

Annual Review

2019–20



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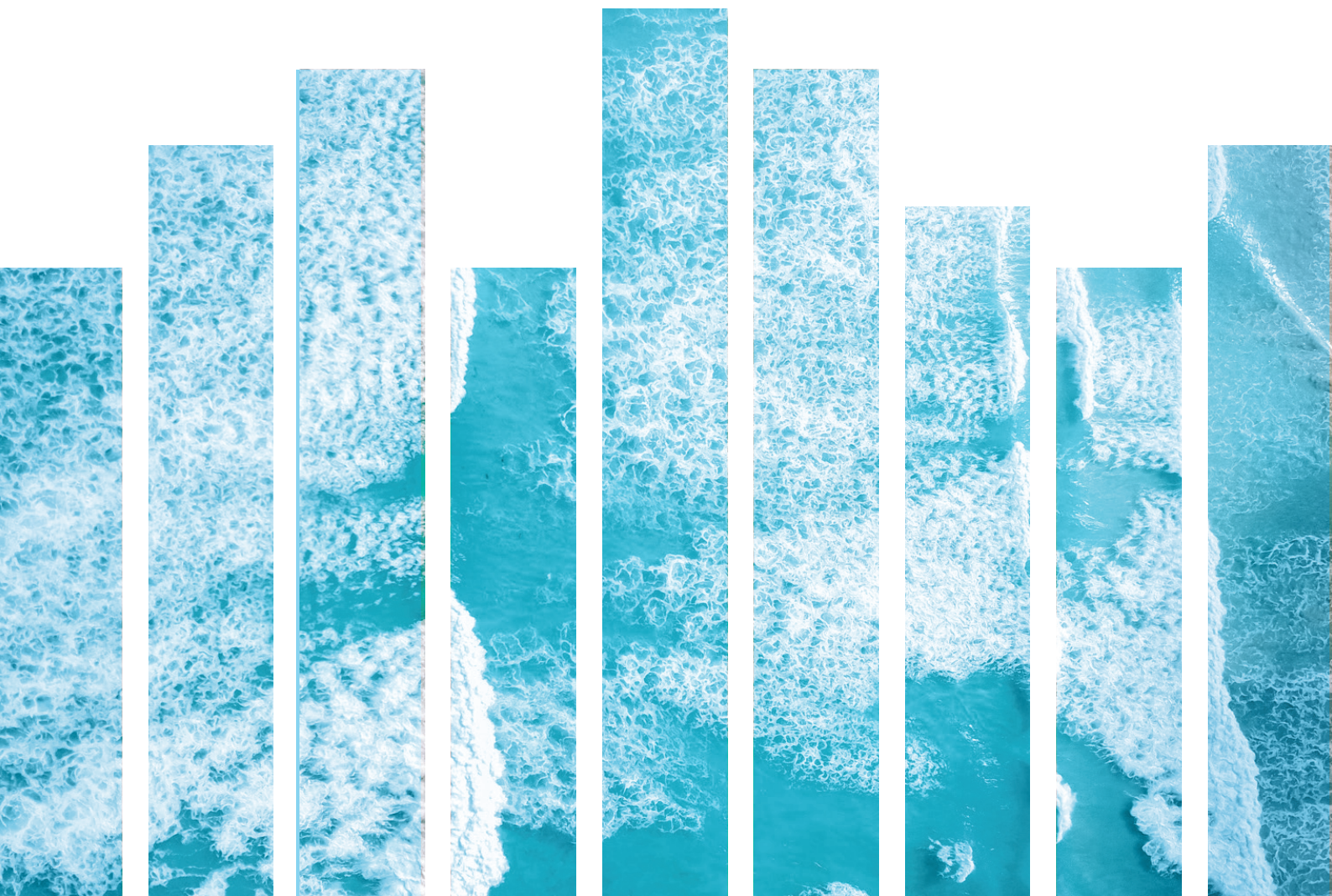
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Chief Executive Officer
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Funds SA highlights



Custodian appointment – Northern Trust



Created new roles

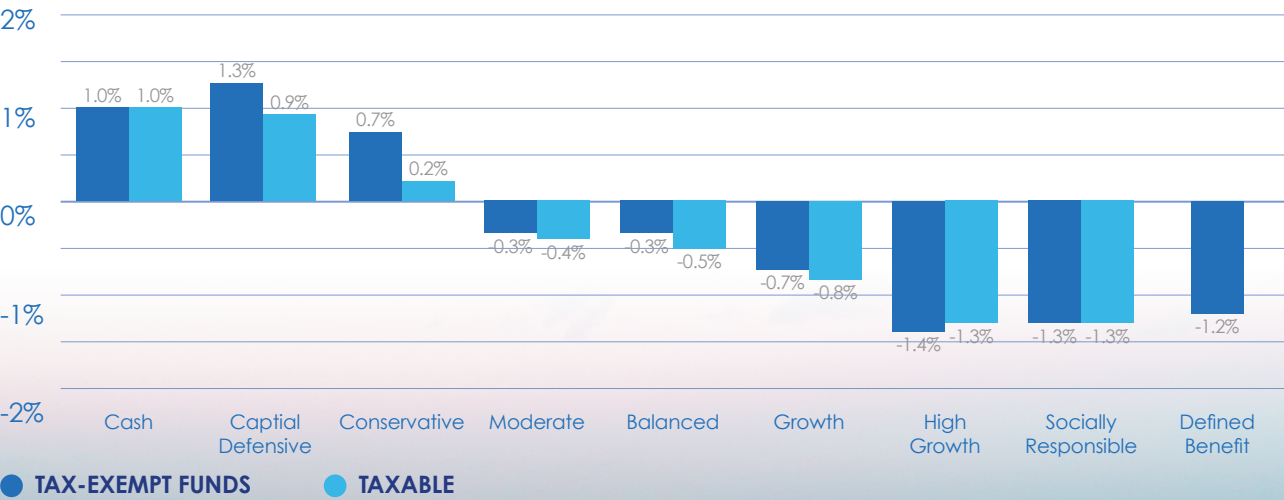


Private markets consultant appointed – Cambridge Associates



Successfully navigated a significantly volatile period in markets

Funds SA Tax-Exempt and Taxable investment option returns for the 12 months ending 30 June 2020, returns net of fees and gross of tax



Letter from the CEO and Chairman



Jo Townsend



Paul Laband

The 2019–20 financial year has been dominated by the significant impact of the COVID-19 pandemic on financial markets, the global economy, and the international community as a whole. Despite these uncertain conditions, we are pleased to report all Funds SA's investment options delivered returns above their investment objectives over relevant time horizons to 30 June 2020.

Notwithstanding the unusual start to 2020, the Corporation has successfully navigated an incredibly volatile period in markets, provided guidance for clients on various developments throughout the year, and adapted seamlessly to a remote working environment.

We implemented a new Strategic Plan to take us through to 2023. It is an extension of the themes that have been guiding our work over the past three years: enhancing investment performance, developing valued partnerships, providing operational excellence, and fostering a culture of innovation. We have a range of initiatives underway to support our Vision of delivering a world-class investment experience, underpinning the evolution of the Corporation within an increasingly challenging financial market environment.

Substantial progress has been made on several priority strategic projects:

- Long-Term Strategic Asset Allocation (LTSAA) changes
 - Last year, we proposed changes to the LTSAA for a number of investment options by increasing the growth asset exposure. The market declines during February/March 2020 enabled significant progress towards the LTSAA.
- Investment capability enhancement
 - Research and development of asset class specific initiatives and investment tools has been ongoing, with the aim of increasing investment flexibility, reducing fees, and enhancing returns over time.

- Responsible investment
 - We introduced a Head of Responsible Investment role, to be accountable for leading the development and implementation of our responsible investment approach.
 - The focus has been on building Funds SA's responsible investment framework and enhancing the way in which responsible investment considerations are integrated into investment decision making.
- Investment in technology
 - The uplift of our technology was timely given remote working arrangements needed to be enacted quickly. We have also increased technological security measures.

One of our priority strategic initiatives for the financial year was the successful completion of our change in custodian, from JP Morgan to Northern Trust. Given the financial market uncertainty from the impact of COVID-19, we felt it prudent to delay the transition from April 2020 to October 2020.

To enable the Corporation to achieve our strategic goals, we have been pleased to attract a number of senior investment professionals to the State.

We would like to thank our clients for their support over the past year; our Board, for their unique insights and guidance; and our employees, for their adaptability in embracing the flexible workplace we all find ourselves in.

Jo Townsend
Chief Executive Officer
Funds SA

Paul Laband
Chairman
Funds SA Board

Corporation Overview

Our primary aim is to build prosperity for South Australians through the investment performance we generate for our clients.

Funds SA is the investment management partner for South Australian public sector superannuation funds and approved authorities. We are a Corporation owned by the Government of South Australia, established under our own legislation, and governed by a Board of Directors.

The Corporation is led by Jo Townsend, Chief Executive Officer, who is supported by an executive team that brings broad investment knowledge, business insight, and leadership to the Corporation.



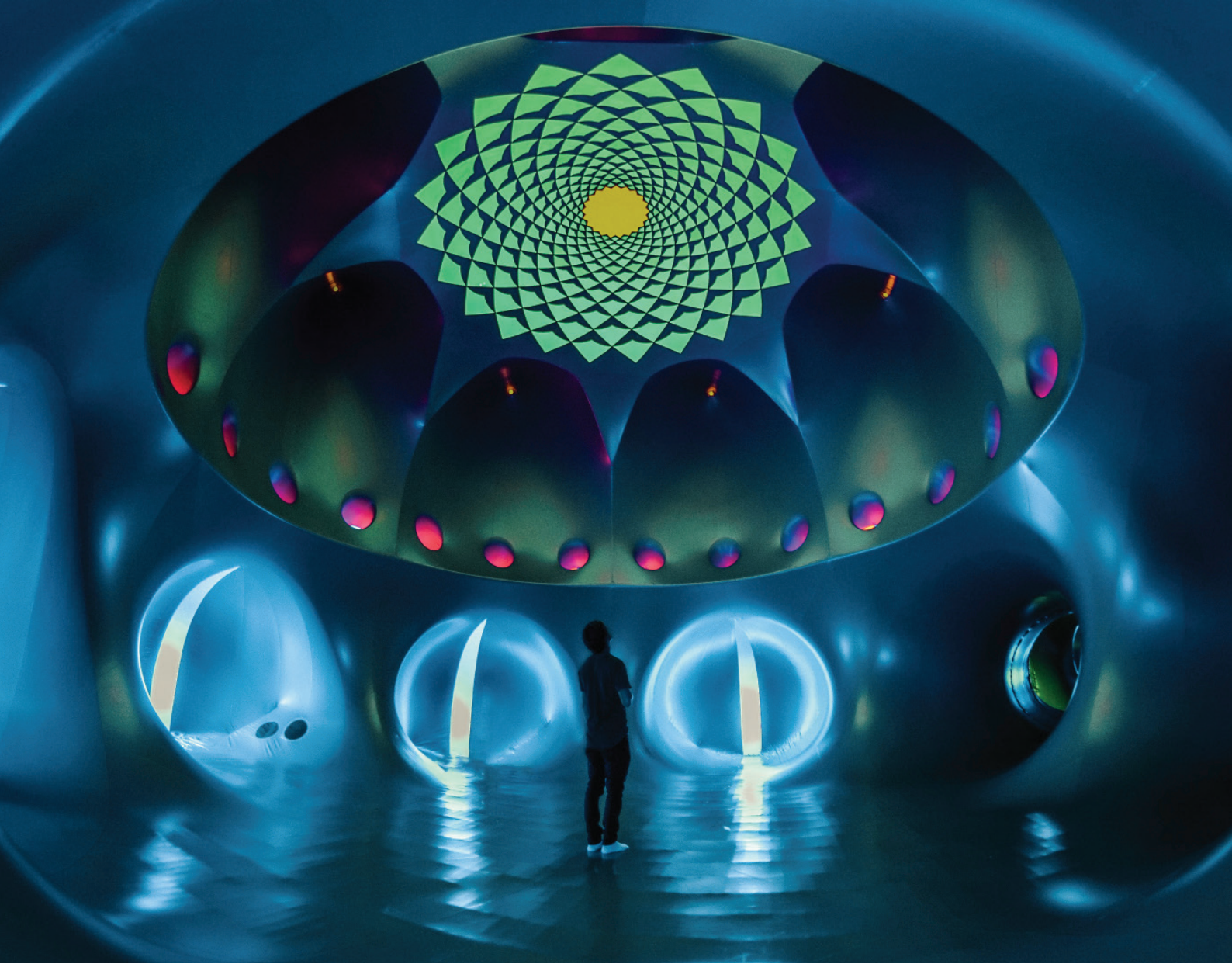
Our Vision is to deliver a world-class investment experience.

