

FIRST SUPER ANNUAL REPORT 2019/20



FACTS AND FIGURES 2019/20

The facts and figures below summarise the Fund's activity and performance for the 2019/20 financial year.

INSURED BENEFITS PAID TO MEMBERS

\$31.4m paid in claims

\$14.6m

Death and Terminal Illness

\$16.7m

Total and Permanent Disability

\$123,393

Income Protection

TEMPORARY EARLY RELEASE OF SUPER SCHEME

7,116

payments made

\$60.5m

paid in total

\$8,498.16

average payment

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46,645 members



\$3.13bn funds under management



18,015 employers



\$88.2m decrease in member assets since 30 June 2019



44 average member age

\$262.05m total value of contributions made to First Super accounts for 2019/20 financial year

47,382 in-bound calls from members

17,891 outbound calls to members

23,500 emails from members to contact centre



6,359 letters from members to contact centre



135,757 website visitors

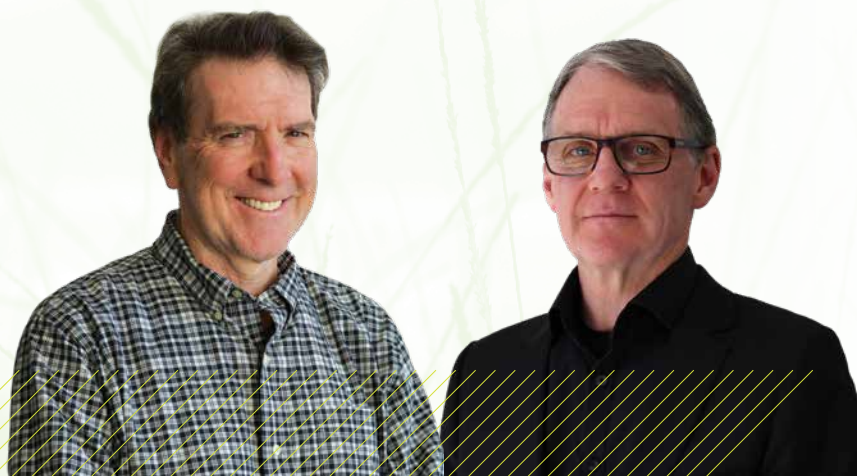
249,149 website sessions



The passing of *Putting Members' Interests First* legislation in September 2019 – which affected insurance cover for some members – and the introduction of temporary early access to super in April 2020 led to a rise in member contact with the Fund in 2019/20. Website sessions were up 52% and we saw an increase in communications to our Member Services Team with in-bound calls up 30% and emails up 82%.

CO-CHAIRS' MESSAGE

Welcome to
First Super's
2019/20
Annual Report.



Michael O'Connor
Co-Chair, First Super

Mike Radda
Co-Chair, First Super

This report provides our members, stakeholders and shareholders with information on First Super's activities during the past financial year.

In response to a change in regulatory requirements, this year the Fund reviewed its purpose. While the Fund's vision is to enable members to attain and maintain a dignified retirement, the outcome of the review helped us define what a dignified retirement truly means for members.

All of the Fund's efforts will be directed into putting members in a position where, upon retirement, those under the age of 40 can expect to receive an annual income from both super and the Age Pension equivalent to 80% of the Australian Superannuation Funds Association (ASFA) Comfortable Retirement Standard. And for members over the age of 40, the desired outcome is 90% of ASFA's Modest Retirement Standard. (For more about the ASFA Retirement Standard go to superannuation.asn.au.)

Being able to deliver these outcomes has been severely compromised by the Federal Government's Temporary Early Release of Superannuation Scheme. We recognise that some members had a need for access to emergency funds. However, early release means that, in our opinion, many members will now be a longer way off from attaining a dignified retirement.

Our members and the industries in which they work have been significantly impacted by natural disasters and the pandemic. Bushfires in the latter half of 2019 and the first months of 2020 burnt members' homes and property, devastated forest resources, and destroyed and damaged timber mills and mobile plant.

The coronavirus pandemic quickly followed the bushfires, and the impacts of both will continue to be felt by members and employers for many years to come.

In response to these events, the Fund, particularly Member and Employer Services Coordinators and the Financial Advice Team, provided advice and assistance to members and their families and, where possible, assisted members with insurance claims.

The Fund created dedicated coronavirus webpages providing members and employers with advice and information on managing the impacts of the pandemic. The Fund also increased email communications with members and employers to provide relevant updates and links to practical support.



INVESTMENT RETURNS

Across the board, asset values were negatively impacted by the coronavirus pandemic. As just one example, the S&P/ASX 200 Index fell by more than 13% during the past financial year.

From the around 25% share market losses in February, Australian share markets snapped back in the final quarter by around 15%. The US share market also recovered by 17% from its lowest point at the start of March. These were the sharpest share market recoveries ever recorded.

To protect members' retirement savings, from August 2019 onward the Board progressively reduced exposure to share markets and increased cash holdings.

Apart from the accumulation and pension cash options, all other investment options had slightly negative earnings for the 2019/20 financial year.

GOVERNANCE

In late 2019, Lisa Marty advised us that she intended to step down from the Board on 30 June 2020. The Board's recruitment process to replace Lisa was put on hold when the pandemic started to take effect. To maintain continuity, Lisa agreed to stay on the Board until the end of 2020.

We acknowledge Lisa's contribution over the past eight years to creating dignified retirement outcomes for members. Lisa has undertaken heavy lifting in the governance area as joint chair with Michael O'Connor.

With Lisa giving notice, Mike Radda was appointed as Co-Chair.

Directors reappointed during the year were Tim Chatfield, Denise Campbell-Burns and Janet Gilbert.

Alex Millar has indicated that he too will step down at the end of 2020. We will acknowledge Alex Millar's contribution in next year's annual report.

ANNUAL MEMBERS' MEETING 2020

Last year, the Fund held its first Annual Members' Meeting, with two hosted events in Melbourne and Traralgon, and the option to attend a live webinar. This proved to be a great success. Participants submitted questions beforehand, which helped shape the content, and then actively engaged by asking questions during the event and informally with the Fund's leadership afterwards.

These annual meetings give members the opportunity to hear directly from First Super's Directors and the CEO on the operation and management of the Fund.

This year's event is scheduled for Tuesday 17 November. To meet the requirements of coronavirus restrictions, we will hold our Annual Members' Meeting fully online.

All members and their families will be provided with the opportunity to attend and participate this year. Details of the Annual Members' Meeting can be found online at firstsuper.com.au/2020-AMM or by contacting our Member Services Team on **1300 360 988**.

ACKNOWLEDGEMENTS

Natural disasters, a pandemic and share market volatility have meant our service providers have had to go above and beyond in the past 12 months.

We acknowledge Superannuation Benefits Administration (SBA), which administers the Fund. The SBA team's efforts helping members throughout the pandemic are appreciated. Even though the Member Services Team and support staff were working from home, member benefits were paid on time and in full.

Frontier Advisors, our asset consultant, helped us navigate the intense market volatility.

Through these difficult times, members, their families, and employers received personal support and assistance from the Member and Employer Services Coordinators employed by the Manufacturing Division of the Construction, Forestry, Mining, Maritime and Energy Union.

Finally, we acknowledge the support provided to the Board and members by the Trustee Office.



CEO'S MESSAGE

The 2019/20 financial year proved unpredictable and brought a significant workload, with our staff, Directors and suppliers making huge efforts to meet the challenges set for them.



Bill Watson
Chief Executive Officer

GOVERNMENT POLICY CHANGES

Government-mandated changes to insurance inside superannuation under the *Putting Members' Interests First* legislation required considerable efforts by the Trustee Office, the administrator, SBA, and our insurer MetLife to support affected members. We have made every effort to ensure these members were able to make informed decisions about whether to retain their insurance inside super. Pleasingly, many members took up the opportunity to keep their cover.

However, as a consequence of these changes, far fewer members overall now hold Death and Total and Permanent Disablement cover and, as a result, insurance premiums increased on 1 November 2019.

EARLY RELEASE OF SUPER CHALLENGES

Nobody expected the impact coronavirus would have on 2020, and certainly we super funds could not have anticipated the Government allowing members early access to their superannuation. This meant the Fund had to create additional liquidity (cash on hand) to meet members' early release requests. The need to create cash reserves meant members missed out on an opportunity for the Fund to invest on their behalf at the bottom of the market.

Our administrator, SBA, rose to the occasion and has consistently ensured that members have received their early release of benefits within the mandated five-day timeframe. Most members received their payments within three days. Some members experienced delays due to the need to verify their request and their payment details. We apologise for those delays, but we prefer prudence over speed when it comes to protecting our members' money against fraud.

By 30 June 2020, more than 7,000 members had taken advantage of the temporary early release scheme, withdrawing a total of \$60.5 million, an average payment of \$8,498 per member.

The challenge the Fund now faces is to work with members to rebuild their superannuation account balances, and to support the public policy case for the Federal Government to top up accounts that were depleted through the temporary early release measure.

We do not want to see the intergenerational wealth gap exacerbated. It is a fact that housing affordability is a significant issue for younger members. Younger people are disproportionately represented in early release applications. It is not a great outcome when younger people have substantially less super in retirement than they had expected coupled with not owning homes.

RESPONDING TO THE PANDEMIC

Like many other businesses, from late March onwards Trustee Office and service provider staff commenced working from home. I thank my colleagues in the Trustee Office and those of our service providers for the way they have adapted to their new working arrangements and continued to provide a high level of service to members and employers.

In response to the pandemic, we increased the frequency of our communications to members and employers and created a website page providing information and resources on how to best cope with the many and varied challenges we all face in these difficult times.

Our Member and Employer Services Coordinators also commenced a program of calling each of our pension members to make sure they were okay. This program to check on their personal and financial well-being has been well received.

I'd like to thank my colleagues in the Trustee Office, the Member and Employer Services Coordinators, and the SBA and Frontier Advisor teams for all the work done during the year to assist members and their families and employers.

And finally, thank you for being a member of First Super or for simply taking the time to read our Annual Report.

ABOUT FIRST SUPER

First Super is an industry super fund run solely to benefit members.

Originally set up for those working in the furniture and joinery, pulp and paper, and timber industries, today we welcome all employees in Australia regardless of their occupation or location.



JACOB BAGNALL,
TEAL WINDOWS,
FIRST SUPER MEMBER

YOUR INDUSTRY SUPER FUND

First Super was founded when three industry super funds merged in July 2008:

- > Furniture Industry Retirement Superannuation Trust
- > Pulp & Paper Workers' Superannuation Fund
- > Timber Industry Super Scheme.

We welcome all Australians regardless of their occupation or location while retaining strong links to the timber, pulp and paper, and furniture and joinery industries.

*As at 30 June 2020.

Our products and services are designed to meet the needs of our members, employers and communities within these industries, as well as being suitable for our broader membership.

