditor's Independence declaration to the directors of First Super Pty Ltd as trustee for First Super Fund

As lead auditor for the audit of the financial report of First Super Fund for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young

A handwritten signature in black ink that appears to read 'Hayley Watson' in a cursive, stylized font.

Hayley Watson
Partner
Melbourne

16 September 2025

First Super
Financial Statements
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First Super
Statement of Financial Position
As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Cash and cash equivalents	14	14,020	11,209
Financial assets at fair value through profit or loss	4,6	5,319,162	4,676,299
Receivables	7	2,037	1,024
Property, plant and equipment		408	453
Right-of-use-assets		187	553
Total assets		5,335,814	4,689,538
Liabilities			
Benefits payable		(2,801)	(1,226)
Payables	8	(14,409)	(13,505)
Current tax liabilities		(6,165)	(12,212)
Deferred tax liabilities	12	(102,212)	(79,343)
Total liabilities excluding member benefits		(125,587)	(106,286)
Net assets available for member benefits		5,210,227	4,583,252
Member benefits		5,187,534	4,564,430
Net assets		22,693	18,822
Equity			
Operational risk financial reserve	11	11,369	10,530
Administration reserve	11	11,023	7,802
Undistributed earnings	11	301	490
Total equity		22,693	18,822

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

First Super
Income Statement
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Superannuation activities revenue			
Interest income		25,374	22,321
Dividends and distributions		148,641	128,204
Other income		2,355	2,184
Net change in the fair value of investments	6	289,810	245,482
Total superannuation activities revenue		466,180	398,191
Expenses			
Direct investment expenses		(10,434)	(6,990)
Other investment expenses		(3,832)	(3,405)
Administration expenses		(14,080)	(17,654)
Other operating expenses	13	(3,416)	(5,416)
Total expenses		(31,762)	(33,465)
Net result from superannuation activities		434,418	364,726
Profit from operating activities		434,418	364,726
Less: Net benefits allocated to members' accounts		(405,292)	(347,845)
Profit before income tax		29,126	16,881
Income tax expense	12	(25,255)	(18,664)
Profit/(loss) after income tax		3,871	(1,783)

The above Income Statement should be read in conjunction with the accompanying notes.

First Super
Statement of Changes in Member Benefits
For the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Opening balance of member benefits	4,564,430	3,997,010
Contributions received:		
Employer contributions	335,765	279,812
Member contributions	53,693	41,082
Downsizer contributions	2,576	3,230
Net transfers from other funds	239,722	200,691
Government co-contributions and low-income super contributions	2,305	1,614
Income tax on contributions	(52,560)	(43,668)
Net after tax contributions	581,501	482,761
Benefits to members/beneficiaries	(356,727)	(260,112)
Insurance premiums charged to members' accounts	(21,533)	(18,485)
Death and disability credited to members' accounts	14,571	15,411
Benefits allocated to members' accounts, comprising:		
Net investment income and other	419,817	361,405
Administration fees	(14,525)	(13,560)
	41,603	84,659
Closing balance of member benefits	5,187,534	4,564,430

The above Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

First Super
Statement of Changes in Equity
For the year ended 30 June 2025

	Operational Risk Reserve \$'000	Administration Reserve \$'000	Undistributed Earnings \$'000	Total Equity \$'000
Year ended 30 June 2025				
Opening balance	10,530	7,802	490	18,822
Net transfers to/from reserves	-	-	-	-
Profit/(loss)	839	3,221	(189)	3,871
Balance as at 30 June 2025	11,369	11,023	301	22,693
Year ended 30 June 2024				
Opening balance	9,891	10,477	241	20,609
Net transfers to/from reserves	-	(4)	-	(4)
Profit/(loss)	639	(2,671)	249	(1,783)
Balance as at 30 June 2024	10,530	7,802	490	18,822

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

First Super
Statement of Cash Flows
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Interest received from cash and cash equivalents		473	530
Interest received from other interest bearing securities		24,900	21,791
Dividends and distributions		148,641	128,204
Proceeds from group life policies		14,571	15,411
Group life premiums paid		(21,258)	(18,309)
Administration expenses paid		(18,841)	(18,610)
Investment expenses paid		(3,840)	(3,288)
Income tax paid		(29,070)	(23,772)
Net cash inflows/(outflows) from operating activities	15(a)	115,576	101,957
Cash flows from investing activities			
Purchase of investments		(377,267)	(382,052)
Proceeds from sale of investments		16,125	36,598
Purchase of fixed assets and other items		(43)	(444)
Net cash inflows/(outflows) from investing activities		(361,185)	(345,898)
Cash flows from financing activities			
Employer contributions received		335,765	279,812
Member contributions received		58,574	45,926
Transfers from other funds received		239,722	200,691
Benefits paid to members		(340,581)	(243,999)
Group life proceeds paid to members		(13,137)	(14,325)
Income tax paid on contribution received		(31,923)	(21,403)
Net cash inflows/(outflows) from financing activities		248,420	246,702
Net increase/(decrease) in cash		2,811	2,761
Cash at the beginning of the financial year		11,209	8,448
Cash at the end of the financial year	14	14,020	11,209

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

First Super

Notes to the Financial Statements

1. General Information

First Super (the “Fund”) is a superannuation fund domiciled in Australia. The address of the Fund’s registered office is Level 1, 165 Bouverie Street, Carlton VIC 3053. The Fund was established by a Trust Deed dated 25 March 1985, as amended.