- In consultation with our employees, the Values of the Corporation were refreshed during the 2019–20 financial year:
- Our **clients** are at the core of everything we do.
 - Our people are **collaborative** and professional.
 - We encourage **innovation** and diverse ideas.
 - We uphold the **trust** others place in us.
 - We strive to achieve **excellence** in all that we do.

Funds SA's Values are underpinned by behaviours that are the foundation of our culture. This culture is a key enabler of our Corporate Strategy.

Our new Strategic Plan (2020–23) incorporates the following themes:

-  **Superior Investment Performance**
 - Added two new roles to support the development of dynamic and innovative investment strategies to increase investment performance over the long-term.
-  **Valued Partnerships with Clients and Stakeholders**
 - Provided guidance to our stakeholders on a range of developments throughout the year, via investment strategy reviews.
 - Helped navigate our clients through a tumultuous period in financial markets.
 - Raising shared understanding of the Corporation's investment approach and outcomes.
 - Continually improving and refining our service delivery.



-  **Operational Excellence and Agility**
 - Undertook significant work during the 2019–20 financial year to prepare for the change of custodian. We expect to successfully complete the custodian transition in October 2020.
 - Implemented and commenced a number of projects as part of Funds SA's digital transformation initiative, including modernising workplace technology and systems, undertaking foundational strategy work to uplift investment data and technology, and strengthening the security and resilience of Funds SA's IT environment.
-  **A Culture of Innovation and High Performance**

Delivered a suite of targeted development programs to support our employees, including:

 - Developing fundamental management skills for employees new to leadership in Funds SA.
 - Focusing on the progression of key business decisions and ideas that address strategic priorities.
 - Supporting our employees through periods of change.
 - Providing goals-focused coaching for key leadership roles, to drive individual and team achievements.

Investment Performance

Year in review

The 2020 financial year has been dominated by the impact of COVID-19.

- The financial year began with accommodative interest rate policy globally, positive financial market returns, easing trade tensions and improving global growth.
- By January 2020, the extent of uncertainty relating to COVID-19 became apparent and the economic and financial conditions changed significantly.
- As international economies were shut, to slow the spread of COVID-19, fear and uncertainty led to sharp declines across financial markets.
- Global government and central bank responses were swift and large enough, in monetary terms, to give investors confidence in a path forward and to provide market stability.
- The economic outlook was undoubtedly poor with many economies facing recession. Investors looked through the negative data, gained confidence from the backstop provided by government and central bank action, and became hopeful a viable vaccine would be developed. This led to financial markets staging a substantial rally after hitting lows in March.
- Despite the worst economic conditions since the Global Financial Crisis, and one of the sharpest equity market falls in recent history, Funds SA's growth-orientated investment options finished the year with low negative returns while the more defensive investment options ended in positive territory.

Key themes in financial markets

- Australian equities underperformed relative to global equity markets. The US market performed strongly, reflecting the technology-heavy sector composition in the US that benefited from the economic impact of COVID-19.
- Government bonds delivered positive returns, as bond yields declined and remained low reflecting the policy stance of central banks.
- Non-government debt markets were mixed with those perceived to be the highest risk (such as High-Yield and Emerging Market Debt), underperforming due to ongoing economic concerns and falls in oil prices. However, investment grade corporate bonds benefited from lower interest rates and direct central bank credit support.
- Australian listed and unlisted property delivered negative returns, as working from home and online spending patterns raised long-term concerns over future rental income growth.
- Other unlisted markets, such as infrastructure and private equity, were mixed as volatile equity markets prompted conservative valuations and write-downs.
- Most major commodities markets were down for the year, except for gold and iron ore, reflecting the economic growth uncertainty and isolation policy impacts on energy markets.
- The US Dollar outperformed during the height of the crisis but, over the year, was largely unchanged against the AUD. Emerging market currencies remained under pressure, owing to ongoing concerns over the COVID-19 impact on their economies.



Funds SA's investment option performance

Against the backdrop of significant market volatility, uncertainty from the COVID-19 pandemic and growing geopolitical risk, the Funds SA investment options delivered

returns above their investment objectives over the stated time horizons for the financial year.

Funds SA investment options vs investment objective, periods to 30 June 2020, returns net of fees*

Funds SA investment option	Investment horizon	Target return % p.a.	Tax-Exempt investment option performance % p.a.	Taxable investment option performance % p.a.
Cash ¹	0+ years	RBA cash rate	1.0%	1.0%
Capital Defensive	2+ years	(CPI + 1.5%)	3.6%	3.2%
Conservative	4+ years	(CPI + 2%)	5.2%	4.8%
Moderate	6+ years	(CPI + 3%)	5.9%	5.7%
Balanced	10+ years	(CPI + 3.5%)	8.3%	7.8%
Growth	10+ years	(CPI + 4%)	8.8%	8.3%
High Growth	10+ years	(CPI + 4.5%)	9.3%	8.9%
Defined Benefit	10+ years	(CPI + 4.5%)	8.8%	n.a.

* Target returns and investment option performance are expressed over the stated investment horizon for each investment option. Note, where elements of the investment objectives have changed over time, the target return series reflects a combination of the former and current objectives.
¹ The Cash investment option performance is assessed over 1-year rolling periods.

The more defensive investment options finished in positive territory and the growth-orientated investment options finished the year with low negative returns.

The Fixed Interest and International Equities asset classes contributed positively to the investment options performance. By contrast, Australian Equities, Property and credit-orientated asset classes were detractors from the investment options performance.



Funds SA Tax-Exempt investment options investment returns, periods to 30 June 2020, returns net of fees and gross of tax

Funds SA investment option	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.	15 years % p.a.	20 years % p.a.
Cash	1.0	1.6	1.8	2.1	2.8	3.7	4.1
Capital Defensive	1.3	3.9	4.0	4.8	5.6	5.5	n.a.
Conservative	0.7	4.5	4.8	5.9	6.6	6.0	6.3
Moderate	-0.3	4.9	5.5	6.8	7.4	n.a.	n.a.
Balanced	-0.3	5.7	6.4	7.8	8.3	6.7	6.6
Growth	-0.7	5.9	6.7	8.3	8.8	6.9	6.6
High Growth	-1.4	6.2	7.2	9.0	9.3	7.2	6.7
Socially Responsible	-1.3	5.3	4.9	6.8	7.4	n.a.	n.a.
Defined Benefit	-1.2	6.1	6.9	8.4	8.8	6.9	6.6

Funds SA Taxable investment options investment returns, periods to 30 June 2020, returns net of fees and gross of tax

Funds SA investment option	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.	15 years % p.a.
Cash	1.0	1.6	1.8	2.1	2.8	3.7
Capital Defensive	0.9	3.6	3.8	4.5	5.2	5.3
Conservative	0.2	4.1	4.5	5.5	6.2	5.8
Moderate	-0.4	4.6	5.2	6.4	6.9	n.a.
Balanced	-0.5	5.4	6.0	7.4	7.8	6.4
Growth	-0.8	5.7	6.5	7.9	8.3	6.7
High Growth	-1.3	6.0	6.9	8.7	8.9	7.0
Socially Responsible	-1.3	5.3	4.9	6.8	7.4	n.a.

Outlook

Given the high degree of uncertainty resulting from the COVID-19 pandemic, there are a number of themes and risks associated with financial markets in the year ahead.

- Health and economic risks from the ongoing spread of COVID-19.
- Impact on the global economy and investment markets of measures taken by governments to reduce the spread of COVID-19.
- Development of government and central bank policies to assist economic recovery and financial market liquidity.
- Depth of recessions in Australia and across the globe, and the likely shape of the economic recovery.
- Valuations of assets within different investment markets.

- US election taking place in November.
- Ongoing development of global trade relationships, particularly US – China, and their potential effects on Australia.

Over the medium-to-long term, returns are likely to be materially lower than the recent past.

The investment initiatives (outlined in the following section) will help us navigate financial markets and remain focused on how investment options may need to evolve to achieve investment objectives. We continue to work closely with our clients to discuss the implications for their particular investment strategies.



Investment Strategy

Funds SA employs a ‘Manager of Managers’ approach, utilising our global partnerships and investment expertise

to contribute to the prosperity of South Australians.

The investment team is led by Richard Friend, Chief Investment Officer, and supported by our asset consultant, JANA Investment Advisers (JANA).

Funds SA has developed a suite of Tax-Exempt and Taxable investment options, including tailored strategies for select clients.

The investment options are distinguished by different investment objectives and designed to help clients

with their investment decisions. The objectives have been developed having regard to the long-term performance and characteristics of financial markets, taking into account expert advice provided by JANA.

The Tax-Exempt and Taxable investment options have common names and investment objectives as outlined in the table below.

Investment options and objectives to 30 June 2020

Funds SA investment option	Target return ² % p.a.	Investment time horizon	Standard Risk Measure	Number of negative annual returns likely over any 20-year period ³	Growth asset range ⁴
Cash	RBA cash rate	0+ years	Very low	Less than 0.5	n.a.
Capital Defensive	CPI + 1.5%	2+ years	Low	0.5 to less than 1	10 – 40
Conservative	CPI + 2.0%	4+ years	Medium	2 to less than 3	25 – 55
Moderate	CPI + 3.0%	6+ years	Medium to High	3 to less than 4	40 – 70
Balanced	CPI + 3.5%	10+ years	High	4 to less than 6	60 – 90
Growth	CPI + 4.0%	10+ years	High	4 to less than 6	70 – 100
High Growth	CPI + 4.5%	10+ years	High	4 to less than 6	70 – 100
Socially Responsible ⁵	Similar to a growth fund		High	4 to less than 6	n.a.
Defined Benefit	CPI + 4.5%	10+ years	High	4 to less than 6	70 – 100

² There is no guarantee the target returns will be met because financial markets are volatile and past performance is not a reliable indicator of future performance. Indeed, for investment options with exposure to growth assets, there is a material likelihood that returns may be negative in any particular year.

³ The Standard Risk Measure is based on industry guidance and assigns risk labels to investment options, which allows clients to compare investment options based on the expected number of negative annual returns over any 20-year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk. For example, it does not detail the likely size of a negative return or the potential for a positive return to be less than a client may require to meet their financial goals.

⁴ Growth assets include equities, certain types of property and growth alternatives. The remainder of the funds are invested in defensive assets, including fixed income, inflation-linked bonds and cash.

⁵ The investment objectives for the Socially Responsible investment option are determined by the underlying investment manager, AMP Capital, and are subject to change. As at 30 June 2020, the target return was CPI + 3.5% with an investment time horizon of 5+ years. Both the Tax-Exempt and Taxable Socially Responsible options invest in the same underlying fund, the AMP Capital Ethical Leaders Balanced Fund. The investment option has a responsible investment approach, focusing on investing in companies that contribute to a socially and environmentally sustainable world.