The Fund supports more than 46,000 members*, who trust us to manage more than \$3.1 billion* of their hard-earned retirement savings. We offer superannuation, insurance and allocated pension products, including Transition to Retirement.



OUR PROMISE

As an industry super fund our profits are returned to our members, not to shareholders. We work hard to provide you with financial security in retirement by investing your hard-earned money now so you can enjoy the lifestyle you want later.

As such, we provide the following as part of our promise to put members first:

- > The flexibility to choose from five investment options
- > Competitive fees
- > Low-cost insurance options to protect you and your family
- > Help with all your super needs, such as finding lost super and consolidating it into a single account
- > General advice on our super product, insurance, investment options and member benefits
- > Intrafund advice at no additional charge
- > Full service personal financial advice from our authorised financial planners[#]
- > Regular communications, so you know what's going on with your super
- > Workplace or home visits to provide information and answer individual questions
- > Seminars and webinars on a range of topics
- > Secure account access any time and anywhere with firstonline
- > Low-cost banking products through ME.

QUALITY SERVICE AND ADVICE

Everyone at First Super wants you to enjoy your retirement in the future, but we also want you to enjoy today. To us, being a super fund is more than just what happens when you stop working.

Your superannuation is important. We understand that the information and decisions required can seem overwhelming, and sometimes it's easy to put super in the "too hard" basket or decide to worry about it later.

With this in mind, First Super is committed to providing our members with high-quality, personalised service and advice to make the most of your retirement savings.

Our Member Services Team can help you manage your super and inform you of your options. They can also help arrange for one of our Member and Employer Services Coordinators or Business Development Managers to visit your workplace.

They are there to provide you with the information you need to better understand your super and to benefit from our services.

We also offer access to licensed financial planners[#] who can help with planning for the retirement lifestyle you hope to achieve. And better yet, the first consultation is at no additional cost for members. When you reach the end of your working life, First Super is still here for you. You may choose to continue working. You may choose to reduce your hours or stop working altogether. Whatever you choose, we have an allocated pension option to suit your needs.

TOOLS AND RESOURCES

First Super's website – firstsuper.com.au – has a range of resources and tools to help you better understand and make the most of your super.

With key information about how the Fund works, fact sheets and calculators, as well as news, events and newsletters, our website is a one-stop shop for anything to do with super.

First Super's member portal, firstonline, is a secure, easy and convenient way to manage your First Super account. With firstonline you can:

- > View and update your personal details
- > Roll in your lost super accounts
- > Change or add Non-Binding Beneficiaries
- > View and download your account transaction history
- > Obtain an insurance quote
- > View your insurance details
- > View your investment options
- > Check your employer details.

You can also choose to receive your member statements, Fund updates, and news by email.

If you want to register for firstonline, call our Member Services Team now on **1300 360 988** or visit the member portal at firstsuper.com.au/firstonline.

Our 2020 Strategic Plan, on the following page, illustrates the objectives and activities the Fund is following with the goal of our members actively engaging with their super to achieve our target member outcomes.

[#] Financial advice will be provided by authorised representatives of Industry Fund Services Limited (ABN 54 007 016 195, AFSL 232514) and may be free of charge to you.

FIRST SUPER STRATEGIC PLAN 2020 TO 2022

Our Vision: Enabling our members to attain and maintain a dignified retirement

Our Purpose: Building members' retirement savings by investing, growing and protecting their superannuation contributions

Our Member Outcomes: Members under age 40 are on track to achieve at least 80% of ASFA's Comfortable Retirement Standard
Members over age 40 are on track to achieve at least 90% of ASFA's Modest Retirement Standard

Objective to achieve member outcome



Through the following

1. ADVICE & EDUCATION

Empowering members to make informed decisions about their financial future by providing financial education and information, no-direct-cost general and intrafund financial advice and, finally, low-cost personal advice that is always in their best interests

Satisfactorily deliver the products and services so that our members are advocates for First Super

- > Maturing our financial advice and education offering
- > Developing and implementing a member growth and retention lifecycle process
- > Activating and retaining new and existing members
- > Defending the rights of workers to be members of funds free of commercial conflict and which only act in their best interests

2. GROWING CAPITAL

Member balances grow because of actions members take

Growing our members' savings

- > Encouraging members to make the level of contributions to deliver their member outcome
- > Developing and implementing capital growth strategies
- > Applying some calculated risk to investment action

3. ACHIEVING RETURNS & PROTECTING CAPITAL

Increasing and protecting member balances by achieving the investment option performance over the stated time periods through conservative asset allocation

Achieving investment returns and protecting capital

- > Undertaking an investment strategy review
- > Assessing application of social factors by investee companies and managers
- > Regularly reviewing strategic asset allocation and manager performance and implementing outcomes
- > Developing and implementing an investment strategy

Actively Engaged Members: Members engage with the Fund to make choices about their superannuation

Objective to achieve member outcome



Through the following

4. QUALITY INSURANCE

Offering quality Death and Total and Permanent Disablement insurance to all members irrespective of age, account balance or account activity status

Providing appropriate product offerings for all members

- > Reviewing insurance strategy including affordability and cover for all cohorts
- > Designing and implementing a post *Protecting Your Super* insurance product
- > Developing a retirement product

5. VALUE FOR MONEY

Member outcomes are delivered prudently, practically and cost-effectively

Ensuring members get value for money from their Fund

- > Retaining default fund status throughout our industries and employers
- > Consolidating our workplace distribution strategy
- > Growing new members
- > Developing a member fee model – resolution of fees and charges post introduction of *Protecting Your Super*
- > Implementing Prudential Standard SPS 515 – Strategic Planning and Member Outcomes
- > Procuring administration services

6. GOOD GOVERNANCE

The highest standards of fiduciary and corporate governance are observed and applied

Our stakeholders are confident in the way we govern the Fund

- > Renewing licence to operate:
 - Regulator
 - Auditor
 - Stakeholders
 - Shareholders
- > First Super enables and empowers staff to put members first
- > Maintaining good governance and risk standards
- > Strengthening engagement with stakeholders and shareholders
- > Providing industry fund leadership



DARREN BISSAKER,
COFFS HARDWOOD,
FIRST SUPER MEMBER

THE YEAR IN REVIEW

With legislative changes, summer bushfires affecting our industries, and the response to the coronavirus pandemic, the 2019/20 financial year was full of activity for First Super, both from the office and out in the communities where our members work and live. Across these pages we share an overview of the Fund's year in review.

Protecting Your Super Package legislation introduced 1 July 2019

Among other stipulations, the new law requires super fund trustees to turn off a member's default insurance when their account has been inactive for 16 months.

In preparation for this legislation, between 1 May and 30 June, the Trustee Office and SBA worked together to deliver a multi-channel campaign to retain inactive members who were at risk of having their insurance inside super cancelled due to the *Protecting Your Super Package (PYSP)* legislation.

The communications started on 1 May with a mandated letter to any member whose account had been inactive for six months or more at 1 April 2019 – for us, that went out to more than 22,000 members.

By 1 July 2019, we had retained more than 16% of members. We then prepared and implemented letters, support communications, and processes as business as usual activity to meet the legislation requirements.



2019 JULY

Member education sessions

Hazelwood & Hill's Rhonda Casey, General Manager, and Richard Hill, owner and Vice President of TMA (Timber Merchants Association), are both strong advocates for First Super.

First Super Business Development Manager (BDM) Liz Hunt and Deputy CEO Brad Weldon rolled out lunchtime education sessions to Hazelwood & Hill staff, while Member and Employer Services Coordinator Franca Bebbere conducted individual appointments with new and existing First Super members.

AUGUST



First Super sponsors the Glenreagh Timber Festival woodchop



YOU COULD WIN
\$500
IN 5 MINUTES FLAT

Update your details with us and you could win a \$500 Visa Gift Card.

✉ + 📞 = 🏆 \$500

Not bad for 5 minutes' work!

To enter call 1300 360 988 or visit firstsuper.com.au/win

For competition terms and conditions visit firstsuper.com.au/terms. The promotion commences 10:00 AEST on 1 March 2019 and ends on 31 July 2019 at 11:59pm AEST. NSW Permit No. 1170619100055.

2019 Member Competition concludes

Our Member Competition campaign ran between May and July 2019. It was created to improve the quality of our member data and drive member engagement.

By making the entry process easy and simple, 4,611 First Super members took part in the initiative and updated 7,279 personal contact details.

Putting Members' Interests First (PMIF) legislation passed



The *Treasury Laws Amendment (Putting Members' Interests First) Bill 2019* (PMIF Bill) was passed by both Houses of Parliament on 19 September 2019. The new law would see the end of automatic insurance cover for super fund members, and make insurance opt-in necessary from 1 April 2020 for members under age 25 and with account balances below \$6,000.

The next few weeks saw the Trustee Office work with our administrator, SBA, to prepare data, systems, a comprehensive webpage of information, and a mandatory mailing with Q&As to reach affected members by 1 December 2019.

SEPTEMBER

2019



Dear [Firstname][No Firstname = member],
 Your First Super e-statement for the 2018/19 financial year is now available to view in firstonline.
 You'll also find attached the front page of your annual statement. This provides a snapshot of your First Super account as at 30 June 2019.
 How to view your full e-statement online
 1 Log into your [firstonline account](#) with your username and password.
 2 Hover over 'Communications' in the top navigation level and click on 'View Statements' from the drop-down navigation.
 3 Click on '2018/19 Annual Statement' tab to open your statement.
 Your statement is always available in your [firstonline account](#). You may also receive a printed copy in the mail shortly.
 Thank you for being a First Super member.
 The First Super Team

2018/19 Annual Statements distributed from late August



First Super supports the 2019 ACFA Annual Industry Awards

First Super has a strong relationship with ACFA (Australian Cabinet and Furniture Association) and many of its employer members nominate us as their preferred super fund.

First Super was a proud sponsor of several award categories, including "Apprentice of the Year" at the 2019 event held in Sydney on 19 September. We were extremely honoured to present these awards to hardworking Australians in the industry we serve.

First Super sponsors 2019 TABMA Awards for NSW and QLD

At First Super, we are keen to put back into our core industries. TABMA is a leading provider and educator of apprentices in the timber and joinery industries and the majority of its apprentices are First Super members.

The association also provides industrial relations advice, assists in workplace health and safety, along with recruitment and HR assistance to its employer members.

Our relationship with them included sponsoring award dinners in NSW and QLD during September. First Super CEO Bill Watson, Deputy CEO Brad Weldon and BDM Lee Surace were on hand to present the awards to businesses and talented workers.



Planning for Retirement seminar across VIC and SA

From 12 November to 3 December, First Super hosted three of our popular Planning for Retirement seminars in Dandenong and Traralgon in Victoria and Mount Gambier in South Australia.

Presented by our Financial Advice Team and supported by local Member and Employer Services Coordinators, the seminars were well received across all locations, with a total of 124 members and non-members attending and 28 financial planning appointments generated.