For the purposes of the Superannuation Industry (Supervision) Act 1993 and its Regulations, the Fund is a defined contribution and pension fund.

The Fund provides retirement benefits for its members. The Fund welcomes all Australian residents regardless of their occupation or location but does have particularly strong links to the furniture and joinery industry, the pulp and paper industry and the timber industry.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund was registered with the Australian Prudential Regulation Authority on the 9 June 2006 (registered no. R106735).

The Trustee of the Fund is First Super Pty Ltd (RSE No. L0003049).

The financial statements were authorised for issue by the Board of Directors of the Trustee on 16 September 2025.

2. Summary of significant accounting policies

Unless covered in other notes to the Financial Statements, the principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted are consistent with those of the prior year unless otherwise stated.

a) Basis of preparation

The financial statement is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 1056, other applicable Accounting Standards, and the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The financial statements are presented in Australian dollars (\$) and all values are rounded to the nearest \$’000 except where otherwise indicated.

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

b) Financial instruments

i) Classification

The Fund's investments are classified as at fair value through the income statement in accordance with AASB 1056.

Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification.

These investments are managed and their performance is evaluated on a fair values basis in accordance with the Fund's investment strategy.

First Super

Notes to the Financial Statements

ii) Recognition/derecognition

Financial assets and financial liabilities are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the financial assets or financial liabilities are recognised from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the income statement.

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

For further details on how the fair values of financial instruments are determined refer to note 4.

iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realise the asset and settle the liability at the same time.

c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities as movements in the fair value of these securities represent the Fund's main income generating activity.

d) Revenue recognition

i) Interest revenue

Interest income from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

ii) Dividend and trust distribution income

Dividend and trust distribution income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.

iii) Changes in fair values

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

e) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the rate of exchange ruling at that date.

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Foreign exchange differences arising on the translation are recognised in the income statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

f) Receivables

Receivable amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount. The receivable is recognised inclusive of any GST and is not discounted.

g) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period. These amounts are unsecured and are usually paid within 30 days of recognition. The payable is recognised inclusive of any GST and there is not discounted.

h) Benefits paid/payable

Benefits paid/payable are valued at the amounts due to members at reporting date. Benefits paid/payable comprise pensions accrued at balance date and lump sum benefits of members who are due a benefit but had not been paid at balance date.

i) Contributions received and transfers from the other funds

Contributions received and transfers from other funds are recognised in the statement of changes in member benefits when control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

j) Use of estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, provisions, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Valuation of investments

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

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k) Consolidation

In accordance with AASB 10 Consolidated Financial Statements, the Fund is required to consolidate all entities that it controls. Control exists when the Fund is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Fund has assessed that it controls Super Benefits Administration Pty Ltd (SBA), a wholly owned subsidiary that is the Fund's Administrator. While the Fund does not qualify as an investment entity under AASB 10 and is not exempt on that basis, the financial position and results of SBA have been assessed as immaterial to the Fund's financial statements. Accordingly, the subsidiary has not been consolidated in these financial statements. The investment in the subsidiary has been classified as a financial asset at fair value through profit or loss and measured at its net assets in the statement of financial position.

l) New accounting standards and interpretations

Adoption of new standards

The Fund has applied all the new and revised Standards and Interpretations issued by the Australian Accounting Board that are relevant to its operations and effective for annual reporting periods commencing on or after 1 January 2024 including the following:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2023-1 Amendments to Australian Accounting Standards - Disclosures of Supplier Finance Arrangements

None of these standards have had a material impact on the Fund in the current period and are not expected to have a material impact in future reporting periods or on foreseeable future transactions.

New and revised standards and interpretations issued but not yet effective

Superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. The impact of this standard is still being assessed. There are no other new or revised standards and interpretations that are not yet effective, and that have not been early adopted by the Fund, which are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable transactions.

m) Employee provisions

Liabilities for employee benefits for salaries, annual leave and long-service leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Fund expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

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The Fund's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates and expected settlement dates and is discounted using the rates attached to the Corporate Bonds at the balance sheet date which have maturity dates approximating to the terms of the Fund's obligations.

In conjunction with Note 2 (j) 'Use of estimates', reporting the future long service leave provisions required the Fund to use estimates around items such as salary increases, settlement dates and discounting rates. These estimates are considered appropriate but actual results may differ from the estimates.

3. Financial risk management

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

The Fund has an Investment Governance Statement and Manual (IGS) established by the Trustee. The IGS sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Fund. For each investment option offered by the Fund, the Trustee seeks to maximise the returns derived for the level of risk to which the Fund is exposed.

a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

The Fund also enters into derivative transactions, principally fixed interest futures and foreign exchange contracts, to economically hedge against adverse price movements in the value of financial assets and mitigate market risk.