Asset classes

The asset classes are the building blocks of the investment options.

Funds SA has established a range of investment strategies for each asset class,

including the engagement of external investment managers.

Descriptions of the asset classes and their underlying investments are provided below.

Asset Classes	Investments
Cash	Exposure to Australian short-term interest rate sensitive debt instruments, such as bank bills, that provide a high level of liquidity with minimal risk of capital loss.
Short-Term Fixed Interest	Exposure to Australian nominal debt instruments providing principal repayment at maturity, and coupon payments at regular intervals until maturity, with an average duration between 2 and 3 years.
Long-Term Fixed Interest	Exposure to domestic and global debt instruments providing principal repayment at maturity, and coupon payments at regular intervals until maturity, with an average duration between 7 and 8 years. International assets are hedged to the Australian Dollar.
Inflation-Linked Securities	Exposure to debt securities providing a fixed rate of return in excess of an index related to the general level of prices in the economy, such as the Consumer Price Index or Average Weekly Earnings. International assets are hedged to the Australian Dollar.
Diversified Strategies Income	Investment opportunities with expected returns between that of bonds and equities, not readily classifiable within the other asset classes. Includes investments in investment grade credit, emerging market debt, high-yield securities and absolute return strategies. International assets are hedged to the Australian Dollar.
Property	Exposure to Australian listed and unlisted property.
Australian Equities	Equity exposure to companies listed, or about to be listed, on the Australian Securities Exchange.
International Equities	Equity exposure to companies listed on international stock exchanges. Includes exposure to emerging markets and small companies. A portion of the developed markets component is hedged to the Australian Dollar.
Diversified Strategies Growth	Investment opportunities with expected returns in excess of the long term expectation for listed equities, not classifiable within the other asset classes. Includes investments in private equity, opportunistic property, infrastructure, and other opportunities. International assets are hedged to the Australian Dollar.

The Socially Responsible investment option does not invest in Funds SA's asset classes.

Asset allocation

The Long-Term Strategic Asset Allocation (LTSAA) for each investment option is outlined in the below tables.

At the beginning of the 2019–20 financial year, we detailed material changes to the LTSAA of the Moderate, Balanced, and Growth investment options as a result of the annual investment strategy review; broadly increasing growth asset exposure and decreasing exposure to debt and alternative asset classes.

Funds SA took advantage of the significant equity market falls in March 2020 to make significant progress on the LTSAA implementation, by increasing the allocations to equities.

Liquidity requirements needed to be managed intensively during March. This was due to demand for cash increasing and large falls in the Australian Dollar requiring cash provisioning for potential losses from the partial currency hedging of overseas assets.

Funds SA continues to regularly monitor and actively manage the asset allocation for the investment options as part of this process.



LTSAA for Funds SA’s Tax-Exempt investment options

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100	15	10	8	3	2	2
Short-Term Fixed Interest	0	30	18	7	2	0	0
Long-Term Fixed Interest	0	5	5	9	6	0	0
Inflation-Linked Securities Tax-Exempt	0	15	15	11	5	0	0
Diversified Strategies Income	0	17	18	12	8	12	12
Property Tax-Exempt	0	6	9	10	12	16	16
Australian Equities Tax-Exempt	0	5	10	16	23	24	24
International Equities Tax-Exempt	0	7	15	22	33	36	36
Diversified Strategies Growth Tax-Exempt	0	0	0	5	8	10	10
Total	100	100	100	100	100	100	100
Growth assets	0	25	40	55	75	85	85

LTSAA for Funds SA’s Taxable investment options

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Balanced %	Growth %	High Growth %
Cash	100	15	10	8	3	2	2
Short-Term Fixed Interest	0	30	18	7	2	0	0
Long-Term Fixed Interest	0	5	5	9	6	0	0
Inflation-Linked Securities Tax-Exempt	0	15	15	11	5	0	0
Diversified Strategies Income	0	17	18	12	8	12	12
Property Taxable	0	6	9	10	12	16	16
Australian Equities Taxable	0	5	11	17	26	27	27
International Equities Taxable	0	7	14	21	30	33	33
Diversified Strategies Growth Taxable	0	0	0	5	8	10	10
Total	100	100	100	100	100	100	100
Growth assets	0	25	40	55	75	85	85



Asset class development

We have been undertaking a range of initiatives across the Corporation with the aim of enhancing investment outcomes for clients, with specific asset class developments underway.

Dynamic Asset Allocation (DAA)

- DAA capability development aims to utilise a set of investment tools to inform decisions which may vary asset allocation exposure across an investment cycle, to improve risk and return outcomes over the long-term.
- It is expected that the DAA approach will be deployed during 2020–21, following Funds SA Board approval of the investment, implementation, and governance processes.

Listed Equities

- We aim to increase active returns over time by seeking out and appointing investment managers with higher alpha potential, in both Australian and International Equities.
- We have created passive asset classes for Australian and International Equities to enable allocations to low cost equity strategies.

Property

- We are developing strategies to invest directly into property markets.
- We are researching potential investment approaches and required governance structures.

Diversified Strategies Growth (DSG)

- A review of the DSG strategy is underway, with the dual aim of increasing returns and reducing costs.
- The review is focusing on investment structures, manager partnerships, the potential of a co-investment program, and identifying attractive market opportunities.
- We appointed Cambridge Associates as Funds SA's private markets consultant in August 2019, following the withdrawal of Quentin Ayers.

Responsible Investment

We are committed to enhancing our approach to responsible investment by:

- Updating our Environmental, Social and Governance (ESG) statement and our industry engagement approach.
- Integrating responsible investment into our investment decisions
- Proactively communicating what we do in this important area.

Many of Funds SA's investment managers adopt a positive engagement approach. They work directly with the management of companies in which we invest to achieve any necessary change that will improve the financial performance and risk management of the company.

All investment managers are active in exercising their right to vote at general meetings of companies in which Funds SA is invested. Their guiding principle is to vote in the best financial interest of stakeholders on the numerous issues raised at general meetings of companies.

Funds SA's Socially Responsible investment option actively incorporates the consideration of ESG factors into investment decisions and avoids companies operating in areas of high negative social impact.

Where possible, investments in tobacco companies have been excluded from all Funds SA investment options.

Enhancing our approach to responsible investment

In 2019–20, we introduced a newly created role, the Head of Responsible Investment. The role holds accountability for leading the development and implementation of our responsible investment approach.

During the period, we have focused on building Funds SA's Responsible Investment Framework and improving the way responsible investment considerations are integrated into investment decision making.

Two key activities undertaken through the year were:

- Completing our preparations to support clients with their reporting obligations under the Australian Commonwealth *Modern Slavery Act 2018*.
- Surveying our investment managers on their ESG practices to understand the resilience of the investment options to ESG risks. We also sought information regarding management of climate change risk and emerging ESG risks/issues.

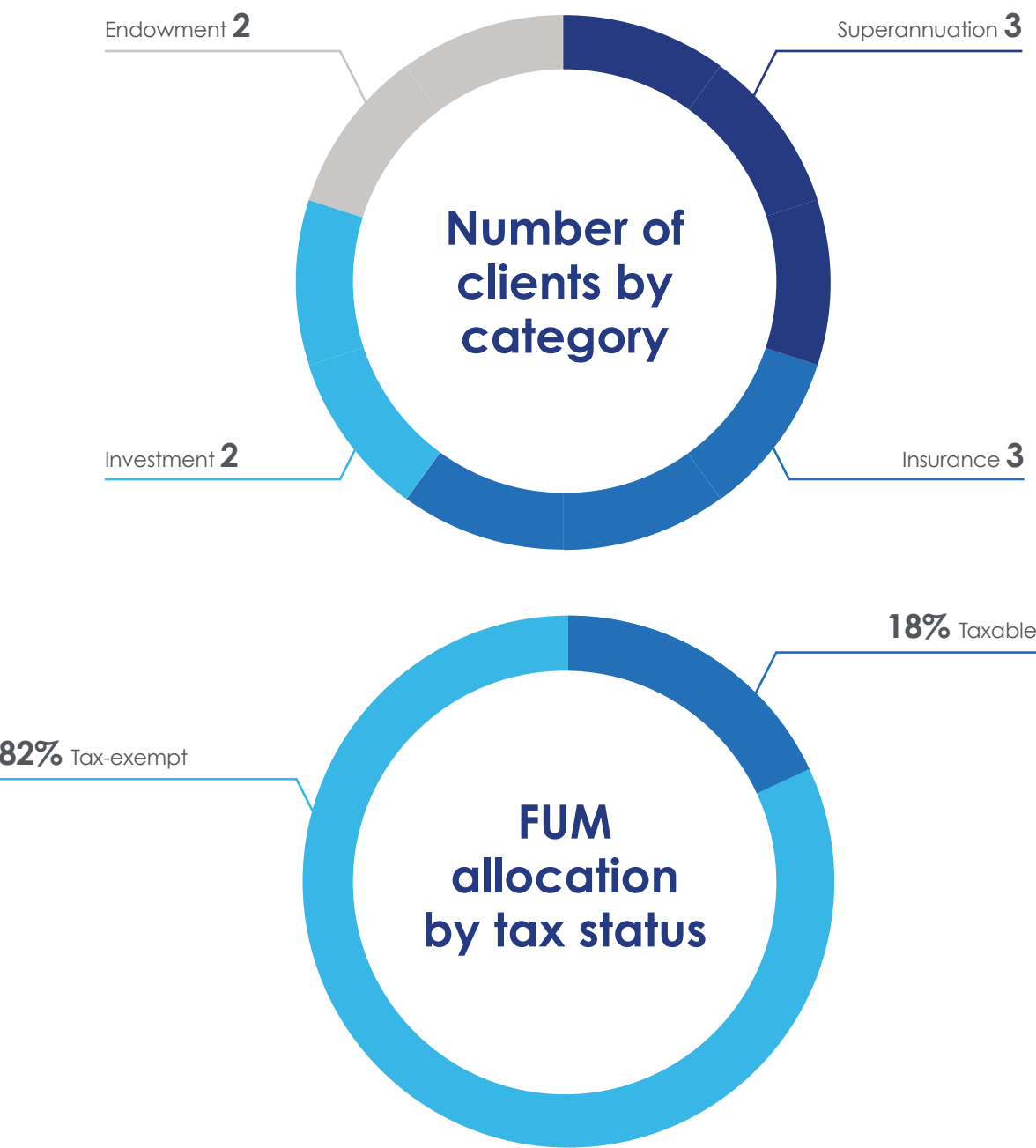
We look forward to continuing to develop and enhance our responsible investment approach.



Clients

Our clients are at the core of everything we do. We do more than invest funds for our clients; we forge partnerships. We work with our clients to understand their needs and deliver the best strategies to meet their objectives – bringing peace of mind, assurance and trust.

We invest and manage \$34 billion on behalf of our clients, made up of:



Client and stakeholder engagement

Throughout 2019–20, we continued to work in close partnership with our clients, providing client-specific investment strategies and guidance to our stakeholders on a range of developments.

As we look ahead to the coming year, continually raising the shared understanding with our clients on our investment approach, pursuing strategic initiatives and securing strong investment outcomes will be our areas of focus.

This year has been dominated by the significant impact of the COVID-19 pandemic on financial markets. We have helped our clients navigate this tumultuous period and worked with them to ensure they have relevant information for their key stakeholders. We delivered timely market updates, reflecting the performance impact for investment options, and provided updated asset allocation information.

People and culture

Our people are the driving force behind our success and industry status. We have attracted people to the Corporation and the State who are excited to be part of a growing and evolving funds management business.

The Funds SA team is supported by strong leadership as well as a high-performance, innovative and client-centric culture. Our employees are engaged, committed to our purpose and focused on achieving optimum outcomes.