2019 OCTOBER

NOVEMBER



'Hold on to your super' campaign concludes

This campaign was another initiative that came out of *Protecting Your Super* legislation. The challenge was overcoming inertia with the target audience of inactive members, many of whom had not made a contribution or engaged with their First Super account for much longer than the 16-month qualifying period.

Targeting the first batch of members who were at risk of their low-balance inactive accounts being transferred to the ATO on 31 October, from July through into October communications included initial and follow-up emails and letters with forms to support reactivation, social media, workplace posters, and outbound calling.

As at 30 September 2019, 217 inactive members had made contributions to their account, resulting in over \$1.6 million being rolled into First Super.

Further, 184 members opted into insurance while 32 members opted out of the ATO transfer, with one member changing their investment profile.



Inaugural Annual Members' Meeting held

This was a trial event to ensure First Super could meet the new prudential standard requirement to hold an Annual Members' Meeting, effective 1 July 2020.

Held on Tuesday 19 November, members were invited to attend this event at the Jasper Hotel in Melbourne or at the Traralgon Greyhound Racing Club. For those unable to attend in person, for the first time we offered a webinar and the opportunity to submit questions before and during the event.

Attendees received an update on First Super's performance for the 2018/19 financial year, changes to super legislation, and Fund plans for the year ahead.



Attended and sponsored the Australian Paper Christmas Party

CEO Bill Watson and Marketing and Events Coordinator Melissa Hughes headed to Maryvale in Gippsland to meet our members from Australian Paper and their families celebrating the festive season.

We had giveaways for the kids and information about First Super's products and services for the grown-ups.

DECEMBER

2019

AIST Awards success

First Super walked away double winners at the AIST Awards for Excellence in December 2019.

The Australian Institute for Superannuation Trustees (AIST) – the peak body for profit-to-member super funds – holds its awards program to recognise the achievements of funds like ours in producing outstanding results for their members.

Our Member Competition 2019 won the category for Best Direct Mail Campaign and our 'Don't be crazy – find your lost super' communications project won Best Integrated Campaign.

The Member Competition campaign was noted for its successful results with a spend of less than \$9,000 (see earlier for results).



The 'Find your lost super' campaign promoted our new online tool that helps members find lost super balances and roll them into their First Super accounts. Within just 15 weeks, the campaign saw 3,295 unique member searches, 1,225 found a match, and 1,078 consolidated other balances to their First Super account.



PMIF campaign rolls out

The team implemented a staggered, multi-channel campaign from late January into March to raise awareness with affected members about the PMIF reforms and their options for insurance in super. The overarching objective was that 20% would keep their insurance.

- > Personalised EDMs and SMS messages were delivered on 3 March, with a follow-up "last chance" reminder on 17 March.
- > Members who joined between 1 November and 4 February were sent a one-off letter with Q&As, an opt-in form and reply paid envelope as they missed the mandated 1 December letter.
- > New members who joined the Fund from 5 February received a PMIF flyer with their welcome letter to raise awareness that insurance was at risk for new members, and an enclosed opt-in form and envelope to facilitate opt-ins.

Member education sessions

After the success of super education seminars in September 2019 with employers Hazelwood & Hill and SPS Corporation, southern region BDM Liz Hunt worked with VIC Member and Employer Services Coordinators Franca Bebbere, Nick Cowling and Angela Beer to secure and deliver seminars to employees at Bowen & Pomeroy, Timberlink and Tilling Timberlink in February and March 2020.

After each session, the Coordinators supported members and non-members with questions on their super and roll-overs from poorer-performing retail funds.

International and domestic share market volatility

The impacts of Australian bushfires and the mushrooming cases of coronavirus, with restrictions and business closures affecting the values of investments in Australia and around the world.

2020 JANUARY

FEBRUARY

First case of coronavirus in Australia announced

Distribution of 2019/20 Mid-Year Statements

The statements were distributed on schedule for mailed packs to reach members by 28 February 2020 and emails were sent from 24 February.

As such, the Fund met its compliance obligation to issue a Significant Event Notice (SEN) to advise accumulation members of insurance changes due to *Putting Members' Interests First* (PMIF) legislation and the increases to administration fees, both effective 1 April 2020. Packs to members affected by PMIF reforms also included an information leaflet with a direct webpage URL to track activity.

CHANGES TO INSURANCE IN SUPER LAWS: WHAT DO YOU NEED TO KNOW



Putting Members' Interests First reforms and your insurance inside super

One of your First Super membership benefits is automatic cover for four units of Death and Total and Permanent Disablement (TPD) insurance. This cover provides some financial protection should you no longer be able to work due to illness or injury, or in the event of your death.

Almost 11,000 members opened their e-statement email by 31 March, of which a fifth clicked a weblink in their email. The PMIF campaign webpage also attracted more than 2,000 views.



Supporting the Australian Paper Golf Day

The event was attended by more than 100 Australian Paper workers, presenting the opportunity to raise the Fund's profile with existing and potential members. Each player received a First Super stubby holder and sunscreen.

Financial Planner Peter Pallis played golf and mingled with players throughout the day, while Member and Employer Services Coordinator Nick Cowling managed the refreshments golf cart and gave a talk during the presentation.



Build employer relationships at Women in Super events

The majority of engagement that First Super BDMs have with employers is through on-site meetings and telephone or Zoom calls.

Under the Fund's Workplace Distribution Strategy, one of the BDMs' goals was to find new ways to engage with employers outside of their workplace. One idea was to invite a group of employers to an educational event to provide an opportunity to network with other First Super employers, staff and stakeholders.

To this end, First Super booked a table of 10 for both the Sydney and Melbourne Women in Super International Women's Day Luncheons. The guest speaker was Jane Caro, who discussed a number of initiatives to improve financial wellness for women, with a particular focus on retirement outcomes and super.

Our invited guests included existing key employers and contacts from new business opportunities, First Super Directors, and stakeholders from employer associations. The feedback and attendance indicated that this sort of engagement is worthwhile exploring and has been a focus in strategic planning for the BDMs.

MARCH

2020

Regional NSW for super seminars and fundraising

NSW BDM Lee Surace and Coordinator Stephen Gooley were joined by Melbourne colleagues for two days of events in Tumut.



At the Planning for Retirement seminar the locals were keen to take advantage of the qualified financial advice and insights provided by Andrew Jewell, our Executive Manager, Financial Advice and Education.

Club Tumut's Barefoot Bowls charity event raised \$1,600 for the Tumut Hospital Auxiliary and the Tumut Communication Foundation.

It provided an opportunity for First Super to support people who were affected by the bushfires and to promote its services within the Tumut community.

First Super updates members on market volatility

In response to ongoing share market volatility, exacerbated by the impacts of the COVID-19 pandemic, First Super's Bill Watson and Andrew Jewell, along with KC Low of Frontier Advisors, recorded a video to provide some guidance to members on how to handle their super investments.



Temporary early access to super scheme launches

The Marketing and Communications Team worked with other business units to devise and then execute the Early Release of Super Communications Plan.

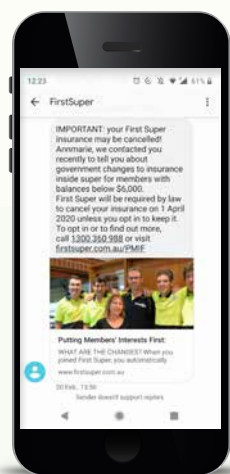
The aims of the communications were to:

- > prevent a deluge of calls/emails to the Member Services Team
- > direct members to our dedicated webpage for thorough information, including details of how to access myGov for making applications
- > inform members of our expected turnaround time for processing and releasing of payments.

Phase 1 communications were delivered ahead of the scheme launch and included a dedicated webpage, dedicated EDMs, SMS messages and a series of articles for use on our own channels as well as by our industry associations and trade press. Webinars about early access were conducted and had their own webpage and supporting EDM invitations and SMSs.

Phase 2 communications were distributed in stages after 20 April and included an animation to further explain early release, a fact sheet translated into four languages, a direct mail campaign to explain the scheme, and special editions of our MembersFIRST and EmployersFIRST.

2020 APRIL



Putting Members' Interests First campaign – the results and next steps

The window for members affected by PMIF legislation to opt in and boost their super balance to keep their insurance cover with the Fund closed on 31 March. Those who hadn't taken action had their cover cancelled on 1 April.

Following our extensive communications campaign, of the original group of 5,456 who received the mandated letter for 1 December 2019 (data extracted on 1 November 2019) 18.35% opted to keep insurance, 7.77% balance went over \$6,000, 2.27% have non-standard insurance and only 1.45% made the decision to opt out.

This means that 28.4% retained insurance, exceeding our 20% target.

To meet PMIF requirements and support our members moving forward, we made a number of changes to the insurance pages on our website and operational collateral such as letters and forms.



Coronavirus Support Communications Plan activities ramp up

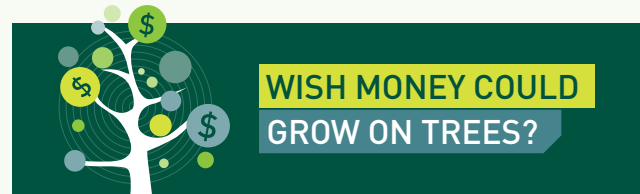


The plan started off steadily in late March as the Commonwealth and state and territory governments started to release measures in response to the pandemic and its economic impacts. The plan was formalised and ramped up in late April, with the idea being to continue while the pandemic situation and restrictions remain and evolve.

The plan collateral included:

- > two dedicated webpages as central resource hubs for members and employers
- > an e-newsletter to be sent to members every week and to employers every fortnight
- > more frequent social media with useful and relevant updates or resources
- > personalised text messages as appropriate to flag “don’t miss” important updates.

MAY



Government Co-contribution campaign goes live

We delivered an evolution of the 2018/19 campaign this year to encourage eligible members to take advantage of the Government Co-contribution.

The communications were segmented by those who had received a Government Co-contribution in the past two years and those who had not.

As at 30 June 2020, the campaign resulted in 650 members contributing \$1.53 million to their First Super accounts within seven weeks (compared with \$353,965 for the same period in 2019).

The outcome will be a great result for these participating members when they receive their co-contribution from the Government after completing their tax returns.

JUNE

2020

New partnership increases options for members from NZ

First Super started a new exclusive partnership on 1 July 2020 with NZRelo to promote its capacity to accept KiwiSaver transfers for New Zealanders moving to and living in Australia.

The Fund agreed a three-year partnership to promote our superannuation services to NZRelo community members, including our ability to accept KiwiSaver transfers. First Super is one of only a handful of Australian super funds to offer KiwiSaver account roll-ins.

In June, staff at the Trustee Office and our administrator, SBA, were getting everything ready for the launch date, including

enhancing KiwiSaver transfer processes, setting up a new LiveChat facility, staff training, and updating the website.