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments in the market. Equity price risk exposure arises from the Fund's investment portfolio.

Investments in the Fund that are exposed to other price risk include Australian and international equities, unlisted unit trusts and private equities.

To limit other price risk the Trustee diversifies its investment portfolio in line with the Fund's mandate. The majority of equity investments are of a high quality and are publicly traded on recognised, reputable exchanges. The Trustee monitors the Fund's exposure to various indices on an ongoing basis throughout the year ensuring the mandate is not breached.

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Price risk sensitivity analysis

The following table summarises the sensitivity of the Fund's net assets attributable to members to price risk. The analysis shows the effect on the statement of financial position from reasonably possible changes in market factors, with all other variables held constant. The sensitivity analysis has been prepared using historical data on asset returns over the past 10 years. Based on this analysis, the investment advisor has determined appropriate assumptions for expected range of returns. For the purpose of this disclosure, the assumptions are based on expected range of outcomes within a +/- 1% standard deviation, as set out in the table below.

2025					
	Carrying amount	Volatility factor minimum	Volatility factor maximum	Decrease in net assets	Increase in net assets
	\$'000	%	%	\$'000	\$'000
Listed equities	1,964,007	-16.8	29.7	(329,953)	583,310
Private equity	306,715	-20.2	39.0	(61,956)	119,619
Unlisted funds	2,452,065	-10.8	24.4	(264,823)	598,304
Derivative financial instruments	8,824	-16.8	29.7	(1,482)	2,621
Total	4,731,611			(658,214)	1,303,854

2024					
	Carrying amount	Volatility factor minimum	Volatility factor maximum	Decrease in net assets	Increase in net assets
	\$'000	%	%	\$'000	\$'000
Listed equities	1,604,275	-15.5	30.9	(248,662)	495,721
Private equity	294,064	-20.5	38.8	(60,283)	114,097
Unlisted funds	2,168,461	-6.5	23.4	(140,950)	507,420
Derivative financial instruments	5,803	-15.5	30.9	(899)	1,793
Total	4,072,603			(450,794)	1,119,031

(ii) Foreign exchange risk

The Fund has assets and liabilities denominated in foreign currencies. Foreign exchange risk arises as the value of securities denominated in foreign currencies will fluctuate due to changes in exchange rates.

The Fund's policy is to economically hedge a portion of the direct foreign currency exposure on the financial assets and liabilities using forward foreign exchange contracts. Compliance with the Fund's hedging policy is monitored by the Trustee on a regular basis.

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The table below summarises the Fund's financial assets and liabilities which are denominated in foreign currencies.

2025					
	US Dollar A\$'000	Euro A\$'000	GBP A\$'000	JPY A\$'000	Other A\$'000
Cash and short term deposits	12,896	694	378	453	153
Listed equities	640,823	71,891	112,539	48,075	70,812
Unlisted funds	355	-	-	-	-
Net exposure	654,074	72,585	112,917	48,528	70,965

2024					
	US Dollar A\$'000	Euro A\$'000	GBP A\$'000	JPY A\$'000	Other A\$'000
Cash and short term deposits	10,171	654	69	149	170
Listed equities	489,508	55,323	86,375	44,207	52,930
Unlisted funds	381	-	-	-	-
Net exposure	500,060	55,977	86,444	44,356	53,100

Foreign currency sensitivity analysis

The table below shows the currencies to which the Fund had significant exposure at the balance sheet date on the monetary assets and liabilities and forecast cash flows. Based on historical analysis, the investment adviser has determined that a reasonably possible movement in exchange rates is +/- 16.7% (2024: +/- 16.8%). A movement of this magnitude in the Australian Dollar against the relevant currencies would be (decreased)/increased net assets attributable to members and the net result from superannuation activities by the amounts shown, with all other variables held constant.

Currency	2025		2024	
	Change in currency rate %	Effect on net assets / investment returns \$'000	Change in currency rate %	Effect on net assets / investment returns \$'000
USD	16.7 / (16.7)	131,129 / (93,599)	16.8 / (16.8)	100,252 / (71,560)
EUR	16.7 / (16.7)	14,552 / (10,387)	16.8 / (16.8)	11,221 / (8,009)
GBP	16.7 / (16.7)	22,638 / (16,159)	16.8 / (16.8)	17,331 / (12,371)
JPY	16.7 / (16.7)	9,729 / (6,944)	16.8 / (16.8)	8,897 / (6,350)

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(iii) Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The table below summarises the Fund's direct exposure to interest rate risk including the Fund's use of interest rate swap contracts which are used to manage exposure to interest rate risk.