Highlights



5 graduates, representing 10% of our employees

Introduced **4** new roles in the 2019–20 FY



High levels of **gender equity** in executive contract roles
at 41% female



Wellbeing of our employees is paramount

Funds SA is committed to maintaining a healthy and safe work environment for our employees. In 2020, this focus has been

escalated in managing the impacts of COVID-19.

A Wellbeing Survey was conducted in February 2020 to help inform priority areas for future activities. A high engagement rate was achieved along with 96% of respondents confirming that improving health and wellbeing was either 'very important' or 'important'.

In response to the COVID-19 pandemic, a range of strategies have been implemented in order to support the health and wellbeing of our employees.

- An immediate transition plan focused on the needs of our employees.
- Bespoke Communications Protocols designed and communicated.
- Manager training, reinforcing our principles of Leadership, Values and Behaviours.
- Regular Wellbeing Wednesday emails covering a broad range of topics, including reinforcement of the EAP and the importance of staying connected.
- A buddy program, encouraging people to maintain social contact.
- Adapted practices, to allow recruitment and induction processes to continue with no disruption.

An additional distribution of the Employee Engagement Survey was conducted in June 2020, including a targeted COVID-19 Response category to gauge feedback on the experience of employees during the pandemic. The survey achieved an Engagement Index Score of 89%, with the COVID-19 Response category achieving a result of 94%.

Ongoing activities under the Wellbeing Program throughout 2019–20 included nutrition and health seminars; a Wellbeing Week, focused on health promotion activities; Stress Down Day; a Remote Buddy Program; and a weekly wellbeing communication, to address changes to circumstances as a result of working from home during the pandemic.

Employment opportunity programs

Graduate Program

The Graduate Program has been extremely successful over many years. One of our graduates progressed into an Analyst position at the end of their graduate tenure in January 2020.

All graduates participate in the DTF Graduate Development Program as well as key external and internal development activities. We also encourage participation at industry events to build networks and knowledge.

University Internships

In 2019–20, Funds SA engaged 2 interns from the University of Adelaide to work within the Investments Group.



Our Executive Team



Ms Jo Townsend
Chief Executive Officer

Jo Townsend was appointed as the Chief Executive Officer of Funds SA in April 2015. She has extensive investment management experience and is responsible for the daily management of the Corporation.

Ms Townsend has worked in the financial services sector for more than 25 years, starting her career in the investment management sector managing fixed interest portfolios. Through her career, she has held senior executive roles at REST Industry Super, including Acting Chief Operating Officer and General Manager of Investments, with prior roles in the superannuation sector at NGS Super and the Retirement Benefits Fund of Tasmania.

Ms Townsend holds a Bachelor of Mathematics and Finance from the University of Technology, Sydney, and is an IMCA certified investment management analyst. She is a member of the Financial Services Institute of Australasia and the Fund Executives Association Ltd.



Mr Tony Burrill
Executive Manager, Governance, Risk & Compliance

Tony Burrill was appointed as Executive Manager, Governance, Risk and Compliance in June 2019, having extensive background in strategy, governance, risk management, compliance, and operations within the investment management industry.

Mr Burrill is responsible for implementing Funds SA's enterprise risk management framework, corporate governance and compliance, along with its policies and standards. He also coordinates the secretarial functions of the Board's Audit and Risk Committee and oversees the outsourced internal audit function.

Prior to his Funds SA appointment, Mr Burrill led the risk management function across the Customer Connections Division at the NBN Co Ltd. He has held senior executive positions with Federated Investors, Aviva Investors Australia, Portfolio Partners Ltd, and Invesco Australia.

Mr Burrill holds a Bachelor of Commerce from the University of Tasmania and a Graduate Diploma of Finance and Investment from FINSIA. He is a member of the Institute of Chartered Accountants Australia & New Zealand, a Fellow of FINSIA, and an Australian Institute of Company Directors member.



Mr Richard Friend
Chief Investment Officer

Richard Friend was appointed Chief Investment Officer in December 2016, bringing extensive experience as an investment professional, with more than 20 years at a senior level in the superannuation and investment management sectors.

Mr Friend leads the Funds SA investment team and is responsible for the development and implementation of the Corporation's investment strategy, and management of the Funds SA investment options.

Prior to joining Funds SA, Mr Friend held the role of Investment Manager at Australian Super and he has previously worked in senior roles at AGEST, Warakirri Asset Management, and Equisuper.

Mr Friend is a Chartered Financial Analyst, has completed a Graduate Diploma of Finance and Investment with FINSIA, and holds a Bachelor of Commerce from the University of Melbourne.



Mr Tony Keenan
Executive Manager, Corporate Engagement

Tony Keenan was appointed as Executive Manager, Corporate Engagement, in July 2017, bringing substantial experience and expertise in business management, financial markets, and investment management.

Mr Keenan is responsible for client and stakeholder engagement, strategy, and communications, and building Funds SA's reputation as a respected funds management organisation.

Prior to joining Funds SA, Mr Keenan held senior positions at ANZ, JBWere, Deloitte, and NAB, providing a depth of experience in financial services, advisory, business strategy, and marketing.

He holds a Bachelor of Economics from La Trobe University, and a Company Directors Course Diploma from the Australian Institute of Company Directors. He is a member of the Australian Institute of Company Directors and a Fellow of FINSIA.



Ms Jacki Kittel
Executive Manager, People and Organisational Performance

Jacki Kittel commenced with Funds SA in January 2017 and is the Executive Manager, People and Organisational Performance. She draws on over 20 years of experience in organisational leadership, strategy, and performance and development.

Ms Kittel is responsible for implementing Funds SA's people and culture strategy, along with the design and implementation of corporate strategy.

Prior to working at Funds SA, Ms Kittel led the people and change management consulting group for KPMG in South Australia. She has worked across a number of industry sectors both in Australia and internationally, predominately in financial services, and within private and public organisations. In the UK, Ms Kittel held leadership roles in people and leadership strategy at Northern Trust and FTSE 100 company, Centrica.

Ms Kittel holds a Bachelor of Management from the University of South Australia, a Bachelor of Arts from the University of Adelaide, and is a certified academic member of the Australian Human Resources Institute.



Mr John Piteo
Chief Operating Officer

John Piteo was appointed as Funds SA's Chief Operating Officer in 2016, recognising his strong leadership skills, experience, and expertise in financial management and investment operations.

Mr Piteo joined Funds SA in 1995 and has worked across a range of finance and investment operations related roles. In 2004, he was appointed as Funds SA's inaugural Chief Financial Officer, a position he held until being appointed to the Chief Operating Officer role.

His responsibilities include leading the investment implementation, investment operations, risk and analytics, fund accounting, tax and IT teams. He works closely with Funds SA's Board and sub-committees, service providers, clients, and stakeholders.

Mr Piteo holds a Bachelor of Arts in Accountancy from the South Australian Institute of Technology (now the University of South Australia), and a Company Directors Course Diploma from the Australian Institute of Company Directors. He is a member of CPA Australia and the Australian Institute of Company Directors.



Governance

Funds SA was founded as the steward and primary investment facilitator for public sector superannuation funds and approved authorities.

The Corporation was established in July 1995 under the Superannuation Funds Management Corporation of South Australia Act 1995 (Funds SA Act).

Funds SA's role, as set down in the Funds SA Act, is to invest and manage the funds of South Australia's public sector superannuation schemes and approved authorities, pursuant to strategies formulated by the Corporation.

Our objective

The objective of the Corporation is to achieve the highest return possible on investment of the funds while having proper regard for:

- The need to maintain the risks relating to investment at an acceptable level,
- The need for liquidity in the funds, and
- Such other matters as are prescribed by regulation.

Direction of the Minister The Responsible Minister is the Treasurer, the Hon. Rob Lucas MLC.

Section 21 of the Funds SA Act states that Funds SA is subject to the direction and control of the Minister. However, Ministerial directions must not include a direction to Funds SA in relation to an investment decision, dealing with property, or the exercise of a voting right.

There were no directions received from the Minister in the financial year to 30 June 2020.

Board

The Board is directly responsible for the strategic direction and overseeing the management of Funds SA. Under the Funds SA Act, a Board of Directors is established as the governing body, and a Chief Executive Officer (CEO) is responsible to the Board for the day-to-day management of the Corporation.

The Board's responsibilities include:

- Providing strong leadership and challenge.
- Nominating a person to the Governor to be the CEO of the Corporation.
- Conducting an annual performance evaluation of the CEO and overseeing the same process for Executive Management.

- Approving the Corporation's investment governance framework and overseeing its effectiveness in delivering client and stakeholder investment strategies.
- Ensuring that the views of key clients and stakeholders are considered in relevant Board decision making.
- Agreeing to the organisational and financial framework within which Funds SA operates.
- Overseeing the Corporation's operations, its statutory and corporate reporting, and its controls and assurance systems.
- Ensuring the Corporation meets its legislative obligations.
- Approving the Corporation's risk management framework and monitoring its risk appetite.

Two Board Committees assist the Board in fulfilling its corporate governance responsibilities: the Audit and Risk Committee, and the Human Resources Committee. Each comprise selected members of the Board, supported by Management.

Board of Directors



Mr Paul Laband
Chairman

Paul Laband has worked extensively in investment management and asset consulting throughout his professional career, bringing significant leadership skills and portfolio and investment experience to the Funds SA Board.

Mr Laband has held management positions across the investment management and asset consulting sector. He served as Managing Director of National Asset Management, Head of Asset Consulting at both Towers Perrin Australia and Russell Investment Group (Australia), and as the Managing Director of Abbey Life Investment Services in the UK. At UniSuper, he held senior roles including Head of Public Markets (listed asset classes both domestically and globally) and Head of Strategic Tilting.

He is currently also serving on the Investment Committee of Telstra Super.



Dr Bill Griggs
AM, ASM

Bill Griggs has significant leadership and board experience, with highly developed skills in corporate governance, people and culture, superannuation, investment, and insurance.

Dr Griggs is widely respected in government and the private sector and is also known for his military and medical experience as a trauma specialist. As a result of his extensive career, he has been able to share his experience in managing and coping during times of uncertainty and stress, and in evidence-based decision making.

He has held several Board and Chair positions in government and the not-for-profit sectors and is currently serving as a Director of Griggs EMS Pty Ltd, Director and Member of HR and Finance Committees of ReturnToWorkSA, Director of Super SA, and Director of Southern Select Super Corporation.



Ms Kathryn Presser

Kathryn Presser has extensive experience across the financial, risk and strategic planning sectors. Over 18 years, she served in finance executive roles at Beach Energy, also attaining widespread company secretarial experience in publicly listed and private companies across several industries.

Serving as a company director for several organisations has provided Ms Presser broad governance and legislative experience. Her current directorships also include Amaero International Ltd, KP Advisory Pty Ltd, Police Credit Union SA & NT, and the South Australian Government Financing Authority.

Ms Presser sits on the University of Adelaide Council and the Council of Governors for the Walford Anglican School for Girls. She is also the Independent Chair of the Department of Treasury and Finance Risk and Performance Committee.



Ms Judith Smith

Judith Smith has had a strong governance and risk focus throughout her career, with extensive knowledge and experience in funds management.

Ms Smith has worked in senior investment management roles in the funds management industry where she has been responsible for evaluating and investing in listed and unlisted companies.

Ms Smith is also a Non-Executive Board member of Scale Investors Ltd, serves as Committee Member on the South Australian Venture Capital Fund, Chair and Non-Executive Director of Universal Biosensors Inc's Audit and Risk committee, Non-Executive Director of LUCRF Trustees, Non-Executive Director and Chair of the Acorn Capital Investment Fund Ltd Risk and Audit Committee, and is a Member of the Industry Funds Management Investment Committee.



Ms Jane Jeffreys

Jane Jeffreys is a long-standing company director, working principally in her career with boards and senior executives to address strategic business issues. She has significant board, executive and consulting experience across the public, private and not-for-profit sectors.