In addition, the Fund worked to eliminate some of the red tape around KiwiSaver roll-ins. This included waiving the six-month waiting period before being allowed to transfer across a KiwiSaver balance and removing the need to provide certified ID or any copies of migration documents from New Zealand.

Our partnership with NZRelo will help New Zealanders who have migrated to Australia consolidate their KiwiSaver balances into First Super.



ENVIRONMENTAL

SOCIAL AND GOVERNANCE

During the year, First Super continued to implement and enhance its environmental, social and governance (ESG) policies.

Of importance to us is ensuring members' retirement savings are protected against ESG risks. We do this by engaging with our investment managers and investee companies, and through our membership of the Australian Council of Superannuation Investors (ACSI).

PROXY VOTING

First Super owns shares in Australian publicly listed companies and is entitled to vote on shareholder resolutions at company annual general meetings.

The Fund voted against company board recommendations to increase direct fee caps 71% of the time, as the increase was higher than the increase in average ordinary time earnings. It also voted against recommendations on executive remuneration 45% of the time during the financial year. Details of how we vote on all resolutions can be found on the Fund Disclosure section of our website at firstsuper.com.au/about-us/.

The Fund is a member of the 30% Club, which has the objective of increasing gender diversity on company boards. The Fund, as a signatory, voted against director re-election 8% of the time where a board was made up of fewer than 30% women. It was pleasing that the Fund needed to vote against director re-election less than in previous years, as more boards reduced gender disparity in their composition.

For other resolutions, the Fund was guided by ACSI's recommendations.

How First Super directs investment managers to vote is detailed in the First Super ESG and Voting Policy, which also details how First Super has exercised its voting rights in relation to shares in listed companies.

SOCIAL FACTORS

First Super, along with several like-minded funds, investigated the feasibility of creating a tool for evaluating investee company adherence to social factors. Fund managers would be expected to use this tool.

At present, managers assess environmental and governance factors to a growing extent, but assessment of social factors is and remains limited. We want managers to have a transparent, repeatable process to assess social factor application in their investment processes.

This collective of funds engaged the McKell Institute to evaluate the effectiveness of fund managers using UN Global Compact signatory reporting, particularly on the four labour principles. It found that reporting by signatories was limited and not useful.

Consequently, in the latter half of 2020, First Super along with a number of other funds will launch an investor statement of expectations of UN Global Compact signatories.

McKell Institute will continue its work on developing the social assessment tool, with an alternative approach having significant promise. We hope to report on this in next year's annual report.



FIRST SUPER'S ESG POLICY

First Super's ESG Policy is guided by the principles of the United Nations-backed Principles for Responsible Investment and the United Nations Global Compact (UNGC). The UNGC Principles mean operating in a manner that, at a minimum, meets fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

The UNGC Principles require businesses to:

HUMAN RIGHTS	Principle 1: Support and respect the protection of internationally proclaimed human rights; and	Principle 2: Make sure that they are not complicit in human rights abuses.		
LABOUR	Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining;	Principle 4: Eliminate all forms of forced and compulsory labour;	Principle 5: Effectively abolish child labour; and	Principle 6: Eliminate discrimination in respect of employment and occupation.
ENVIRONMENT	Principle 7: Support a precautionary approach to environmental challenges;	Principle 8: Undertake initiatives to promote greater environmental responsibility; and	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION	Principle 10: Work against corruption in all its forms, including extortion and bribery.			

INVESTMENTS

This section provides a review of First Super's investment performance, our 2019/20 crediting rates, and a breakdown of where investments held by the Fund were allocated as at 30 June 2020.

Following months of extreme global share market volatility, First Super's investment options, except the cash options, achieved negative earnings for the 2019/20 financial year. These results reflect a tough 12 months for both superannuation and the economy generally.

No one could have anticipated the severe impact the coronavirus pandemic would have on the world, with significant and continuing loss of life, nations locking down, and unprecedented government and central bank stimulation. It is too early to say what the permanent damage to national and global economies may be. One estimate is of a permanent 2% loss to global gross domestic product.

Not surprisingly, it was an extremely volatile period for investment markets, particularly in the second half of the year when investors rapidly sold off and bought back stocks as the impact of the pandemic became apparent.

March 2020 was one of the worst individual months on record for share markets. The Australian market experienced larger sell-offs than other developed markets.

By the end of the financial year international stock markets had recovered those losses and made some gains, finishing up 5.2% from the start of the financial year.

The strong recovery and return were driven by only a handful of stocks, primarily Facebook, Amazon, Alphabet and Netflix, followed by other tech stocks. The recovery was the sharpest ever. On the other hand, Australian large capitalisation stocks fell by 7.8% over the financial year.

First Super's default superannuation option – the Balanced option – returned -0.95% for the financial year ending 30 June 2020. For pension members, the Balanced option returned -1.19%.# Investment returns for all investment options are set out in the table below.

The Fund's Balanced option did not benefit from the lower allocation to growth assets as it was under-weight in international shares and emerging markets, which both delivered positive returns. Mid-risk assets, including property, infrastructure and floating rate debt (which outperformed in previous years), were more significantly impacted by the pandemic and delivered weaker performance during the year.

At a sector level, cash, infrastructure and unhedged international equities outperformed relative to their benchmarks. However, on an absolute basis, only cash and infrastructure added value. Australian equities detracted the most from overall performance, followed by floating rate debt, Australian private equity, and international fixed interest sectors.

The table below sets out earnings for all options within the accumulation and pension funds for the year ending 30 June 2020.

Investment option	Superannuation fund rate of return %	Pension fund rate of return %
Balanced (default)	-0.95%	-1.19%
Cash	1.35%	1.60%
Conservative Balanced	-0.43%	-0.24%
Growth	-1.69%	-1.60%
Shares Plus	-2.37%	-2.33%

#Independent ratings agency SuperRatings assessed our performance relative to the default options of other super funds as 'satisfactory'. The best 25% (top quarter) of super funds returned an average of -1.76%, while the bottom 25% returned an average of -5.02%.



INVESTMENT STRATEGY

The Federal Government's temporary early release of superannuation scheme was not anticipated when the Board and its Investment Committee undertook the strategic asset allocation review in August and September 2019. Following the announcement of the scheme in March, the Board elected to hold larger cash reserves to meet payment requests. This resulted in the Fund holding fewer Australian shares than was desirable, which in turn meant the Balanced option missed out on some of the share market recovery from March onwards.

Given the significant fall in share markets in February and March 2020, the Board undertook an out-of-cycle review of the valuation of infrastructure holdings, unlisted property, and directly held investments to ensure that these assets were fairly valued. The Board engaged actuaries and was advised to fix fair interim valuations. The Board approved reductions in asset values, which flowed through to April's interim and month-end crediting rates. It was important to approve these rates before the first round of early release payments commenced on 20 April 2020.

To monitor investment and manager risk, the Board and Investment Committee increased their meeting frequency during the last quarter of 2019/20.

During the year the Investment Committee undertook a review of its Australian equities manager line-up.

Following an extensive selection process, the Board awarded Ausbil Investment Management a mandate. Consequently, Perpetual's Australian equity mandate was terminated.

ECONOMIC OUTLOOK

We are continuing to see share market volatility while the impacts of the coronavirus pandemic disrupt economies around the world and, therefore, the returns of super fund investments.

Other global economic factors that may influence investment markets in the months ahead are the continuing trade hostilities between the United States and China and the outcome of the US presidential election.

Our Fund Managers now hope and expect future policy stability in superannuation as Australia and our economy slowly recovers from the extraordinary events of 2020.

The Investment Committee remains convinced of the value of investing member funds with active managers in preference to total allocations to index managers, as we believe that active managers can continue to exploit market inefficiencies. Standing by this belief has generated additional returns for members in previous financial years, and we believe this approach will continue to be beneficial in what we expect to be continued challenging times ahead for domestic and global share markets.



MITCHELL REARDON,
TEAL WINDOWS,
FIRST SUPER MEMBER

We are continuing to see share market volatility while the impacts of the coronavirus pandemic disrupt economies around the world and, therefore, the returns of super fund investments.

CREDITING MEMBER ACCOUNTS

Each First Super member's account earns investment income at the Fund's declared crediting rate*. The crediting rate used depends on the investment option(s) selected. First Super will declare a crediting rate return each month for each investment option based on earnings and estimated investment fees and tax.

After the end of the financial year (30 June) or when a member leaves the Fund, First Super adjusts their account based on the accumulated weekly performance of each investment option after deducting tax and fees and allowing for reserves.

At the end of the financial year, the amount applied to a member's account is based on their average daily account balance and the related weekly performance for their investment option.

You should take into account that investment returns can fluctuate up or down and may be negative in some years. The actual returns are based on the performance of the underlying investments and First Super does not guarantee or promise any specific rate of return.

Interim crediting rates

First Super also determines interim crediting rates of earnings* that apply when members are paid a benefit during the year.

These interim rates are calculated based on the declared weekly crediting rates to the date of exit or withdrawal plus the estimated investment crediting rate for any part week up to the date of exit or withdrawal. If you leave the Fund, an interim crediting rate is applied to your entire account balance.

* Crediting rates and interim earning rates may be positive or negative. If the crediting rate is positive your account grows. If the rate is negative, your account balance is reduced.

-0.95%

the return of First Super's
Balanced option for 2019/20

Below are the crediting rates for the financial year ending 30 June 2020 and prior periods.

Superannuation crediting rates							
Investment option	2019/20 financial year %	Past 2-year % p.a.	Past 3-year % p.a.	Past 5-year % p.a.	Past 10-year % p.a.	Return since inception %	Inception date
Balanced (default)	-0.95%	2.80%	5.36%	6.54%	7.61%	8.11%	1 July 1988 [^]
Cash	1.35%	1.69%	1.90%	2.09%	2.90%	3.90%	1 March 2001
Conservative Balanced	-0.43%	2.64%	4.38%	5.32%	6.59%	5.45%	1 July 2008
Growth	-1.69%	2.65%	5.64%	7.04%	N/A	9.21%	14 October 2011
Shares Plus	-2.37%	2.64%	6.27%	7.85%	9.32%	6.02%	1 March 2001

[^]The composition of the Balanced option was fundamentally different prior to 1 July 1988.

Pension crediting rates							
Investment option	2019/20 financial year %	Past 2-year % p.a.	Past 3-year % p.a.	Past 5-year % p.a.	Past 10-year % p.a.	Return since inception %	Inception date
Balanced (default)	-1.19%	2.90%	5.40%	6.72%	8.25%	7.16%	18 March 2005
Cash	1.60%	1.93%	2.19%	2.42%	3.39%	3.71%	1 July 2005
Conservative Balanced	-0.24%	3.03%	4.94%	5.96%	7.42%	6.14%	1 July 2008
Growth	-1.60%	3.05%	6.31%	7.83%	N/A	8.98%	10 August 2013
Shares Plus	-2.33%	2.81%	6.51%	8.19%	10.02%	7.78%	1 July 2005

Note: 'N/A' indicates there were no similar investment options available 10 years ago. Rates are not guaranteed and may not be the same as those allocated to your account for reasons including the date you joined and the timing of contributions. Past performance is not a reliable indicator of future performance.