2025			
	Floating interest rate	Fixed Interest rate	Total
	\$'000	\$'000	\$'000
Cash and short term deposits	59,617	-	59,617
Interest bearing securities	320	489,451	489,771
Total financial assets	59,937	489,451	549,388

2024			
	Floating interest rate	Fixed Interest rate	Total
	\$'000	\$'000	\$'000
Cash and short term deposits	95,809	-	95,809
Interest bearing securities	322	485,328	485,650
Total financial assets	96,131	485,328	581,459

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Fund's statement of financial position and income statement to a reasonably possible change in the Reserve Bank of Australia's official cash interest rates and global interest rates based on historical data over a 10 year period and expected future movements over the next 12 months, with all other variables held constant.

Currency	2025		2024	
	Change in basis points Increase / (decrease)	Sensitivity of interest income and changes on net assets Increase / (decrease) \$'000	Change in basis points Increase / (decrease)	Sensitivity of interest income and changes on net assets Increase / (decrease) \$'000
AUD	+150 / (150)	8,048 / (8,048)	+150 / (150)	8,572 / (8,572)
USD	+100 / (100)	119 / (119)	+100 / (100)	89 / (89)
Others	+160 / (160)	15 / (15)	+160 / (160)	17 / (17)

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b) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The main credit risks, to which the Fund is exposed to, arises from the Fund's investment in interest bearing securities. The Fund is also exposed to credit risk on derivative financial instruments, cash and short term deposits and receivables - unsettled investment trades. The Trustee monitors the Fund's credit risk exposure on a regular basis.

(i) Maximum exposure to credit risk

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets. None of these assets were impaired or past due at 30 June 2025 (2024: nil). The table below sets out the asset classes subject to credit risk.

	2025 \$'000	2024 \$'000
Cash and short term deposits	97,780	118,046
Derivative financial instruments	8,824	5,803
Interest bearing securities	489,771	485,650
Receivables - unsettled investment trades	1,851	757
	598,226	610,256

(ii) Interest bearing securities

The Fund invests in interest securities which are rated by S&P Global via the Fund's custodian. An analysis of interest bearing securities by rating is set out in the following table.

2025					
	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	Unrated \$'000	Total \$'000
Interest bearing securities:					
Term deposits	17,308	78,772	-	393,371	489,451
Floating rate notes	-	-	320	-	320
	17,308	78,772	320	393,371	489,771

2024					
	AAA to AA- \$'000	A+ to A- \$'000	BBB+ to BBB- \$'000	Unrated \$'000	Total \$'000
Interest bearing securities:					
Term deposits	-	-	485,328	-	485,328
Floating rate notes	-	-	322	-	322
	-	-	485,650	-	485,650

(iv) Derivative financial instruments

The Trustee has established limits such that, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty. The Fund also restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements as set out in note 5.

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(v) Listed equities

All transactions in listed securities are settled for upon delivery using brokers approved by the Trustee. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment.

(vi) Cash and short term deposits

The Fund's exposure to credit risk for cash and cash equivalents is considered low as all counterparties have a rating of AA- (as determined by S&P Global or higher (2024: AA-).

The clearing and depository for the Fund's security transactions are concentrated with one counterparty, namely BNP Paribas S.A, operating through its Australia Branch ARBN 000 000 117. BNP Paribas Securities Services is part of the global BNP Paribas group. BNP Paribas SA had a long term credit rating of A+ at 30 June 2025 (2024: A+).

c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.

The Fund is obligated to pay member benefits upon request. The Trustee's policy is therefore to primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

(i) Maturities of financial liabilities

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Outstanding settlements payable and benefits payable are payable on demand. Liabilities to defined contribution members are payable upon request. The Fund considers it is highly unlikely that all liabilities to members would fall due at the same time.

2025	Less than 1 Month \$'000	1 to 3 Months \$'000	4 to 6 Months \$'000	7 to 12 Months \$'000	1 to 5 Years \$'000	Total \$'000
Financial liabilities						
Outstanding settlements payable - unsettled investment trades	3,065	-	-	-	-	3,065
Benefits payable	2,801	-	-	-	-	2,801
Current tax liabilities	-	-	6,165	-	-	6,165
Member liabilities	5,187,534	-	-	-	-	5,187,534
Total undiscounted financial liabilities (excluding gross settled derivatives)	5,193,400	-	6,165	-	-	5,199,565
Gross settled derivatives						
Forward foreign currency contracts:						
Gross cash inflow	254,152	292,099	138,201	-	-	684,452
Gross cash outflow	(249,936)	(287,655)	(138,178)	-	-	(675,769)
Futures:						
Buy	-	146	-	-	-	146
Sell	-	(5)	-	-	-	(5)
Total undiscounted gross settled derivatives inflow (outflow)	4,216	4,585	23	-	-	8,824