Ms Jeffreys has a strong background in corporate strategy, financial management, people and culture, technology, marketing, and communications.

She is currently also a Director of Jane Jeffreys Consulting and Iocane Pty Ltd, and Chair of the West Beach Trust, Chair of Gannon Lifestyle Communities Pty Ltd, Chair of Gaming Care, Chair of Guildhouse, and Chair of Data Action Pty Ltd.



Mr Robert Patterson

Robert Patterson has had substantial private sector experience throughout a career spanning more than 40 years, particularly in investment management, governance, and accounting.

He held senior executive roles with Argo Investments Limited for over 40 years, where he served as Company Secretary, Chief Executive, Managing Director and as a Non-Executive Director.

Mr Patterson is currently also engaged as a Non-Executive Director of Lawguard Management Pty Ltd and as a Member of the Investment Committees of Coopers Brewery Foundation, Westminster School Foundation and Ardmillan Place Nominees Pty Ltd.



Ms Leah York

Leah York was appointed to the Board upon the nomination of the South Australian Government Superannuation Federation. As the representative of public sector employees, Ms York brings a depth of superannuation member knowledge and insight.

Ms York is also a Deputy Director of the Super SA Board (and the Southern Select Superannuation Corporation Board), which administers South Australian Government agency and statutory authority superannuation schemes.

Ms York is President of the South Australian Public Sector Superannuation Federation, Australian Education Union SA Branch Secretary, and a Member of Super SA's Member Services Council.

Board attendance record

	Board Meeting		Trustee Meeting		Audit and Risk Committee		HR Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Paul Laband	9	9	1	1	4	4	2	2
Bill Griggs	9	9	1	1	-	-	2	2
Jane Jeffreys	9	9	1	1	-	-	2	2
Robert Patterson	9	8	1	1	4	3	-	-
Kathryn Presser	9	9	1	1	4	4	-	-
Judith Smith	9	9	1	1	4	4	-	-
Leah York	9	9	1	1	-	-	2	2

Board remuneration

The rates of remuneration, allowances, and expenses for Board members are determined by the Governor of South Australia.

Members of the Board sub-committees receive fees for additional duties undertaken.

The payment of fees to members of the Audit and Risk and Human Resources Committees are consistent with those set by the Governor.

Further details of Directors' remuneration may be found in Note 3 to the Corporation's financial statements for the year ended 30 June 2020.

Policies

The Board has approved policies to guide the Corporation's pursuit of its goals. Directors and employees are required to abide by the Corporation's corporate governance systems, are directly responsible for their actions, and are supported by internal controls in key risk and performance areas. Those policies include the:

- Corporate Governance Policy.
- Investment Policy Statement.
- Instrument of Delegation.
- Risk Management Framework.
- Compliance Policy.
- Environmental, Social and Governance (ESG) Statement.
- Investor related policies (e.g. cost recovery).
- Unit Pricing Policy.

Funds SA also has detailed documentation of all key investment processes. This documentation is critical to Funds SA's investment approach. It ensures that processes are applied consistently across the Corporation, the decision-making process is transparent and thorough, and the risk of sub-optimal outcomes is reduced.

Audit

In compliance with Section 27 of the Funds SA Act, the Corporation must establish and maintain effective internal auditing of its operations and the funds. Funds SA's internal audit function is outsourced to PricewaterhouseCoopers. Internal Audit has direct access to the Audit and Risk Committee and the CEO. They are responsible for implementing the Internal Audit Plan approved by the Audit and Risk Committee and table their reports at Audit and Risk Committee meetings. Progress with the implementation of recommendations arising from these reports is monitored at each Committee meeting.

To comply with Section 28 of the Funds SA Act and the Public Finance and Audit Act 1987, the Auditor-General of South Australia performs a comprehensive annual audit of Funds SA's activities. During the year, executives of the Auditor-General's Department attended most Audit and Risk Committee meetings and participated in discussion of issues before the Committee. The executives of the Auditor-General's Department also met with the Committee without the presence of Management.



Statutory reporting

All statutory reporting requirements of both the Funds SA Act and external regulatory requirements were delivered on time, during the year.

Requirements under the Funds SA Act include Performance Plans, Half-yearly performance reports, annual financial statements and the Annual Report. External reporting requirements included Australian Bureau of Statistics returns, tax returns, and whole-of-government financial information provided to the Department of Treasury and Finance.

Conflicts of interest

Directors are expected to avoid and proactively manage conflicts of interest, including full disclosure to the Board and the Minister. There were no conflicts of interest declared during the period.

Public complaints reported

Funds SA established its complaints handling framework during 2016–17. Since its establishment, Funds SA has received no complaints.

Fraud

There have been no instances of fraud detected for the 2019–20 financial year.

Funds SA has a Fraud and Corruption Control framework in place, for which employees periodically receive training.

Public interest disclosure

There have been no occasions on which public interest information has been disclosed to a responsible officer of the agency under the Public Interest Disclosure Act 2018.

Key Service providers

Funds SA's largest group of service providers are external investment managers, listed on the Funds SA website.

Other key service providers are:

- Cambridge Associates – Private markets consultant.
- Crown Solicitor's Office – Legal advice.
- Deloitte – Tax advisory services.
- Ernst & Young – Unit trust audit services.
- JANA Investment Advisers – Investment strategy advice and manager research.
- JPMorgan Chase Bank N.A. – Asset custody, investment administration and reporting services.
- Matrix IDMS – Data warehouse and support.
- Nuago – IT support services.
- PricewaterhouseCoopers – Internal audit services.
- Shared Services SA – Payroll services.
- Thomson Geer Lawyers – Legal advice.



Financial statements

for the year ended 30 June 2020

Certification of the Financial Statements

We certify that the attached general purpose financial statements for Funds SA:

- comply with any relevant Treasurer's instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of Funds SA; and
- present a true and fair view of the financial position of Funds SA as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by Funds SA for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period and there are reasonable grounds to believe Funds SA will be able to pay its debts as and when they become due and payable.



John Piteo
Chief Operating Officer



Jo Townsend
Chief Executive Officer

Approved by a resolution of the Board of Directors dated 15th September 2020.



Kathryn Presser
Chair of Audit and Risk Committee



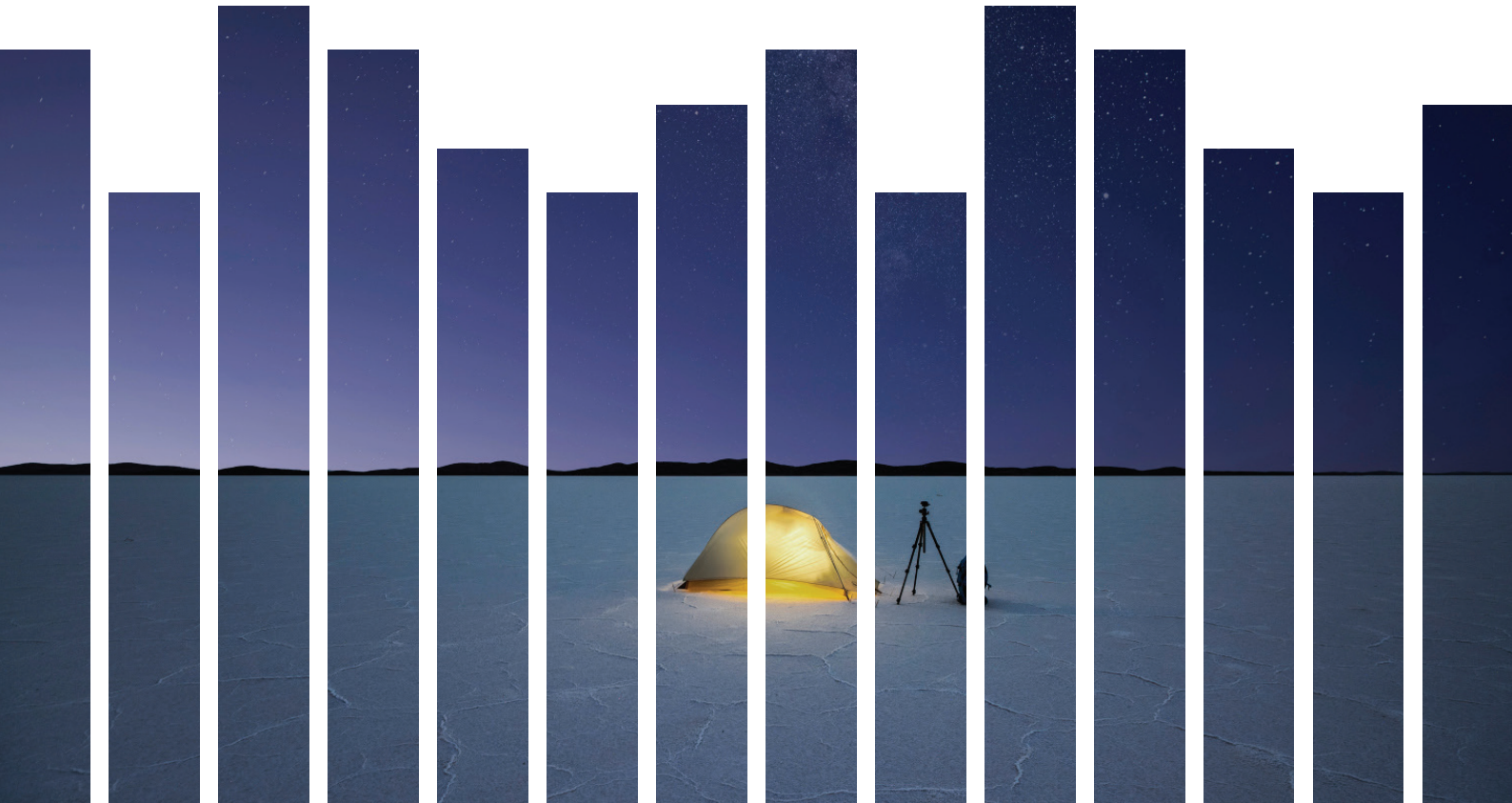
Paul Laband
Chairman, Board of Directors

Statement of comprehensive income

For the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Income			
Revenues from contracts with customers	2.1	13,903	12,148
Interest		31	86
Other income	2.2	42	-
Total Income		13,976	12,234
Expenses			
Employee benefits costs	3.3	9,623	7,635
Supplies and services	4.1	3,656	3,173
Depreciation	4.3	535	164
Lease interest expense	4.4	27	-
Total Expenses		13,841	10,972
Net Surplus		135	1,262
Total Comprehensive Result		135	1,262
The Net Surplus and Comprehensive Result are attributable to the SA Government as owner			

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



Statement of financial position

As at 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Current Assets			
Cash and cash equivalents	5.1	3,412	6,801
Receivables	5.2	7,390	3,458
Other assets	6.3	398	179
Total Current Assets		11,200	10,438
Non-Current Assets			
Property, plant and equipment	6.1	1,005	942
Right of use assets	7.2	1,710	-
Investments in Funds SA Unit Trusts	13	-	-
Total Non-Current Assets		2,715	942
Total Assets		13,915	11,380
Current Liabilities			
Payables	8.1	1,110	889
Employee benefits	3.4	937	595
Lease liabilities	7.3	272	-
Total Current Liabilities		2,319	1,484
Non-Current Liabilities			
Payables	8.1	102	93
Employee benefits	3.4	1,098	1,012
Lease liabilities	7.3	1,470	-
Total Non-Current Liabilities		2,670	1,105
Total Liabilities		4,989	2,589
Net Assets		8,926	8,791
Equity			
Retained earnings		8,926	8,791
Total Equity		8,926	8,791
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	11.1		
Contingent assets and liabilities	11.2		

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

Statement of changes in equity

For the year ended 30 June 2020

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2018	7,529	7,529
Total comprehensive result for 2018-19	1,262	1,262
Balance at 30 June 2019	8,791	8,791
Total comprehensive result for 2019-20	135	135
Balance at 30 June 2020	8,926	8,926
Changes in equity are attributable to the SA Government as owner		

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



Statement of cashflows

For the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Cash flows from Operating Activities			
Cash inflows			
Fees and charges		11,360	12,830
Interest received		39	86
Other income		42	-
Cash generated from operations		11,441	12,916
Cash outflows			
Employee benefit payments		(9,137)	(7,845)
Supplies and services		(4,160)	(3,251)
GST paid to the ATO		(940)	(880)
Lease interest payments		(27)	-
Cash used in operations		(14,264)	(11,976)
Net cash provided by operating activities	9	(2,823)	940
Cash flows from Investing Activities			
Cash outflows			
Purchase of property, plant and equipment		(265)	(134)
Cash used in investing activities		(265)	(134)
Net cash used in investing activities		(265)	(134)
Cash flows from financing activities			
Cash outflows			
Repayment of lease principle		(301)	-
Net cash used in financing activities		(301)	-
Net decrease in cash and cash equivalents		(3,389)	806
Cash and cash equivalents at the beginning of the financial year		6,801	5,995
Cash and cash equivalents at the end of the financial year	5.1	3,412	6,801

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



Schedule 1: Asset class funds under management

This schedule provides information in relation to assets under Funds SA's management as at balance date. The disclosure of this information is voluntary. The basis of valuation of asset class investments is fair value as required under *AASB13 Fair Value Measurement*. The sources of valuations are provided below.