YOUR INVESTMENT CHOICE

First Super lets you choose how your super is invested. Members can choose to invest in any one or a combination of the following five investment options:

- 1 Shares Plus
- 2 Growth
- 3 Balanced
- 4 Conservative Balanced
- 5 Cash

You can mix your investment in any percentage split across the five investment options or choose to invest in just one option. You can pick what works best for your circumstances.

Making an investment choice

Before making an investment choice, you should consider your personal situation and understand the relationship between risk and return. This is essential to making an informed investment decision.

You can change your investment mix at any time, provided you have an account balance of at least \$1,000.

First Super provides all members with access to low-cost financial planning services*.

They work on a fee-for-service basis, so you know what it is going to cost you up front. Your initial consultation is free.

Call **1300 360 988** for more information or to arrange for a First Super Financial Planner to contact you.

Investment options

For more information, read the *Investing Your Super* booklet available in the PDS and Publications section of firstsuper.com.au/pds.

Use of derivatives

First Super allows some of its investment managers to use derivative instruments to help manage risk and for other defensive purposes. The managers must use derivatives within strict parameters.

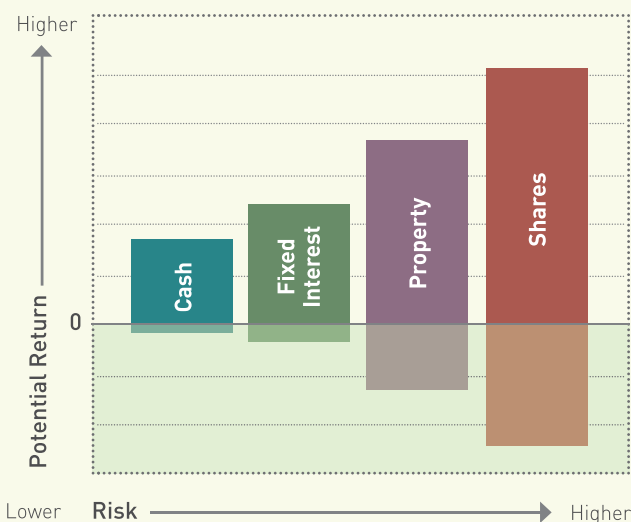
Derivative instruments are not used for speculative investing. The Trustee Derivative Charge Ratio did not exceed 5%.

Socially responsible investing

Labour standards and environmental, social or ethical considerations may be taken into account in the selection, retention or realisation of investments.

THE RISK/RETURN PROFILE OF THE MAIN ASSET CLASSES

This graph illustrates the relationship between higher returns and greater risk. It does not reflect the actual returns or risks.



The link between risk and return

Generally, investment in high-risk assets will produce higher returns over the long term, with a greater chance of a negative return over the short term.

Each of the four main asset classes – shares, property, fixed interest and cash – has different levels of risk and different potential for returns.

* First Super Financial Planners are authorised representatives of Industry Fund Services Ltd (IFS) (ABN 54 007 016 195 AFSL 232514).

Investment options as at 30 June 2020

Shares Plus

Objectives

- > Achieve an investment return (after tax and investment expenses) that exceeds inflation, as measured by the Consumer Price Index, by at least 4.0% per annum over rolling 10-year periods.
- > Confine the chance of the rate credited to members falling below zero in any financial year to less than one in four.
- > Achieve an investment return (after tax and investment expenses) that exceeds the median of the SuperRatings High Growth (91-100) Option Survey over rolling five-year periods.

Investor profile

This investment option is likely to appeal to members with a long-term view of their super savings and/or who are prepared to accept higher risk in the search for higher returns.

Risk profile

The Shares Plus option is likely to provide a high degree of volatility and fluctuations in returns and is at the high end of the risk/return range. The risk may increase by the nature of overseas investments, which means that this option is subject to the considerable extra risk of currency fluctuations and international events. It is likely to outperform the other investment options offered over the long term.

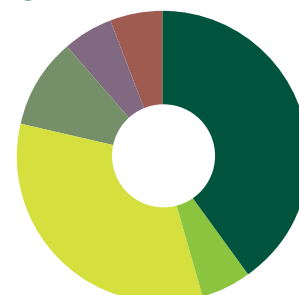
Standard risk

LIKELIHOOD OF NEGATIVE RETURNS: 4.6 IN EVERY 20 YEARS

RISK BAND: 6 **RISK LABEL:** HIGH

Asset allocation and ranges

Actual % as at 30 June 2020*



Asset class	Actual	Range
● Australian Listed Equities	40.2%	30-60%
● Australian Unlisted Equities	5.6%	0-20%
● International Listed Equities	32.9%	0-40%
● International Unlisted Equities	0.0%	0-5%
● Australian Unlisted Property	10.1%	0-20%
● Australian Unlisted Infrastructure	5.6%	0-10%
● International Unlisted Infrastructure	5.6%	0-10%

Growth

Objectives

- > Achieve an investment return (after tax and investment expenses) that exceeds inflation, as measured by the Consumer Price Index, by at least 3.75% per annum over rolling 10-year periods.
- > Confine the chance of the rate credited to members falling below zero in any financial year to less than one in five.
- > Achieve an investment return (after tax and investment expenses) that exceeds the median of the SuperRatings Default Option Survey over rolling five-year periods.

Investor profile

This option is likely to appeal to members who are prepared to accept higher investment risk in the search for higher returns, but also wish to reduce the risk of very large investment losses by diversifying into some defensive assets.

Risk profile

The Growth option is likely to provide a high degree of volatility and fluctuations in returns. It has a lower investment risk/return profile than the Shares Plus option because it has a higher exposure to defensive assets. Over the long term it is likely to outperform the other investment options, except for Shares Plus.

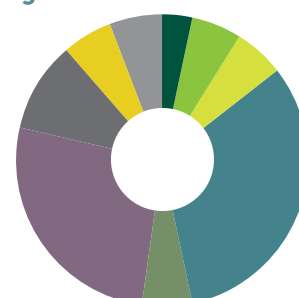
Standard risk

LIKELIHOOD OF NEGATIVE RETURNS: 3.9 IN EVERY 20 YEARS

RISK BAND: 5 **RISK LABEL:** MEDIUM TO HIGH

Asset allocation and ranges

Actual % as at 30 June 2020*



Asset class	Actual	Range
● Cash	3.5%	0-20%
● Australian Fixed Income	5.4%	0-20%
● International Fixed Income	5.7%	0-20%
● Australian Listed Equities	32.2%	25-45%
● Australian Unlisted Equities	5.5%	0-25%
● International Listed Equities	26.4%	0-45%
● International Unlisted Equities	0.0%	0-10%
● Australian Unlisted Property	10.1%	0-20%
● Australian Unlisted Infrastructure	5.6%	0-10%
● International Unlisted Infrastructure	5.6%	0-10%



Investment options as at 30 June 2020

Balanced

Objectives

- > Achieve an investment return (after tax and investment expenses) that exceeds inflation, as measured by the Consumer Price Index, by at least 3.5% per annum over rolling 10-year periods.
- > Confine the chance of the rate credited to members falling below zero in any financial year to less than one in seven.
- > Achieve an investment return (after tax and investment expenses) that exceeds the median of the SuperRatings Default Option Survey over rolling five-year periods.

Investor profile

This investment option is likely to appeal to members seeking mid to long-term growth of their super along with diversification across asset classes.

Risk profile

Designed to provide good growth over the mid to long term while reducing risk through diversification. Likely to slightly underperform against the Shares Plus and Growth options over the long term.

Recommended time frame

Superannuation is a long-term investment, and the Balanced option is designed to outperform inflation over rolling 10-year periods.

Standard risk

LIKELIHOOD OF NEGATIVE RETURNS: 2.7 IN EVERY 20 YEARS

RISK BAND: 4 RISK LABEL: MEDIUM

Asset allocation and ranges

Actual % as at 30 June 2020*



Asset class	Actual	Range
Cash	8.0%	0-15%
Australian Fixed Income	10.5%	0-40%
International Fixed Income	11.0%	0-40%
Australian Listed Equities	19.8%	15-40%
Australian Unlisted Equities	7.0%	0-25%
International Listed Equities	20.2%	5-40%
International Unlisted Equities	0.2%	0-5%
Australian Unlisted Property	10.2%	0-20%
Australian Unlisted Infrastructure	7.2%	0-10%
International Unlisted Infrastructure	5.9%	0-10%

Conservative Balanced

Objectives

- > Achieve an investment return (after tax and investment expenses) that exceeds inflation, as measured by increases in the Consumer Price Index, by at least 2.5% per annum over rolling 10-year periods.
- > Confine the chance of the rate credited to members falling below zero in any financial year to less than one in 12.
- > Achieve an investment return (after tax and investment expenses) that exceeds the median of the SuperRatings Conservative Balanced (41-59) Option Survey over rolling five-year periods.

Investor profile

Members investing for the short to medium term who want a more secure option with less chance of fluctuations than the Shares Plus, Growth or Balanced options and/or members looking for lower-risk options for their super savings.

Risk profile

Designed to provide more stable returns than the Shares Plus, Growth or Balanced options. It is at the lower end of the risk/return range and is likely to underperform against the Shares Plus, Growth or Balanced options over the medium to long term.

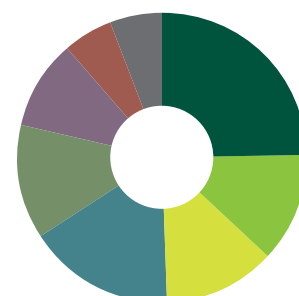
Standard risk

LIKELIHOOD OF NEGATIVE RETURNS: 1.7 IN EVERY 20 YEARS

RISK BAND: 3 RISK LABEL: LOW TO MEDIUM

Asset allocation and ranges

Actual % as at 30 June 2020*



Asset class	Actual	Range
Cash	25.0%	5-25%
Australian Fixed Income	12.0%	5-45%
International Fixed Income	12.6%	5-45%
Australian Listed Equities	16.3%	10-30%
International Listed Equities	12.9%	5-20%
Australian Unlisted Property	10.1%	0-20%
Australian Unlisted Infrastructure	5.6%	0-10%
International Unlisted Infrastructure	5.6%	0-10%

*Actual asset allocation percentages may not add up to 100% due to rounding.

Investment options as at 30 June 2020

Cash

Objectives

- > Achieve an investment return (after tax and investment expenses) that exceeds the Bloomberg Ausbond Bank Bill Index over rolling five-year periods.
- > Confine the chance of the rate credited to members falling below zero in any financial year to being negligible.
- > Achieve an investment return (after tax and investment expenses) that exceeds the median of the SuperRatings Cash Option Survey over rolling five-year periods.