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2024	Less than 1 Month \$'000	1 to 3 Months \$'000	3 to 6 Months \$'000	7 to 12 Months \$'000	1 to 5 Years \$'000	Total \$'000
Financial liabilities						
Outstanding settlements payable - unsettled investment trades	2,245	-	-	-	-	2,245
Benefits payable	1,226	-	-	-	-	1,226
Current tax liabilities	-	-	12,212	-	-	12,212
Member liabilities	4,564,430	-	-	-	-	4,564,430
Total undiscounted financial liabilities (excluding gross settled derivatives)	4,567,901	-	12,212	-	-	4,580,113
Gross settled derivatives						
Forward foreign currency contracts:						
Gross cash inflow	220,846	237,714	111,192	-	-	569,752
Gross cash outflow	(218,469)	(234,343)	(111,144)	-	-	(563,956)
Futures:						
Buy	-	12	-	-	-	12
Sell	-	(5)	-	-	-	(5)
Total undiscounted gross settled derivatives inflow (outflow)	2,377	3,378	48	-	-	5,803

4. Fair value of financial instruments

(a) Classification of financial instruments under the fair value hierarchy

The Fund classifies fair value measurements of financial instruments using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following three-levels:

- **Level 1:** inputs to the valuation techniques are quoted (unadjusted) market prices in active markets for identical assets or liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- **Level 2:** inputs to the valuation techniques are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values fixed interest securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager and OTC derivatives using valuation models.
- **Level 3:** inputs to the valuation techniques using one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

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Recognised fair value measurements

The table below sets out the Fund's financial investments at fair value according to the fair value hierarchy.

2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Cash and short term deposits	-	97,780	-	97,780
Listed equities	1,964,007	-	-	1,964,007
Private equity	-	-	306,715	306,715
Interest bearing securities	-	489,771	-	489,771
Unlisted funds	-	1,509,130	942,935	2,452,065
Derivative financial instruments	141	8,683	-	8,824
Total investments	1,964,148	2,105,364	1,249,650	5,319,162

2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Cash and short term deposits	-	118,046	-	118,046
Listed equities	1,604,275	-	-	1,604,275
Private equity	-	-	294,064	294,064
Interest bearing securities	-	485,650	-	485,650
Unlisted funds	-	1,311,668	856,793	2,168,461
Derivative financial instruments	7	5,796	-	5,803
Total investments	1,604,282	1,921,160	1,150,857	4,676,299

In the 2024 comparative table, certain investments have been reclassified from Level 2 to Level 1 (including listed equities) and from Level 2 to Level 3 (including unlisted funds and private equity) to correct classification and enhance consistency. This reclassification does not impact the overall investment value.

b) Level 3 Reconciliation

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

2025	Private equity \$'000	Unlisted funds \$'000	Total \$'000
Opening balance	294,064	856,793	1,150,857
Purchases	16,805	22,139	38,944
Sales	-	(158)	(158)
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Total realised/unrealised gains/losses	(4,154)	64,161	60,007
Closing balance	306,715	942,935	1,249,650

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2024	Private equity \$'000	Unlisted funds \$'000	Total \$'000
Opening balance	274,376	820,935	1,095,311
Purchases	5,615	35,622	41,237
Sales	(18)	-	(18)
Transfers into Level 3	-	-	-
Transfers out of Level 3	-	-	-
Total realised/unrealised gains/losses	14,091	236	14,327
Closing balance	294,064	856,793	1,150,857

Gains or losses included in the income statement are presented in change in fair value of financial assets and liabilities at fair value through the income statement as follows:

2025	Private equity \$'000	Unlisted funds \$'000	Total \$'000
Total gains/losses recognised in the income statement for the period	(4,154)	64,161	60,007
Total gains/losses recognised in the income statement for the period for assets held at the end of the reporting period	(4,154)	64,003	59,849

2024	Private equity \$'000	Unlisted funds \$'000	Total \$'000
Total gains/losses recognised in the income statement for the period	14,091	236	14,327
Total gains/losses recognised in the income statement for the period for assets held at the end of the reporting period	14,073	236	14,309

Valuation process

Valuations are the responsibility of the board of directors of the Trustee. The Fund invests in private equity and unlisted investments which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Fund values these investments by using the prices supplied by fund managers. Depending on whether the significant inputs to calculate the prices are market observable, the Fund classifies these investments as either Level 2 or Level 3 financial instruments. These valuations are monitored quarterly by the Fund and the Investment Consultant.

The Trustee reviews valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. Changes in level 2 and 3 fair values are analysed at each reporting date by the Trustee.

Valuation inputs and relationships to fair value

For financial instruments classified as Level 3 in the fair value hierarchy some of the inputs to the valuation models are unobservable and therefore subjective in nature. The use of reasonably possible alternative assumptions could possibly produce a different net market value measurement. If the impact of using those alternative assumptions would cause the fair value of Level 3 financial instruments to be higher or lower by 39.0% the net assets of the Trust and the result for the year would have been higher or lower by \$487 million (2024: \$448 million).

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The Fund's level 3 investments private equity and unlisted funds. The following table summarises the quantitative information about the significant unobservable inputs used by the Trustee in level 3 fair value measurements.