This schedule provides the following information:

- Investment Valuation Sources
- Statement of Income and Expenses of Assets Under Management
- Statement of Net Assets Under Management
- Fair Value of Financial Assets and Liabilities
- Financial Instruments and Management of Portfolio Risk

Investment Valuation Sources

Discretely Managed Portfolios

Funds SA's custodian, JP Morgan, has valued each portfolio using market prices applicable at balance date.

Managed Funds

Pooled Funds / Unlisted Unit Trusts

Investments in pooled funds and other unlisted unit trusts have been valued by Funds SA's custodian in accordance with the valuations supplied by the relevant fund managers. Valuations used are the Net Asset Values.

Private Equity

The value of private equity investments is generally based on the most recent fund valuations supplied by the relevant fund managers (adjusted for cashflows). For a small number of private equity investments, where the fund managers' most recent fund valuations have not fully reflected the economic and market impacts of COVID 19, Funds SA have adopted adjusted valuations to ensure that these investments are carried at fair value.

Currency Hedge and Futures Overlay

The values of the currency hedge and futures overlays, as at 30 June 2020, are supplied by Funds SA's custodian and represents either the payable or receivable associated with closing out the contracts in place on balance date.

Internally Managed Investments

Internally Managed Inflation Linked Securities

These investments, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer, ICE Data Services.

Schedule 1: Asset class funds under management (continued)

Statement of income and expenses of assets under management

For the year ended 30 June 2020

Asset class	Rent, Interest & Dividends \$'000	Realised gains / (losses) ¹ \$'000	Unrealised gains / (losses) ² \$'000	Expenses \$'000	TOTAL \$'000
Australian Equities A	202,778	(119,883)	(451,613)	(21,735)	(390,453)
Australian Equities B	70,125	(51,340)	(93,814)	(4,428)	(79,457)
International Equities A	171,300	375,804	(119,715)	(36,438)	390,951
International Equities Passive A	8,151	1,913	(13,419)	(357)	(3,712)
International Equities B	46,798	14,034	3,191	(6,572)	57,451
International Equities Passive B	1,972	(887)	(1,601)	(224)	(740)
Property A	32,915	-	(167,744)	(17,469)	(152,298)
Property B	5,050	-	(28,559)	(3,052)	(26,561)
Diversified Strategies Growth A	252,162	(51,004)	(178,368)	(50,229)	(27,439)
Diversified Strategies Growth B	31,519	(12,359)	(13,582)	(8,414)	(2,836)
Diversified Strategies Income	76,928	(64,673)	(198,864)	(33,718)	(220,327)
Inflation Linked Securities A	30,396	-	2,376	(2,283)	30,489
Inflation Linked Securities B	38,752	37,502	(48,167)	(3,094)	24,993
Long Term Fixed Interest	43,707	133,743	(100,482)	(3,357)	73,611
Short Term Fixed Interest	25,238	9,540	(3,405)	(1,338)	30,035
Cash	21,385	-	-	(1,061)	20,324
Socially Responsible	5,742	-	(6,393)	(991)	(1,642)
Diversified Strategies Income (MAC)	1,440	498	(719)	(74)	1,145
Fixed Interest (MAC)	3,099	(180)	(229)	(152)	2,538
TOTAL	1,069,457	272,708	(1,421,107)	(194,986)	(273,928)

¹ Realised gains / (losses) represents realised gains and losses over either cost for those investments which had been acquired and disposed of within the financial period, or over market values previously brought to account where the investments disposed of were held at the commencement of the period.

² Unrealised gains / (losses) represents unrealised gains and losses, over either cost for those investments acquired during the period, or over market value at the commencement of the period for those investments acquired prior to the commencement of the period, and held at balance date.

Schedule 1: Asset class funds under management (continued)

Statement of income and expenses of assets under management

For the year ended 30 June 2019

Asset class	Rent, Interest & Dividends \$'000	Realised gains / (losses) ¹ \$'000	Unrealised gains / (losses) ² \$'000	Expenses \$'000	TOTAL \$'000
Australian Equities A	243,911	137,813	126,528	(19,130)	489,122
Australian Equities B	79,010	446	12,598	(3,695)	88,359
International Equities A	165,988	88,252	307,887	(29,438)	532,689
International Equities B	50,783	4,692	36,618	(4,842)	87,251
Property A	17,748	-	316,492	(16,872)	317,368
Property B	2,709	-	52,358	(2,841)	52,226
Diversified Strategies Growth A	223,286	(115,358)	197,987	(69,242)	236,673
Diversified Strategies Growth B	25,729	(15,429)	32,569	(9,682)	33,187
Diversified Strategies Income	62,083	(121,482)	355,287	(36,770)	259,118
Inflation Linked Securities A	37,425	13,309	5,794	(3,130)	53,398
Inflation Linked Securities B	56,743	(2,589)	42,219	(3,196)	93,177
Long Term Fixed Interest	52,151	(17,670)	134,846	(3,362)	165,965
Short Term Fixed Interest	27,564	7,702	7,946	(1,179)	42,033
Cash	23,886	-	-	(641)	23,245
Socially Responsible	10,484	-	(1,343)	(819)	8,322
Diversified Strategies Income (MAC)	3,739	2,147	(2,192)	(131)	3,563
Fixed Interest (MAC)	16,393	(11,380)	10,959	(237)	15,735
TOTAL	1,099,632	(29,547)	1,636,553	(205,207)	2,501,431

¹ Realised gains / (losses) represents realised gains and losses over either cost for those investments which had been acquired and disposed of within the financial period, or over market values previously brought to account where the investments disposed of were held at the commencement of the period.

² Unrealised gains / (losses) represents unrealised gains and losses, over either cost for those investments acquired during the period, or over market value at the commencement of the period for those investments acquired prior to the commencement of the period, and held at balance date.

Schedule 1: Asset class funds under management (continued)

Statement of net assets under management

As at 30 June 2020

Asset class	Discretely Managed Portfolios \$'000	Managed Funds \$'000	Internally Managed Investments \$'000	Currency Hedge Overlay \$'000	Other Assets \$'000	Liabilities \$'000	TOTAL \$'000
Australian Equities A	5,551,973	-	-	-	1,552	(5,707)	5,547,818
Australian Equities B	1,169,042	-	-	10,877	217	(97,132)	1,083,004
International Equities A	7,194,945	625,610	-	19,200	2,161	(127,126)	7,714,790
International Equities Passive A	494,498	-	-	3,056	1,000	(179)	498,375
International Equities B	1,011,681	214,156	-	6,888	1,277	(2,269)	1,231,733
International Equities Passive B	118,116	-	-	2,020	649	(89)	120,696
Property A	-	3,524,668	-	-	64	(922)	3,523,810
Property B	-	601,029	-	-	12	(189)	600,852
Diversified Strategies Growth A	-	2,672,985	-	7,799	8,293	(950)	2,688,127
Diversified Strategies Growth B	-	422,699	-	7,114	3,126	(200)	432,739
Diversified Strategies Income	1,108,036	2,103,367	-	(12,346)	507	(6,144)	3,193,420
Inflation Linked Securities A	-	-	315,008	-	(3,672)	(104)	311,232
Inflation Linked Securities B	801,902	418,491	-	-	64	(829)	1,219,628
Long Term Fixed Interest	1,309,331	-	-	-	69	(1,022)	1,308,378
Short Term Fixed Interest	872,020	-	-	-	39	(362)	871,697
Cash	-	3,331,091	-	-	211,759	(214)	3,542,636
Socially Responsible	-	139,904	-	-	25	(62)	139,867
Diversified Strategies Income (MAC)	-	-	-	-	-	-	-
Fixed Interest (MAC)	67,544	-	-	-	5	(74)	67,475
TOTAL	19,699,088	14,054,000	315,008	44,608	227,147	(243,574)	34,096,277

Schedule 1: Asset class funds under management (continued)

Statement of net assets under management

As at 30 June 2019

Asset class	Discretely Managed Portfolios \$'000	Managed Funds \$'000	Internally Managed Investments \$'000	Currency Hedge Overlay \$'000	Other Assets \$'000	Liabilities \$'000	TOTAL \$'000
Australian Equities A	5,718,325	-	-	-	712	(4,817)	5,714,220
Australian Equities B	436,380	699,026	-	-	291	(642)	1,135,055
International Equities A	6,241,167	1,029,667	-	(6,145)	1,191	(6,114)	7,259,766
International Equities B	679,269	490,304	-	(1,402)	544	(1,029)	1,167,686
Property A	-	3,645,655	-	-	413	(452)	3,645,616
Property B	-	619,758	-	-	884	(121)	620,521
Diversified Strategies Growth A	-	3,003,448	-	(4,590)	7,103	(465)	3,005,496
Diversified Strategies Growth B	-	450,542	-	(755)	973	(135)	450,625
Diversified Strategies Income	2,090,165	2,550,256	-	(1,794)	389,818	(7,159)	5,021,286
Inflation Linked Securities A	-	-	313,651	-	51	(4,541)	309,161
Inflation Linked Securities B	1,379,748	394,438	-	-	1,027	(748)	1,774,465
Long Term Fixed Interest	1,709,621	-	-	-	54	(1,011)	1,708,664
Short Term Fixed Interest	876,698	-	-	-	328	(289)	876,737
Cash	-	1,241,986	-	-	133	(78)	1,242,041
Socially Responsible	-	120,704	-	-	3	(48)	120,659
Diversified Strategies Income (MAC)	33,750	-	1,454	-	385	(51)	35,538
Fixed Interest (MAC)	91,881	-	-	-	48	(26)	91,903
TOTAL	19,257,004	14,245,784	315,105	(14,686)	403,958	(27,726)	34,179,439

Fair Value Hierarchy

In accordance with the disclosure requirements under AASB 13 *Fair Value Measurement*, Funds SA has adopted the fair value hierarchy disclosures for the funds under management as at 30 June 2020. This requires the disclosure of investments using a fair value hierarchy that reflects the subjectivity of the inputs used in valuing the investments.

The fair value hierarchy adopted by Funds SA has the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Other

Although not specifically required by AASB 13, 'Other' includes accrued expenses and GST payable (to the ATO) / receivable (from the ATO) for each asset class and is included for completeness purposes only.