Investor profile

Members investing for the short term and/or those who want a secure option with a low chance of investment fluctuations. This may be suitable for members intending to realise or reorganise their investments in the near future who want to avoid the possibility of a loss over that period.

Risk profile

Designed to provide very stable returns at the lowest end of the risk/return range. However, it is likely to underperform all other investment options offered over all but the shortest periods.

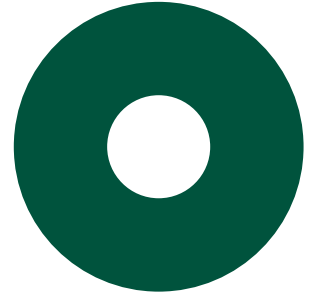
Standard risk

LIKELIHOOD OF NEGATIVE RETURNS: 0.0 IN EVERY 20 YEARS

RISK BAND: 1 **RISK LABEL:** VERY LOW

Asset allocation and ranges

Actual % as at 30 June 2020*



Asset class	Actual	Range
● Cash	100%	0-100%

*Actual asset allocation percentages may not add up to 100% due to rounding.





INVESTMENTS HELD BY THE FUND

First Super invests in a range of asset classes handled by leading Australian and international investment managers. Spreading your money across different asset classes effectively spreads the risk, reducing the likelihood of poor returns on the overall value of the investment.

	30 June 2020 \$
Australian Equities	
Eley Griffiths Aust Equities Small Companies Mandate	70,704,572
IFM Enhanced Index Aust Equity Mandate*	242,843,772
Allan Gray Australian Equity Fund	112,710,476
Perpetual Australian Equity Mandate*	189,815,268
Total Australian Equities	616,074,088
Australian Infrastructure	
IFM Australian Infrastructure Fund	153,053,195
Utilities Trust of Australia	58,207,604
Total Australian Infrastructure	211,260,799
Australian Private Equity	
First Trust Portfolio	106,621,685
Frontier Advisors Pty Ltd	370,616
ME Bank Ltd	45,996,099
Industry Super Holdings	36,708,033
ROC Partners Trust 3	212,587
ROC Partners Trust IV	3,003,084
Stafford Private Equity 3	1,098,837
Stafford Private Equity 4	748,432
Super Benefits Administration	3,565,547
Total Australian Private Equity	198,324,922
Cash and Capital Guaranteed	
IFM Transaction Cash Fund	34,435,773
Short Term Cash Account (Term Deposit)*	228,457,196
Cash	133,679,467
Total Cash	396,572,436

	30 June 2020 \$
Fixed Interest	
IFM Specialised Credit Fund*	175,597,162
Blackrock Aus Bond Index Fund	125,793,229
Blackrock Global Bond Index Fund	55,870,276
IFM Aus Credit Opportunities Mandate	2,395,743
PIMCO Global Bond Fund	126,061,822
PIMCO Target Return Fund	103,160,375
ME Super Loans Trust	449,061
Westbourne Infrastructure Debt Fund 2	33,992,400
Total Fixed Interest	623,320,068
International Equities (Unhedged)	
Blackrock International Equities	71,729,021
Capital Group Global Equity Fund	154,877,320
Orbis Global Equity Fund	135,098,726
C Worldwide Global Equity Fund*	157,272,205
Total International Equities (Unhedged)	518,977,271
International Equities (Hedged)	
Blackrock International Index Fund Hedged	86,029,993
Total International Equities (Hedged)	86,029,993
International Infrastructure	
IFM International Infrastructure*	175,464,540
Total International Infrastructure	175,464,540
International Private Equity	
IFM International Private Equity 1	352,191
Wilshire Private Markets LPs (formerly Pooled Superannuation Trust)	3,540,086
Total International Private Equity	3,892,277
Property	
ISPT Core Fund*	221,813,530
Franklin International Real Estate 2	43,558
QIC Property Fund	81,452,556
Total Property	303,309,644

* These assets represent 5% or more of the Fund

Total investments

\$3,133,226,038

FINANCIALS

The following is an abridged version of First Super's Financial Statements for the financial year ending 30 June 2020.

A copy of the audited Financial Statements is now available to download at firstsuper.com.au.

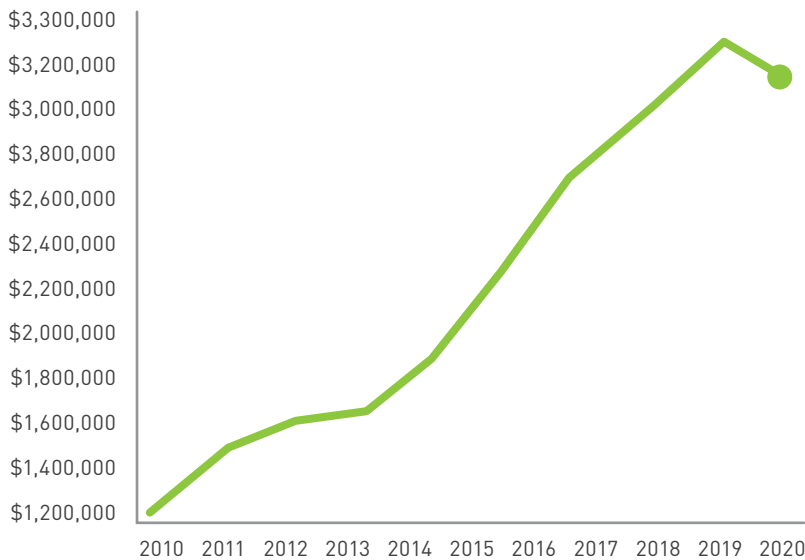
Statement of financial position	30 June 2020 (\$)	30 June 2019 (\$)
Assets		
Investments	3,133,321,959	3,241,889,174
Other assets	16,265,605	8,831,611
Total assets	3,149,587,564	3,250,720,785
Liabilities		
Tax liabilities	40,666,921	50,397,193
Other liabilities	8,866,552	7,619,291
Total liabilities	49,533,473	58,016,484
Net assets available for members benefits	3,100,054,091	3,192,704,301
Members benefits	3,082,146,773	3,170,494,779
Net assets	17,907,318	22,209,522
Equity		
Operational risk reserve	8,409,152	8,444,531
Other reserves and undistributed earnings	9,498,166	13,764,991
Total equity	17,907,318	22,209,522
Income statement		
	30 June 2020 (\$)	30 June 2019 (\$)
Superannuation activities		
Investment income	(37,112,126)	222,137,435
Other income	2,251,949	1,804,019
Total superannuation activities revenue	(34,860,177)	223,941,454
Expenses		
Investment expenses	4,965,580	4,833,966
Administration and operating expenses	14,307,127	14,245,056
Total expenses	19,272,707	19,079,022
Results from superannuation activities before income tax expense	(54,132,884)	204,862,432
Income tax (expense)/benefit	16,041,453	(15,536,317)
Results from superannuation activities after income tax expense	(38,091,431)	189,326,115
Less net benefits allocated to members	33,785,877	(189,880,691)
Operating result after income tax	(4,305,554)	(554,576)

Total assets under management

\$3,149,587,564



Funds Under Management (\$'000)



\$3.15 billion

the total value of First Super's assets as at 30 June 2020

\$262,046,189

the total value of contributions made to First Super member accounts for the 2019/20 financial year.

Fund equity

The Trustee maintains a reserve for administration and operational purposes, such as paying costs and receiving administration fees. The value of the administration reserve is generally between 0.1% and 0.9% of Fund assets and is invested in the Balanced investment option.

Year ending 30 June	Reserves and undistributed earnings balance (\$)
2020	\$9,498,166
2019	\$13,764,991
2018	\$14,773,064

From 1 July 2013, First Super established a separate Operational Risk Financial Reserve (ORFR) to address potential losses arising from operational risks as required under superannuation legislation. There are specific guidelines and processes surrounding the operation and utilisation of this reserve, which are contained within First Super's Operational Risk Requirement Policy. The amounts in the table above exclude the ORFR.

The ORFR was funded by a transfer of funds from the administration reserve after the annual audit was completed for the 2013 financial year. Although initially invested in cash and fixed interest securities, the ORFR may be partially invested in the other assets, including listed shares and other liquid securities. It is now invested in the Conservative Balanced investment option. The value of the ORFR at 30 June 2020 is \$8,409,152, as detailed in the table below.

Year ending 30 June	Operational Risk Financial Reserve (\$)
2020	\$8,409,152
2019	\$8,444,531
2018	\$7,979,146

TAKING CARE OF FIRST SUPER

Our Board of 12 Trustee Directors is responsible for the overall governance, risk management, investment strategy and strategic direction of First Super. Our Directors are obliged by law to act in the best interests of all members of the Fund.

YOUR TRUSTEE

The Trustee

The Trustee of First Super is a company, First Super Pty Ltd (ABN 42 053 498 472, AFSL 223988). The Trustee is responsible for the efficient and prudent management of the Fund of which it is Trustee. It is responsible for managing more than \$3.13 billion in funds under management and overseeing its investments on behalf of more than 46,000 members, in accordance with the Trust Deed and relevant legislation.

At the date this report was issued, the Trustee has not incurred any penalties under Section 38A of the *Superannuation Industry (Supervision) Act 1993*.

Trustee insurance

The Trustee holds indemnity insurance providing cover to protect the Fund, its Directors and officers from the costs and liabilities that may arise from legal action.

Trust Deed

The Trust Deed contains the rules of First Super. No changes were made to the Trust Deed for the financial year ending 30 June 2020.

The Trustee Office

First Super's day-to-day operations and the implementation of the Fund strategy are run from our office in Carlton, on the fringe of Melbourne's CBD. The Trustee Office is led by Chief Executive Officer Bill Watson. He is supported by Executive Manager – Governance Maxine Jacona, Executive Manager – Financial Advice and Education Andrew Jewell, Risk Manager Laurie Kennedy, and other colleagues in the Trustee Office.

The Trustee Board

The First Super Trustee Board comprises five employee representatives, five employer representatives and two independent representatives. Directors are appointed to the Board following consideration of a nominee's suitability, skills and qualifications.

Employee representatives are nominated to the Board by the Construction Forestry Maritime Mining and Energy Union (Manufacturing Division) while employer representatives are nominated by employers or employer associations.

Two independent directors are jointly appointed by the other members of the Trustee Board. The Board members elect the Co-Chairpersons every three years.

The Board generally meets four times a year and undertakes an annual review of its performance. Every second year an independent external review of the Board (and its committees) is commissioned.

Risk management framework

First Super's Risk Management Framework incorporates and defines the requirements and inter-dependencies between business operations, external influences, key enablers (people, policies, processes, tools and technology), core risk and control activities, and governance protocols. This ensures all key risks are appropriately identified, weighted for importance, and effectively managed in accordance with industry standards and APRA requirements (specifically Prudential Standard SPS 220 Risk Management).

Did you know?

Our Member Services Team handled more than 47,000 in-bound calls and 23,500 emails from members in the 2019/20 financial year.