Year	Description	Level 3 \$'000's	Significant unobservable inputs	Range of inputs Share/unit price (weighted average)
2025	Private equity	306,715	Net assets valuation	\$0 - \$2.86 (\$0.66)
	Unlisted funds	942,935	Net assets valuation	\$0 - \$13,953 (\$2.24)
2024	Private equity	294,064	Net assets valuation	\$0 - \$2.48 (\$0.65)
	Unlisted funds	856,793	Net assets valuation	\$0 - \$11,933 (\$2.18)

c) Transfers between Level 1 and Level 3

There were no transfers between Level 1 and Level 3 during the period (2024: Nil).

5. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. These amounts form part of the investment value recorded on the Statement of Financial Position. The table below shows the fair value and notional principal amount of derivative financial instruments. The fair value of derivatives shown represents the amount of unrealised gains and losses, whereas the notional amount is an aggregate exposure of all contracts.

Derivative Types	2025			2024		
	Fair Value		Contract/ Notional	Fair Value		Contract /Notional
	Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000	
Equity futures	145	(5)	8,057	12	(5)	3,493
Forward foreign exchange contracts	9,548	(865)	8,624	5,851	(55)	5,626
Warrants	1	-	1	-	-	-
Total	9,694	(870)	16,682	5,863	(60)	9,119

Master netting arrangement - not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position but have been presented separately in the above table.

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6. Changes in fair value of investments

	2025 \$'000	2024 \$'000
Investments held at balance date		
Listed equities	204,342	163,713
Private equity	(918)	20,800
Derivative financial instruments	132	19
Unlisted funds	83,411	45,708
Total unrealised gains/(losses)	286,967	230,240
Investments realised during the year		
Listed equities	2,327	13,955
Private equity	-	(24)
Derivative financial instruments	477	391
Unlisted funds	39	920
Total realised gains/(losses)	2,843	15,242
Change in fair value of investments	284,810	245,482

The amounts recorded as 'realised gains/(losses)' above is the difference between the fair value at sale and the carrying amount at the beginning of the reporting period or when accrued, if acquired during the year.

7. Receivables

Outstanding settlements receivable - unsettled investment trades	1,851	757
Sundry debtor	-	6
GST receivable	158	261
Prepayments	28	-
	2,037	1,024

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk in the fair value of receivables, information regarding credit risk exposure is set out in Note 3.

8. Payables

Trade and other creditors	2,904	3,176
Outstanding settlements payable - unsettled investment trades	3,065	2,245
Group life insurance proceeds payable to members	6,314	5,319
Accrued expenses	315	781
Lease liability	204	500
Provision for employee benefits	1,607	1,484
	14,409	13,505

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Information regarding interest rate, foreign exchange and liquidity risk exposures are set out in Note 3.

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9. Members' Liabilities

Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

Defined contribution member account balances are measured using crediting rates determined by the Trustee based on the underlying investment option values selected by members.

The defined contribution members bear the investment risk relating to the underlying investment options. The crediting rates used to measure defined contribution member liabilities are updated weekly for movements in investment values and credited to members either annually or upon exiting the Fund.

10. Insurance Arrangements

The Fund provides death and disability benefits to its members. The Trustee has a group policy in place with a third-party insurance company to insure these death and disability benefits for the members of the Fund.

Premiums for group insurance are collected by the Fund from member's accounts and remitted to the insurer under the terms of the policy. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to member's accounts and reinsurance recoveries allocated are recognised in the statement of changes in members benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim.
- insurance premiums are only paid through the Fund for administrative reason; and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

11. Reserves

a) Operational risk financial reserve

Under APRA Prudential Standards SPS 114; Operational Risk Financial Requirements (ORFR), the Fund is expected to maintain an ORFR reserve of at least 0.25% of the Fund's assets. The Fund's approved target level under its ORFR policy is 0.26% of funds under management, with a tolerance range of +/- 6 basis points.

As at 30 June 2025, the ORFR was below the target level of 0.26% however above the tolerance level of 0.20%, satisfying the requirements of the policy.

The ORFR reserve is part of the financial management of the Fund and is operated in accordance with the Operational Risk Reserve Policy, which is reviewed annually. The ORFR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

First Super

Notes to the Financial Statements

b) Fund reserves

The Trustee maintains an administration reserve to provide operating cash during the year to meet costs such as taxes, administration fees, fund administration fees and other day-to-day costs. It is replenished during the year through member administration fees and deduction from investment returns. The undistributed earnings reflect the difference between the cumulative amount of investment income (net of investment expenses) allocated to members' accounts compared with the cumulative investment income (net of investment expenses) earned by the Fund.