As per AASB 13 paragraph 73, "the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement". For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the investment.

The determination of what constitutes 'observable' requires judgement. Funds SA considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources that are actively involved in the relevant market.

The table below sets out Funds SA's investments (by asset class) measured at fair value according to the fair value hierarchy at 30 June 2020.

Fair value of financial assets and liabilities As at 30 June 2020

Financial assets and liabilities through profit or loss	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Other \$'000	TOTAL \$'000
Australian Equities A	5,551,747	118	-	(4,047)	5,547,818
Australian Equities B	1,179,982	25	-	(97,003)	1,083,004
International Equities A	7,196,579	633,929	-	(115,718)	7,714,790
International Equities Passive A	495,301	3,056	-	18	498,375
International Equities B	1,011,641	221,026	-	(934)	1,231,733
International Equities Passive B	118,709	2,020	-	(33)	120,696
Property A	170,863	235,046	3,118,816	(915)	3,523,810
Property B	29,205	38,760	533,074	(187)	600,852
Diversified Strategies Growth A	8,288	7,799	2,672,985	(945)	2,688,127
Diversified Strategies Growth B	3,124	31,798	398,014	(197)	432,739
Diversified Strategies Income	82,762	3,116,769	-	(6,111)	3,193,420
Inflation Linked Securities*	471,115	745,490	315,008	(753)	1,530,860
Long Term Fixed Interest	1,290,263	19,119	-	(1,004)	1,308,378
Short Term Fixed Interest	511,687	360,337	-	(327)	871,697
Cash	3,331,225	-	-	211,411	3,542,636
Socially Responsible	24	139,904	-	(61)	139,867
Diversified Strategies Income (MAC)	-	-	-	-	-
Fixed Interest (MAC)	36,594	30,952	-	(71)	67,475
TOTAL	21,489,109	5,586,148	7,037,897	(16,877)	34,096,277

*Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities A and Inflation Linked Securities B asset classes.
There were no transfers of assets between Levels 1, 2 or 3 during the year ended 30 June 2020.

Schedule 1: Asset class funds under management (continued)

Fair value of financial assets and liabilities

As at 30 June 2019

Financial assets and liabilities through profit or loss	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Other \$'000	TOTAL \$'000
Australian Equities A	5,718,154	-	-	(3,934)	5,714,220
Australian Equities B	436,605	699,026	-	(576)	1,135,055
International Equities A	6,230,862	1,024,348	-	4,556	7,259,766
International Equities B	678,601	489,044	-	41	1,167,686
Property A	596	593,182	3,052,259	(421)	3,645,616
Property B	916	90,103	529,617	(115)	620,521
Diversified Strategies Growth A	7,071	(4,590)	3,003,448	(433)	3,005,496
Diversified Strategies Growth B	967	24,189	425,598	(129)	450,625
Diversified Strategies Income	659,900	4,368,476	-	(7,090)	5,021,286
Inflation Linked Securities*	782,435	992,796	313,651	(5,256)	2,083,626
Long Term Fixed Interest	1,648,958	60,683	-	(977)	1,708,664
Short Term Fixed Interest	452,910	424,076	-	(249)	876,737
Cash	1,242,105	-	-	(64)	1,242,041
Socially Responsible	2	120,704	-	(47)	120,659
Diversified Strategies Income (MAC)	10,666	24,918	-	(46)	35,538
Fixed Interest (MAC)	52,059	39,867	-	(23)	91,903
Total	17,922,807	8,946,822	7,324,573	(14,763)	34,179,439

* Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities A and Inflation Linked Securities B asset classes.

Schedule 1: Asset class funds under management (continued)

The following table shows a reconciliation of the movement in the fair value of financial instruments

categorised within Level 3 between the beginning and the end of the reporting period.

Level 3 Financial Assets and Liabilities	Opening Balance - 1 July 2019 \$'000	Purchases \$'000	Disposals \$'000	Unrealised Gains / (Losses) \$'000	Closing Balance - 30 June 2020 \$'000
Property A	3,052,259	326,635	(79,614)	(180,464)	3,118,816
Property B	529,617	47,504	(13,789)	(30,258)	533,074
Diversified Strategies Growth A	3,003,448	392,030	(499,771)	(222,722)	2,672,985
Diversified Strategies Growth B	425,597	82,030	(82,453)	(27,160)	398,014
Inflation Linked Securities*	313,652	-	-	1,356	315,008
Total	7,324,573	848,199	(675,627)	(459,248)	7,037,897

* Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities A and Inflation Linked Securities B asset classes.

Level 1

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed equities and developed market nominal sovereign bonds.

Level 1 also includes cash at bank, term deposits, bank bills, promissory notes and interest receivable on these investments.

Level 2

Investments that trade in markets that are not considered to be sufficiently active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds, certain non-US sovereign bonds, over-the-counter derivatives (including the foreign currency hedge overlay) and certain unlisted unit trusts where the nature of the underlying investments allows for ready transaction of units at the observable price.

Level 3

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these investments, Funds SA has used industry standard valuation techniques to derive fair value. Level 3 investments include certain directly held non traded index-linked securities and unlisted unit trusts where the underlying investments have been valued using an appraisal methodology and the unit price is provided for predominantly valuation rather than transaction purposes.

Through extensive consultation with fund managers and independent valuers Funds SA are comfortable that the economic and market impacts of COVID 19 have been captured in the valuations adopted as at 30 June 2020 for all Level 3 investments.

Other

Although not specifically required by AASB 13, 'Other' includes other asset class assets and liabilities that do not fit into the Level 1-3 categories, this includes accrued expenses, payables and receivables (including GST) for each asset class and is included in the above disclosure for completeness purposes only.

Financial Instruments and Management of Portfolio Risk

Use of derivative financial instruments

Derivatives can be defined as financial contracts whose value depend on, or are derived from other specific assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA use a variety of derivative instruments, such as over the counter swap agreements, currency forward rate agreements and exchange-traded futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers, for the purposes described above.

The fair value of all derivative positions as at 30 June 2020 is incorporated within the Statement of Net Assets Under Management in Schedule 1.

Market Risk

Market risk is the risk that investment returns generated by the different financial markets will be volatile and will underperform long-term expectations over the short / medium term.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets; and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

Liquidity Risk

Three types of liquidity risk are inherent in Funds SA's investment activities. The first is the risk that client redemption requests are unable to be satisfied due to the inability to liquidate investments. The second is the risk that significant transaction costs will be incurred in liquidating investments to meet clients' cash redemption requirements. The third is that investment returns may be below expectations due to the portfolio's asset allocation significantly deviating from targets.

Funds SA manages liquidity risk as follows:

- Firstly, by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment option is set at a level sufficient to manage expected cash redemptions.
- Secondly, a large proportion of each investment option is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities.
- Thirdly, monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met.

Currency Risk

Funds SA's foreign currency exposure arises from its investment in assets denominated in foreign currencies.

Funds SA's strategic policy for the management of its foreign currency exposure is as follows:

- Foreign currency exposures in the Diversified Strategies Growth A, Diversified Strategies Growth B, Diversified Strategies Income, Long Term Fixed Interest and Inflation Linked Securities B asset classes are fully hedged to Australian dollars.
- Foreign currency exposures over the developed markets component of the International Equities A, International Equities Passive A, International Equities B and International Equities Passive B asset classes are 40% hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above.

Interest Rate Risk

Interest rate risk is the risk that a movement in interest rates will cause the value of interest rate sensitive securities to underperform expectations.

Funds SA manages interest rate risk through:

- ensuring asset allocations for different investment options are consistent with the time horizon of each; and
- the use of specialist external investment managers to manage Funds SA's cash and fixed interest portfolios.



Note Index

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Note 1 About Funds SA

1.1 Reporting entity

The financial report covers the Superannuation Funds Management Corporation of South Australia (Funds SA or the Corporation) as an individual reporting entity. Funds SA is a statutory authority of the State of South Australia, established pursuant to the *Superannuation Funds Management Corporation of South Australia Act 1995* (hereinafter referred to as the Funds SA Act).

In accordance with AASB 1054 *Australian Additional Disclosures*, Funds SA has applied Australian Accounting Standards that are applicable to for-profit entities.

1.2 Objective

- Under Section 5 of the Funds SA Act, the functions of Funds SA are:
- (a) to invest and manage -
 - (i) the public sector superannuation funds; and
 - (ii) the nominated funds of approved authorities, pursuant to strategies formulated by the Corporation;
 - (ab) to invest and manage other funds (if any) established by the Corporation for the purposes of the operation of any Act pursuant to strategies formulated by the Corporation;
 - (b) such other functions as are assigned to the Corporation by this or any other Act.

Under Section 7 of the Funds SA Act, the objective of the Corporation in performing its functions is to achieve the highest return possible on investment of the funds while having proper regard for -

- (a) the need to maintain the risks relating to investment at an acceptable level; and
- (b) the need for liquidity in the funds; and
- (c) such other matters as are prescribed by regulation.

Note 1 About Funds SA

1.3 Purpose of the financial statements

The purpose of the financial statements is to discharge Funds SA's reporting obligations in respect of its financial affairs under Section 26(1) of the Funds SA Act, and in respect of each of the funds, as required by Section 26(2) of the Funds SA Act.

As at 30 June 2020, Funds SA managed the following funds:

Public Sector Superannuation Funds:

- South Australian Superannuation Scheme:
 - South Australian Superannuation Fund (Old Scheme Division)
 - South Australian Superannuation Fund (New Scheme Division)
 - South Australian Superannuation Scheme - Employer Contribution Accounts
- Police Superannuation Scheme:
 - Police Superannuation Fund (Old Scheme Division)
 - Police Superannuation Scheme - Employer Contribution Account
- Southern State Superannuation Scheme:
 - Southern State Superannuation Fund
- Super SA Retirement Investment Fund:
 - Super SA Flexible Rollover Product
 - Super SA Income Stream
- Parliamentary Superannuation Scheme
- Judges' Pension Scheme
- Governors' Pension Scheme

Eligible Superannuation Funds:

- South Australian Ambulance Service Superannuation Scheme
- South Australian Metropolitan Fire Service Superannuation Scheme

Nominated Funds of Approved Authorities:

- South Australian Government Financing Authority
- Adelaide Cemeteries Authority
- Motor Accident Commission – Compulsory Third Party Fund
- Motor Accident Commission – Retained Premium Component
- Lifetime Support Authority
- Health Services Charitable Gifts Board
- The University of Adelaide Endowment Fund
- Legal Services Commission

Other (Established by the Public Corporation (Southern Select Super Corporation) Regulations 2012)

- Super SA Select



1.4 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Funds SA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accruals basis. The Statement of Cashflows has been prepared on a cash basis.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented.

1.5 Format and content of Funds SA's financial statements

The Statement of Financial Position does not incorporate the funds under management as assets of Funds SA. The Statement of Comprehensive Income does not incorporate the investment revenue and expenses.

The financial statements of these funds are disclosed separately under Note 14 in accordance with section 26(2) of the Funds SA Act.

Controlled entities have not been consolidated into Funds SA's Statement of Financial Position as they form part of the asset classes under management. Accordingly, they are incorporated within the asset class financial information in Schedule 1.

Note 1 About Funds SA

1.6 Impact of new and revised accounting standards and policies

AASB 16 Leases

AASB 16 Leases will apply for the first time to the 30 June 2020 financial statements. Impacts of this standard are disclosed in note 7 and note 10.

1.7 COVID-19 pandemic impact for the Corporation

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The resulting global travel restrictions, increased lockdowns in certain countries and restrictions on social gatherings are having an ongoing impact on business and economic activity both in Australia and overseas.

The COVID-19 pandemic has impacted the operations of the Corporation in 2019-20. The key impacts are:

- Reduced expenditure on travel due to COVID-19 restrictions;
- Employees working remotely for a portion of the year; and
- Delay of the transition to a new custodian (Northern Trust) for the funds under management, initially scheduled for 1 April 2020.