Board members and committees

The First Super Trustee Board has established committees to deal with particular areas of the Fund's management and to make recommendations to the Board, helping it to discharge its duties. Each committee generally meets four times a year, with additional meetings scheduled as required.

The Directors of First Super, their representation, and their committee membership as at 30 June 2020 were as follows.

Board Directors		
Board	Appointment date	Representation and nominating body
Michael O'Connor (Co-Chair)	1 July 2008	Employee – CFMMEU – Manufacturing Division
Mike Radda (Co-Chair)	1 July 2008	Employer – Australasian Furniture Association
Candy Broad	21 April 2015	Independent
Robyn Burns	1 July 2019	Employer – Australian Cabinet and Furniture Association
Denise Campbell-Burns	19 March 2013	Employee – CFMMEU – Manufacturing Division
Tim Chatfield	22 September 2017	Independent
Julie George	14 February 2015	Employer – Kimberly-Clark Australia
Janet Gilbert	14 March 2017	Employer – Timber Trade Industrial Association
Lisa Marty	10 August 2012	Employer – Victorian Association of Forest Industries
Scott McDine	1 September 2017	Employee – CFMMEU – Manufacturing Division
Alex Millar	1 July 2008	Employee – CFMMEU – Manufacturing Division
Frank Vari	1 July 2008	Employee – CFMMEU – Manufacturing Division

Board Committee membership				
Administration and Marketing	Investment	Audit and Compliance	Remuneration	Nomination
Lisa Marty (Chair)	Michael O'Connor (Chair)	Tim Chatfield (Chair)	Candy Broad (Chair)	Candy Broad (Chair)
Robyn Burns	Candy Broad	Candy Broad	Janet Gilbert	Lisa Marty
Denise Campbell-Burns	Julie George	Denise Campbell-Burns	Alex Millar	Michael O'Connor
Tim Chatfield	Lisa Marty	Julie George	Michael O'Connor	Mike Radda
Janet Gilbert	Scott McDine		Mike Radda	Frank Vari
Alex Millar	Mike Radda			
Michael O'Connor	Frank Vari			

Mike Radda was appointed as Co-Chair on the First Super Board as at 1 January 2020. Robyn Burns was appointed as a First Super Director on 1 July 2019.

Service providers

First Super works with a range of independent advisors and service providers to assist with running its operations on a day-to-day basis. Each advisor and service provider is appointed following a due diligence process. Advisors and service providers may change from time to time. As of 30 June 2020, First Super used the advisors and service providers listed below.

Role	Company / Organisation
Actuary	Mercer (Australia) Pty Ltd
Administrator	Super Benefits Administration Pty Ltd*
External Auditor	BDO Audit
Internal Auditor	PricewaterhouseCoopers
Insurer	MetLife Insurance Limited
Insurance Advisor	IFS Insurance Solutions Pty Ltd
Asset Consultant / Investment Advisor	Frontier Advisors Pty Ltd*
Investment Managers	Eley Griffiths Group Pty Ltd Industry Funds Management Pty Ltd* Perpetual Investment Management Ltd Stafford Private Equity Pty Ltd
Legal Advisor	Holding Redlich
Master Custodian	BNP Paribas Securities Services
Tax Advisor	Ernst & Young
Financial Planning	Industry Fund Services Pty Ltd
Member and Employer Services Coordinators	Construction, Forestry, Maritime, Mining and Energy Union (Manufacturing Division)

*First Super holds shares in this service provider as an investment.



VISITING MEMBERS AT VALMAR SUPPORT SERVICES, TUMUT (FROM LEFT TO RIGHT): ROBERT KEOGH (FINANCE) AND HUGH PACKARD (CEO) WITH FIRST SUPER'S BRAD WELDON (EXECUTIVE MANAGER, MEMBER AND EMPLOYER SERVICES), STEPHEN GOOLEY (MEMBER AND EMPLOYER SERVICES COORDINATOR) AND LEE SURACE (BUSINESS DEVELOPMENT MANAGER).



DIRECTORS' REMUNERATION REPORT

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 to compensate for the time they spend managing the business of the Fund on the Trustee Board.

The Remuneration Committee regularly examines and sets the fees paid to Directors. They may seek independent advice from time to time to ensure Board remuneration is in line with the market. Based on information available, the Remuneration Committee is satisfied that the level of remuneration paid to First Super's Directors is reasonable.

Directors' fees

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 for interstate Directors.

Committee and sub-committee meetings

Covering preparation and attendance at committee and sub-committee meetings. Payment includes an allowance for travel and accommodation for interstate Directors.

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 for interstate Directors.

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 \$1,250 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

From December 2019, Directors travelling intrastate for governance meetings and representation duties will be paid an Intrastate Allowance Rate of \$500 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' Fees and Allowances

The Directors' fees and allowances for the year ended 30 June 2020 are as follows.

Role/activity		Fees and allowances
Co-Chairpersons		\$1,650 per calendar month or part thereof
Co-Chairpersons and Directors	Board Meetings and Strategic Planning Day(s)	\$3,300/meeting (plus Allowance Rate where applicable)
	Committee Meetings, Ad-Hoc Committee and Sub-Committee meetings and AGM	\$1,650/meeting (plus Allowance Rate where applicable)
Associate Directors	Board Meetings and Strategic Planning Day(s)	\$2,475/meeting (plus Allowance Rate where applicable)
	Committee Meetings, Ad-Hoc Committee and Sub-Committee meetings and AGM	\$1,238/meeting (plus Allowance Rate where applicable)
Workshops/Training Courses (Co-Chairs, Directors and Associate Directors)		\$1,650/day (plus Allowance Rate where applicable)
Domestic Conferences (Co-Chairs and Directors)		\$1,650/day (plus Allowance Rate where applicable)
International Conferences & Workshops (Co-Chairs and Directors)		\$1,210/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.
Representational Committees	AIST Chairs forums APRA consultations	\$2,475/meeting (plus Allowance Rate where applicable)
Industry not-for-profit committees (Co-Chairs and Directors) where no fee or honoraria paid by organisation to Director and where the Director is required to represent the Fund		\$1,210/day (plus Allowance Rate where applicable)
Teleconferences		Fees not applicable
Travel		Interstate travel: Directors travelling interstate for governance meetings and representation duties will be paid an Interstate Allowance Rate of \$1,250 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: From December 2019, Directors travelling intrastate for governance meetings and representation duties will be paid an Intrastate Allowance Rate of \$500 per day where an overnight stay is required.



2019/20 Attendance and Remuneration

Listed below are Directors' meeting attendance and remuneration (including GST where applicable) for the year ending 30 June 2020. The Construction, Forestry, Maritime, Mining and Energy Union is abbreviated to CFMMEU in the table.

Director	Board	Committee	Total PD hrs	Fees paid ¹	Fees paid to
Candy Broad	6/6	16/16	27.25	\$58,074	Candy Broad
Robyn Burns	5/6	9/9	42.5	\$45,803	Robyn Burns
Denise Campbell-Burns	6/6	12/12	17	\$42,845	CFMMEU – Manufacturing Division
Tim Chatfield	6/6	12/12	28.4	\$43,575	Timothy Chatfield
Julie George	6/6	10/10	26.25	\$51,060	Busi Culture Pty Ltd
Janet Gilbert	6/6	10/10	16.25	\$45,405	Janet Gilbert
Lisa Marty²	6/6	14/14	53.75	\$73,959	Lisa Marty
Scott McDine	5/6	5/5	47.75	\$59,429	CFMMEU – Manufacturing Division
Alex Millar	6/6	9/9	28.25	\$40,865	CFMMEU – Manufacturing Division
Michael O'Connor	6/6	16/16	47	\$96,163	CFMMEU – Manufacturing Division
Mike Radda³	4/6	7/8	20	\$37,400	Sterad Pty Ltd
Frank Vari	6/6	7/7	27.55	\$36,195	CFMMEU – Manufacturing Division

1. Fees paid to interstate Directors include payment for travel and accommodation.

2. Lisa Marty was Co-Chair up to 31 December 2019.

3. Mike Radda was appointed Co-Chair on 1 January 2020.

2019/20 EXECUTIVE REMUNERATION REPORT

The Executive Officers' remuneration for the year ending 30 June 2020 is as follows.

Executive Officers					
	William Watson	Brad Weldon	Maxine Jacona	Andrew Jewell	Laurie Kennedy
Position held	Chief Executive Officer	Executive Manager Member and Employer Services	Executive Manager Governance	Executive Manager Financial Advice and Education	Risk Manager
Paid – cash component	\$369,744	\$197,180	\$188,652	\$162,648	\$132,712
Superannuation contributions includes SG and salary sacrifice	\$22,114	\$18,732	\$18,015	\$15,470	\$19,205
Remuneration from related entities	nil	nil	nil	nil	nil
Non-monetary benefit	nil	nil	nil	nil	nil
Long service leave accrued	\$9,420	\$4,832	\$4,584	\$3,956	\$3,255

First Super executives are not entitled to any other entitlements other than those listed.

Laurie Kennedy is employed on a part-time basis.

Brad Weldon was appointed on 8 July 2019.

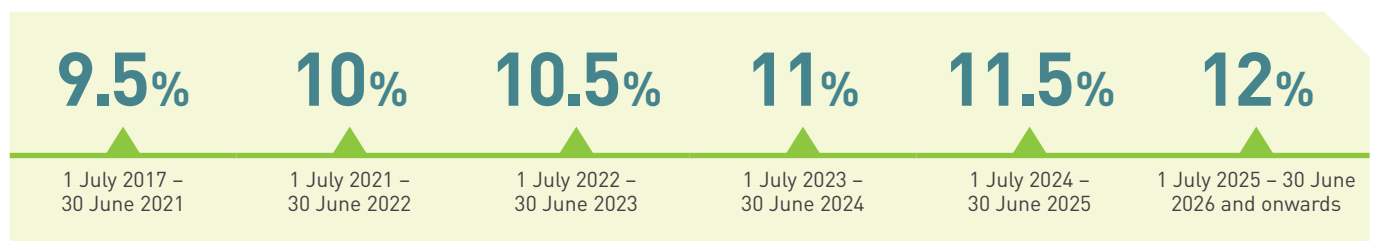
SUPERANNUATION

UPDATE

The following is a reminder of some of the key rates and thresholds for the 2019/20 financial year that are applicable to superannuation and the Age Pension.

SUPERANNUATION GUARANTEE RATE

Employers must contribute a minimum percentage of each eligible employee's earnings (ordinary time earnings) to a complying super fund or retirement savings account (RSA). Below is the current schedule for increasing the Super Guarantee rate.



Contribution limits[^] for the 2019/20 financial year

Caps apply to contributions made to an individual's super fund in a financial year. If a person pays in more to their super fund than these caps, they may have to pay extra tax.