12. Income Tax

a) Accounting Policy

Under the Income Tax Assessment Act, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial assets held for less than 12 months are taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Income tax expense

	2025 \$'000	2024 \$'000
Current tax expense		
Current year	390	(1,545)
Under/(Over) provision from prior periods	1,996	107
Deferred tax expense		
Movement in temporary differences	22,869	20,102
Total income tax expense/(benefit)	25,255	18,664

First Super

Notes to the Financial Statements

c) Reconciliation of income tax expense to prima facie tax payable

	2025 \$'000	2024 \$'000
Profit before income tax	29,126	16,881
Prima facie tax at the complying superannuation fund tax rate of 15%	4,369	2,532
Differences between Tax and Accounting arising in prior periods	1,996	107
Net benefit allocated to member accounts	60,794	52,177
Insurance premium deduction	(3,230)	(2,774)
Franking and foreign tax credits	(18,588)	(18,540)
Non-Assessable Investment Income	(20,086)	(14,838)
Income tax expense/(benefit)	25,255	18,664
Income tax expense - investments	30,735	24,511
Income tax benefit - administration	(5,480)	(5,847)
	25,255	18,664

In addition to the above, \$ 52,560,000 (2024: \$43,668,000) is recognised in the statement of changes in members' benefits relating to tax on contributions and no-TFN tax deducted from member accounts.

d) Deferred tax balances

Deferred tax asset relates to the following:

Accrued expenses and provisions	10	85
Annual and long service leave	241	223
Insurance premiums	267	226
Deferred tax asset	518	534

Deferred tax liability relates to the following:

Unrealised capital gains	(101,997)	(79,594)
Unrealised ordinary investment income	(733)	(283)
Deferred tax liability	(102,730)	(79,877)
Deferred tax asset/(liability)	(102,212)	(79,343)

13. Other operating expenses

Trustee services fee	399	2,143
Audit fees	346	312
Sponsorship	88	100
Advertising and marketing	2,583	2,861
Other operating expenses	3,416	5,416

'Audit fees' amounts shown above include both external and internal audit services (Note 19).

First Super

Notes to the Financial Statements

14. Cash and cash equivalents

	2025 \$	2024 \$
Cash and cash equivalents	<u>14,020</u>	<u>11,209</u>

15. Reconciliation of cash flows from operating activities

(a) Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

Profit/(loss) after income tax	3,871	(1,783)
<i>Adjustments for:</i>		
Depreciation	455	130
Investment activities via custodian	(281,721)	(240,600)
Net benefits allocated to members	405,292	347,845
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(1,014)	3,237
Increase/(decrease) in payables	(804)	1,134
Increase/(decrease) in tax payable	(3,816)	(5,108)
Death and disability proceeds received from insurer	14,571	15,411
Insurance premiums paid	(21,258)	(18,309)
Net cash inflow/(outflow) from operating activities	<u>115,576</u>	<u>101,957</u>

b) Non-cash financing activities

There were no non-cash financing activities during the year.

16. Commitments

(a) Investment commitments

The Fund has outstanding capital commitments in relation to unlisted investments contracted for as at the reporting date but not recognised as liabilities as follows:

Asset class		
Private equity	<u>51,844</u>	<u>51,040</u>

(b) Operating lease commitments

The fund sub-leases office space from Super Benefits Administration Pty Ltd on a commercial arm's length basis.

Operating lease expenditure contracted for is payable as follows:

Within one year	205,628	229,137
One to five years	-	205,628
	<u>205,628</u>	<u>434,765</u>

First Super

Notes to the Financial Statements

17. Contingent liabilities and contingent assets

There are no outstanding contingent assets or liabilities as at 30 June 2025 (2024: nil).

18. Related party transactions

a) Trustee

The Trustee of the Fund throughout the year was First Super Pty Ltd (ABN 42 053 498 472, RSE Licence No. L0003049). Amounts paid to the Trustee in form of fees and reimbursements are disclosed in note 12. As at 30 June 2025, \$427,311 (2024: \$303,566) was payable to the trustee and is included in 'other payables' in the statement of financial position.

b) Directors

Key management personnel include persons who were directors of First Super Pty Ltd at any time during or after the financial year as follows:

Dean Brakell	Robyn Burns
Denise Campbell-Burns	Janet Gilbert
Lisa Marty	Scott McDine
Tri Duc Nguyen	Michael O'Connor (Co-Chair)
Anthony Pavey	Mike Radda (Co-Chair)
Deborah Smith	Casey Thompson

Associate Directors

Mick Stephens

c) Other key management personnel

Other key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year were as follows:

William Watson	Chief Executive Officer
Michelle Boucher	Deputy Chief Executive Officer
Hayley Pope	Executive Manager - Governance
Jennifer Glass	Senior Counsel and Company Secretary

d) Compensation of key management personnel

	2025	2024
	\$	\$
Short-term employee benefits (salaries, director fees)	2,044	1,806
Post-employment benefits (superannuation)	123	104
Other long-term benefits	47	35
Total compensation	2,214	1,945

Compensation of key management personnel represents remuneration of the executive officers of the Fund and fees paid to the directors of the Trustee for services rendered for the Fund.

Remuneration for Director key management personnel is paid by the Trustee and reimbursed by the Fund, with these expenses included within trustee expenses in Note 18(a). In some cases, payment is made to a Director's employer or another party specified by them, in accordance with the Remuneration Policy. Remuneration for executive key management personnel is paid by the Fund.

First Super

Notes to the Financial Statements

e) Related Party Transactions

Transactions with related parties

The following Directors/officers of the Trustee Company are or were also members of the Fund:

Michelle Boucher	Dean Brakell
Robyn Burns	Denise Campbell-Burns
	Michael O'Connor
Anthony Pavey	Mike Radda
Deborah Smith	William Watson
Casey Thompson	

Superannuation contributions and benefits are determined using the same Trust Deed provisions which apply to all members.

- Frontier Advisors Ltd:

First Super owns 7% of Frontier Advisors Ltd which provides investment advisory services to the Fund at a commercial arm's length basis. The total fees paid to Frontier in the year ended 30 June 2025 were \$673,920 (2024: \$703,578). Scott McDine is a director of Frontier Advisors Ltd.

- Super Benefits Administration Pty Ltd

First Super holds 100% of the shares of Super Benefits Administration Pty Ltd which provides administration services to the Fund on a commercial arm's length basis. These shares are held as an investment by First Super and as at 30 June 2025 are valued at \$3,896,988 (2024: \$3,365,785).

First Super also sub-leases office space from Super Benefits Administration Pty Ltd on a commercial arm's length basis. The cost for the year ended 30 June 2025 was \$227,137 (2024: \$219,874).

Separate consolidated financial statements have not been prepared as the Trustee is of the opinion that these would not be materially different from the financial statements of the Fund as an individual entity. Mike Radda is the Chair of Super Benefits Administration Pty Ltd.

The following amounts are listed at year end in relation to Super Benefits Administration Pty Ltd:

	2025 \$'000	2024 \$'000
Administration fees paid/payable to Super Benefits Administration Pty Ltd	7,131	7,094
Trade and other creditors - Administration fees owing	512	583

- Manufacturing Division of the Construction Forestry Maritime Employees Union (CFMEU MD)

Five directors of First Super are nominated by the CFMEU MD.

First Super has paid the CFMEU MD \$119,522 (2024: \$106,552) for shared office space in Adelaide, Mt Gambier, Tumut, Sydney and Launceston at commercial rates. These office spaces are used by the Fund's Member and Employer Services staff.

First Super

Notes to the Financial Statements

- Sponsorship

During the year ended 30 June 2025 the Fund made total sponsorship payments of \$87,676 (2024: \$100,264) for various activities and events. This included payments to shareholders in the Trustee Company as follows: CFMEU MD \$5,000 (2024: \$45,771) and Australian Cabinet and Furniture Association \$20,900 (2024: \$20,900).

19. Remuneration of auditors

	2025 \$'000	2024 \$'000
Remuneration paid or payable for services provided by the auditor Ernst & Young Australia (2024: BDO Audit Pty Ltd):		
1. Statutory audit	99	100
2. Assurance required by the statutory auditor under legislation or regulation (e.g. APRA and AFSL regulatory audits)	37	30
3. Other assurance provided	-	-
4. Non-assurance services (e.g. tax compliance)	34	-
	<u>170</u>	<u>130</u>

20. Events occurring after the reporting period

There are no significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2025 or on the results and cash flows of the Fund for the year ended on that date.

First Super Trustees' Declaration to the Members

In the opinion of the directors of the Trustee of First Super:

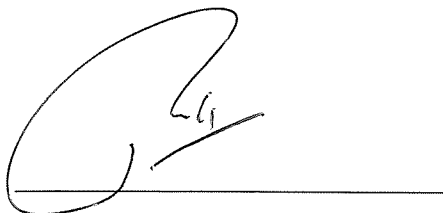
- (a) the accompanying financial statements and notes set out on pages 14 to 41 are in accordance with the *Corporations Act 2001*, including:
 - (i) Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (j) giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the financial year ended on that date,
- (b) the Fund has been conducted in accordance with its constituent Trust Deed; and the requirements of the Superannuation Industry (Supervision) Act 1993 and its accompanying Regulations; the relevant requirements of the Corporations Act 2001 and Regulations; the requirements under section 13 of the Financial Sector (Collection of Data) Act 2001, during the year ended 30 June 2025 and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of First Super Pty Ltd (ABN: 42 053 498 472)

Dated in Melbourne this 16th day of September 2025.

A handwritten signature in black ink, appearing to be 'R. King', is written over a horizontal line.

Director

A large, stylized handwritten signature in black ink is written over a horizontal line.

Director

Independent auditor's report to the members of First Super

Opinion

We have audited the financial report of First Super ABN 56 286 625 181 (the RSE), which comprises the statement of financial position as at 30 June 2025 the income statement, statement of changes in member benefits, statement of cash flows and statement of changes in equity for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the RSE is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the RSE's financial position as at 30 June 2025, and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial report

The directors of First Super Pty Ltd (the Trustee) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable

the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Shape the future
with confidence**

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 11 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of First Super for the year ended 30 June 2025, complies with section 300C of the *Corporations Act 2001*.

Responsibilities

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

The Ernst & Young logo, featuring the words 'Ernst & Young' in a stylized, handwritten font.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Hayley Watson'.

Hayley Watson
Partner
Melbourne

16 September 2025