Concessional Contributions (Before-tax contributions) Including employer, salary sacrifice and personal contributions for which a tax deduction is claimed.	\$25,000 for all ages
Non-concessional Contributions (After-tax contributions) Including personal contributions made from after-tax pay and spouse contributions.	\$100,000* People aged under 65 years may be able to make non-concessional contributions of up to three times their non-concessional contributions cap for the year over a three-year period. This is known as the 'bring-forward' option. If you brought forward your contributions into the 2019/20 financial year, it would be 3 x \$100,000 = \$300,000.

[^] These limits are reviewed each financial year and we will inform you of any changes to these limits as proposed by the Government.

* Individuals over age 65 and satisfying the 'work test' can make non-concessional contributions of up to \$100,000 per year.

TEMPORARY EARLY RELEASE OF SUPER

One of the Federal Government's measures to help people financially affected by the coronavirus crisis is temporary early access to superannuation savings. Under this measure, eligible individuals can apply directly to the Australian Taxation Office (ATO) through the myGov website to access up to \$10,000 of their superannuation before 1 July 2020, and up to a further \$10,000 to 31 December 2020. The eligibility criteria and information on how to apply are available on our website at firstsuper.com.au/temp-early-access.



GOVERNMENT CO-CONTRIBUTION THRESHOLD INCREASE

Low to middle-income earners who make a non-concessional contribution to their super fund from their post-tax earnings may be eligible for a co-contribution from the Federal Government.

The income threshold for eligibility for a Government Co-contribution has increased to \$54,837 for the 2020/21 financial year (up from \$53,564 for the 2019/20). If an individual earns less than this amount and makes a contribution to super from their after-tax pay, the Government may also contribute up to \$500 to their super tax free.

Want to know more?

For the most up-to-date information on the rules that affect superannuation and any incoming changes, visit the Australian Taxation Office website at www.ato.gov.au.

AGE PENSION ASSET AND INCOME TEST LIMITS

When assessing eligibility for the Age Pension, the Government considers how much a person's assets are worth (the assets test) and how much income they get (the income test). The test that results in the lower pension rate is then applied. If a person's assets or income exceed the limits, they may not be entitled to any Age Pension.

From 1 July 2020, the test limits are as follows.

ASSETS TEST

Levels for:	Full pension	Part pension (assets below)
Single – homeowner	\$268,000	\$583,000
Single – non-homeowner	\$482,500	\$797,500
Couple – homeowners	\$401,500	\$876,500
Couple – non-homeowners	\$616,000	\$1,091,000

INCOME TEST

Levels for:	Full pension (per fortnight)	Part pension (per fortnight)
Single	up to \$178	less than \$2,066.60
Couple	up to \$316	less than \$3,163.20

The Services Australia website has full details on Age Pension eligibility criteria, including age and test limits. Visit www.servicesaustralia.gov.au and go to the 'Age Pension' section.

LOWER DEEMING RATES AND DRAWDOWN LIMITS

In May 2020, as part of its economic response to the coronavirus pandemic, the Federal Government lowered deeming rates for the Age Pension income test to 2.25% (upper deeming rate) and 0.25% (lower deeming rate). The deeming rate is used to work out the income from financial assets. These changes were made to reflect the impact of historically low interest rates on income from savings.

The Government also temporarily halved the minimum drawdown requirements for pension accounts (i.e. the minimum amount of the account balance that must be withdrawn each financial year) to give retirees the option to keep more capital invested during a period of market volatility and lower investment returns. This change will remain in place for the 2020/21 financial year.

The minimum amount is a percentage of the account balance by age. The maximum that can be withdrawn from a Transition to Retirement Pension in any year equals 10% of the account balance at the start of each year (for those under age 65).

SIGNIFICANT EVENTS NOTICE

First Super reported two Significant Event Notices in the 2019/20 financial year. A summary is included below. Details of Significant Event Notices can be found on the 'Fund Statements' section of our website at firstsuper.com.au/about-us.

Notice date	Nature of event or change	Impact of the change
31 January 2020	Changes to the First Super Accumulation product. Information was updated within the relevant Product Disclosure Statements (PDS) and supplementary documents.	<ul style="list-style-type: none"> > Changes to insurance cover provision and eligibility due to the <i>Putting Members' Interests First</i> reforms, which are effective from 1 April 2020 > Increases to administration and asset fees for accumulation accounts
30 August 2019	Changes to the First Super Accumulation and Transition to Retirement Allocated Pension products. Information was updated within the relevant Product Disclosure Statements (PDS) and supplementary documents.	<ul style="list-style-type: none"> > Review of First Super insurance cover fees > Transition to Retirement: limit on opening accounts > Changes due to <i>Protecting Your Super Package</i> legislation: <ul style="list-style-type: none"> - Removal of exit fees - Capping of fees - Inactive low-balance account transfers to the Australian Taxation Office - Cancellation of insurance cover on inactive member accounts > Work Test Exemption rules



KEN WILLIS,
WILLIS JOINERY,
FIRST SUPER EMPLOYER AND MEMBER

GENERAL INFORMATION



CONTACTING FIRST SUPER

Members

If you are a First Super member and need more information about the Fund or help with your account, contact our Member Services Team.

In person: 165 Bouverie Street, Carlton VIC 3053
Mail: PO Box 666, Carlton South VIC 3053
Phone: **1300 360 988**
Fax: **1300 362 899**
Email: **mail@firstsuper.com.au**
Website: **firstsuper.com.au**

Employers

If you are an employer offering First Super to your employees, you can get help by phoning our Employer Services Team on **1300 943 171** or emailing **employers@firstsuper.com.au**.

Keep your details up to date

Be sure to let us know if you change any of your contact details: your address, phone number or email address. You can tell us about any changes easily by phoning our Member Services Team on **1300 360 988**. Alternatively, you can change or update your details through the member portal, **firstsuper.com.au/login**.

Updating your contact details means that you will continue to receive your Annual Statement, other regular communications, and important information from First Super. Doing this will also prevent you being classified as a “lost member”.

Superannuation surcharge

The superannuation surcharge payable by high income earners on contributions and termination payments made on or after 1 July 2005 has been abolished. However, the ATO continues to send assessments relating to prior years. Should First Super receive such an assessment, we will deduct the charge directly from your account.

You can contact the ATO by calling 13 10 20 or by visiting **ato.gov.au**.

Lost members

First Super is bound by law to transfer super accounts that are “lost” or “inactive” to the Australian Taxation Office (ATO).

Government legislation sets out that a member is generally considered ‘lost’ if at least two written communications sent by a fund to the last known address were returned unclaimed. In addition, a super account may be considered inactive if it has not received a contribution or rollover for two years.

Inactive low-balance accounts

A super account is an inactive low-balance account if:

- > the account has not received a contribution or rollover for 16 months;
- > the account balance is less than \$6,000;
- > the member has not met a condition of release; and
- > there is no insurance on the account.

However, an inactive low-balance account is deemed to be active if any of the following have occurred within the last 16 months:

- > the member changed their investment options;
- > the member changed their insurance coverage;
- > the member made or amended a binding beneficiary nomination;
- > the member notifies the ATO in writing that they are not a member of an inactive low-balance account; or
- > First Super was owed an amount in respect of the member.

Effect of being sent to the ATO

If your account is or has been sent to the ATO or to another fund for consolidation:

- > you will cease to be a member of First Super;
- > any insurance cover you had with First Super will cease;
- > your account becomes subject to the rules of the institution that received it.

Transfer of accounts

First Super is bound by law to transfer super accounts that are “lost” or “inactive” to the Australian Taxation Office (ATO).

Government legislation sets out that a member is generally considered ‘lost’ if at least two written communications sent by a fund to the last known address were returned unclaimed. In addition, a super account may be considered inactive if it has not received a contribution or rollover for two years.

First Super no longer uses an eligible rollover fund for transfers but, instead, transfers these amounts to the ATO.

Where possible, we will not transfer a member’s super account without attempting to notify them first to give them the opportunity to reactivate their account.

Temporary residents permanently leaving Australia

If a former temporary resident employee has left Australia and their visa has expired or been cancelled, First Super is required to pay their benefit to the ATO if it has not been claimed from First Super within six months of departure. Once transferred, the ATO will need to be contacted to make any claim. First Super relies on the Australian Securities and Investment Commission's relief from notifying or supplying an exit statement to a non-resident in these circumstances.

Complaints

The Trustee has established a procedure to deal fairly with member complaints. All complaints will be handled in a courteous and confidential manner and will be properly considered and dealt with within 45 days. If you believe you have a complaint, please write to:

Superannuation Complaints Officer

First Super, PO Box 666,
Carlton South VIC 3053

The Trustee may contact you during its investigation of your complaint. Once the investigation is complete, you will receive a written reply from the Trustee explaining the outcome of its investigation.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority,

GPO Box 3, Melbourne VIC 3001

www.afca.org.au

info@afca.org.au

1800 931 678 (free call)

Privacy

First Super takes the utmost care with your personal information and collects only information that is necessary for your membership. If we share your information with other organisations, we ensure it is only for the purpose of administering your account or as authorised by you.

If you believe that a breach of your privacy may have occurred in relation to your First Super membership, write to:

First Super Privacy Officer

PO Box 666, Carlton South VIC 3053

You can find a copy of First Super's Privacy Policy here: firstsuper.com.au/privacy-policy.

If you would like more information about the *Privacy Act* or wish to complain about a privacy issue, you can contact the Office of the Australian Information Commissioner on **1300 363 992** or visit the website at oaic.gov.au.

Privacy and compliance

First Super has always placed a very high priority on the protection of the privacy of our members and employers, and the security and use of personal information provided to us.

During the year there were no breaches of the *Privacy Act 1988* as determined by the Privacy Commissioner, and there were no losses of member or employer data. First Super has not been subject to any significant fines or other sanctions for failure to comply with laws or regulations.

This report was prepared by First Super Pty Ltd (ABN 42 053 498 472, AFSL 223988), Trustee of First Super Superannuation Fund (ABN 56 286 625 181). The material in this report is a summary only. The rules of the Fund are located in the Trust Deed and relevant law. In the event of inconsistency between this report and the rules, the rules of the Fund prevail.

This report was prepared without taking into account your objectives, financial situation or needs. You should consider the appropriateness of the material in light of your own objectives, financial situation or needs before making any decisions. You can obtain a copy of the Product Disclosure Statement by contacting us. Facts and figures appearing in this report were accurate as at 30 June 2020 but may change without notice.

First Super would like to thank the management and employees at AKD, Campbell Sawmills, Coffs Hardwood, Commercial Furniture Solutions, Hazelwood & Hill, Reclaim & Timber, Teal Windows and Willis Joinery for their participation in photography for this annual report.





CONTACT US

If you require more information or assistance with your First Super account, please contact our Member Services Team.

In person 165 Bouverie Street
Carlton VIC 3053

Mail PO Box 666
Carlton South
VIC 3053

Phone 1300 360 988

Fax 1300 362 899

Email mail@firstsuper.com.au

Website firstsuper.com.au