Asset class funds under management

The financial impacts of COVID-19 have been incorporated into the valuation of funds under management disclosed in Schedule 1 Statement of Net Assets Under Management. Where the valuation approach has been modified to ensure assets are disclosed at fair value this has been disclosed in Schedule 1 under 'investment valuation sources'.

1.8 Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

1.9 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where a specific Accounting Policy Statement or Australian

Accounting Standard has required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

1.10 Assets and liabilities

Assets and liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a line item combines amounts expected to be settled within twelve months and more than twelve months, Funds SA has separately disclosed the amounts expected to be settled after more than twelve months.

1.11 Insurance

Funds SA has arranged, through the SA Government Captive Insurance Corporation (SAICORP) (a division of SAFA), to insure all major risks of Funds SA. The excess payable under this arrangement varies depending on each class of insurance held.

1.12 Taxation

Funds SA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- payables and receivables, which are stated with the amount of GST included.

1.13 Significant transactions with related entities

Related Party Transactions

Funds SA is controlled by the SA Government. Related parties of Funds SA include all key management personnel and their close family members, all public authorities that are consolidated into the whole of government financial statements and other interests of the Government. Related party transaction are further disclosed at note 3.

Significant transactions with government related entities

Significant transactions with SA Government related entities are identified throughout this report and in addition Funds SA has incurred expenses of \$397,000 (\$321,000) relating to Payroll tax. This amount is paid to Revenue SA, an entity within the SA Government.

Asset sector funds under management

Funds SA's significant transactions with SA Government related client entities are disclosed in note 14. This relates to receipts and payments with Funds SA's clients.

Funds SA, in its capacity as manager of the asset class funds under management, may enter into significant transactions with the SA Government as part of its ordinary investment activities. These transactions are reported through Schedule 1 and are arm's length in nature.

Note 2 Income

2.1 Revenues from contracts with customers

	2020 \$'000	2019 \$'000
Administration fee revenue	13,903	12,148
Total revenues from contracts with customers	13,903	12,148

The administration fee revenue is derived from the provision of funds management services to Funds SA clients. The administration fee rate is determined annually based upon cost recovery of Funds SA's budgeted administration expenses for the upcoming financial year. The fee is calculated as a percentage of average funds under management, for each quarter and is charged in arrears. The market value of the funds under management depends upon the performance of the underlying investments, which are linked to the

performance of global financial markets, Funds SA's management of market risk in relation to the administration fee revenue is disclosed at note 12.1.

Payment terms are 30 days from the issue date of the invoice. Funds SA's performance obligations are satisfied on an ongoing basis. The revenue is recognised when it is probable that the flow of economic benefits to Funds SA will occur and can be reliably measured.

2.2 Other income

	2020 \$'000	2019 \$'000
Advisory services revenue	42	-
Total other income	42	-

Funds SA provides advisory services to the Department of Treasury and Finance on a cost

recovery basis. Payments are due monthly in arrears for ongoing provision of services.



Note 3 Board, committees and employees

3.1 Key management personnel

The key management personnel are the Minister, governing board directors and executive management who have responsibility for the strategic direction and management of Funds SA.

The following persons held positions of authority and responsibility for planning, directing and controlling the activities of Funds SA, directly or indirectly during the financial year.

Jo Townsend	Chief Executive Officer
John Piteo	Chief Operating Officer
Richard Friend	Chief Investment Officer
Jacki Kittel	Executive Manager, People & Organisational Performance
Tony Burrill	Executive Manager, Governance, Risk & Compliance
Tony Keenan	Executive Manager, Corporate Engagement

Refer to note 3.2 for the list of governing board directors.
Total compensation for key management personnel was \$2,589,000 in 2019-20 and \$2,150,000 in 2018-19.

Key management personnel remuneration

	2020 \$'000	2019 \$'000
Salaries and other short-term employee benefits	2,369	1,967
Post-employment benefits	220	183
Total	2,589	2,150

Transactions with key management personnel and other related parties

During the 2019-20 year there were no other transactions with key management personnel and other related parties.

3.2 Board and committee members

The following persons held the position of board director throughout the 2019-20 financial year.

Director	Funds SA Board	Sub-Committees ¹	
		Audit and Risk Committee	Human Resources Committee
Paul Laband	Chair	✓	✓
Jane Jeffreys	✓	–	Chair
Robert Patterson	✓	✓	–
Kathryn Presser	✓	Chair	–
Bill Griggs	✓	–	✓
Judith Smith	✓	✓	–
Leah York	✓	–	✓

¹ Sub-Committees – Funds SA has established 2 sub-committees where directors receive remuneration for their membership.

Board and committee remuneration

The number of governing board directors whose remuneration received or receivable falls within the following bands:	Number of Board directors	
	2020	2019
\$0 - \$19,999	-	2
\$20,000 - \$39,999	-	1
\$40,000 - \$59,999	6	5
\$80,000 - \$99,999	1	1
Total number of governing directors	7	9

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and

fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$370,000 (2018-19: \$367,000).

Note 3 Board, committees and employees

3.3 Employee benefits expenses

	2020 \$'000	2019 \$'000
Salaries and wages	7,675	6,225
Board and committee fees	338	334
Employee leave entitlements	341	104
Employment on-costs	1,269	972
Total employee benefits expenses	9,623	7,635

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:

	2020	2019
\$154 001 to \$174 000	4	2
\$174 001 to \$194 000	3	2
\$194 001 to \$214 000	1	1
\$214 001 to \$234 000	1	2
\$234 001 to \$254 000	1	-
\$254 001 to \$274 000	1	1
\$274 001 to \$294 000	1	1
\$314 001 to \$334 000	1	-
\$354 001 to \$374 000	3	3
\$394 001 to \$414 000	1	-
\$454 001 to \$474 000	-	1
\$474 001 to \$494 000	1	-
\$494 001 to \$514 000	-	1
\$534 001 to \$554 000	1	-
Total number of employees	19	14

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation

contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$5,257 million (\$3,947 million for 2018-19).

3.4 Employee benefits liability

	2020 \$'000	2019 \$'000
Current		
Accrued salaries and wages	223	135
Annual leave	571	409
Long service leave	122	23
Skills and experience retention leave	21	28
Total current employee benefits	937	595
Non-Current		
Long service leave	1,098	1,012
Total non-current employee benefits	1,098	1,012
Total employee benefits	2,035	1,607

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.



Note 3 Board, committees and employees

Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable within twelve months and are measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 2019 (1.25%) to 2020 (0.75%).

The actuarial assessment performed by the Fund SA of Treasury and Finance reduced the salary inflation rate to 2.5% (from 4% last year) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$110,864 and employee benefits expense of \$110,864. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions including the long-term discount rate.

This calculation is consistent with Funds SA's experience of employee retention and leave taken. Based on a survey of staff, the portion of the long service leave provision expected to be taken within 12 months of the reporting date is classified as current. The remaining portion of the long service leave provision is classified as non-current.

Note 4 Expenses

4.1 Supplies and services

	2020 \$'000	2019 \$'000
Information technology expenses	1,432	356
Human resource expenses	192	461
Contractors and temporary staff ¹	845	341
Board expenses	30	124
Staff development	123	181
Subscriptions and publications	161	185
Internal audit fees	123	166
External audit fees ²	116	111
Travel and accommodation	331	461
Legal and advisory expenses	153	321
Operating lease payments ³	-	281
Tenancy outgoings	42	42
Office supplies and printing	66	75
Other	42	68
Total supplies and services	3,656	3,173

¹ Contractors and temporary staff have been reclassified from employee benefits expense in the 30 June 2020 Financial Statements. Total amounts paid to contractors and temporary staff were \$845,000 (\$341,000). The amounts have been reclassified as contractors and temporary staff are not employees of Funds SA.

² Audit fees paid / payable to the Auditor-General's Fund SA relating to work performed under the Public Finance Audit Act were \$115,600 (\$111,000).

No other services were provided by the Auditor-General's Fund SA.

³ Operating lease payments is provided for 2018-19 only, as AASB 16 Leases does not distinguish between operating and finance leases for lessees - refer to note 7 and note 10.1.

Supplies and services generally represent day-to-day running costs incurred in the normal operations of Funds SA. These items are recognised as an expense in the reporting period in which they are incurred.

Note 4 Expenses

4.2 Consultants

The number and dollar amount of Consultancies paid/payable (included in supplies & services expense) that fell within the following bands:				
	No.	2020 \$'000	No.	2019 \$'000
Below \$10,000	7	21	6	30
Above \$10,000	8	288	8	577
Total	15	309	14	607

4.3 Depreciation

Depreciation	2020 \$'000	2019 \$'000
Computer and office equipment	93	60
Leasehold improvements	109	104
Right of use asset – Office lease – 25 Grenfell Street Adelaide	325	-
Right of use asset – Vehicle lease	8	-
Total depreciation	535	164

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful Life (Years)
Leasehold Improvements	Term of Lease
Computer and Office Equipment:	
• Computers, hardware and software	3 years
• Office furniture	10 years
Right-of-use assets	Term of lease

4.4 Lease interest expense

	2020 \$'000	2019 \$'000
Interest expense on lease liabilities	27	-
Total lease interest expense	27	-





Note 5 Financial Assets

5.1 Cash and cash equivalents

Cash is measured at nominal value.

	2020 \$'000	2019 \$'000
Commonwealth Bank account	3,411	6,799
Cash on Hand	1	2
Total cash and cash equivalents	3,412	6,801

5.2 Receivables

Receivables arise in the normal course of providing services to clients. Receivables and accrued revenues are non-interest bearing. Receivables are held with the objective of

collecting the contractual cash flows and they are measured at amortised cost. As at 30 June 2020 there are no indications of impairment.

	2020 \$'000	2019 \$'000
Debtors*	7,389	3,450
Accrued Interest	1	8
Total receivables	7,390	3,458

*Debtors includes \$7,349,000 (\$3,446,000) from contracts with customers being administration fee revenue receivable as at 30 June 2020. Receivables are normally settled within 30 days from the issue date of the invoice and are non-interest bearing. Based on past history, it is not anticipated that counterparties will fail to discharge their obligations as all counterparties are SA Government related entities, Funds SA's management of credit risk is disclosed further at note 12.1.

Note 6 Non-financial assets

6.1 Property, plant and equipment

	2020 \$'000	2019 \$'000
Leasehold improvements		
Leasehold improvements	1,065	1,045
Accumulated depreciation	(495)	(386)
Total leasehold improvements	570	659
Computer and office equipment		
Computer and office equipment	991	800
Accumulated depreciation	(610)	(517)
Total computer and office equipment	381	283
Capital work in progress	54	-
Total capital work in progress	54	-
Total property plant and equipment	1,005	942

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Subsequently these assets are recognised at historical cost less accumulated depreciation, which is deemed to approximate fair value. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued. Detail about Funds SA's approach to fair value is set out in note 6.2 below.

Property, plant and equipment with a value equal to or in excess of \$1,000 is capitalised. A sample of property, plant and equipment is assessed for impairment annually.

Property, plant and equipment includes \$404,200 of fully depreciated assets that are still in use as at 30 June 2020.

Capital work in progress relates to fit out costs for the expansion of the office tenancy, scheduled to be completed during the 2020-21 financial year.

Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during the year ended 30 June 2020

	Leasehold improvements \$'000	Computer and office equipment \$'000	Capital work in progress \$'000	Property, Plant and Equipment Total \$'000
Carrying amount at the beginning of the financial year	659	283	-	942
Additions	20	191	54	265
Depreciation	(109)	(93)	-	(202)
Carrying amount at the end of the financial year	570	381	54	1,005

The following table shows the movement of property, plant and equipment during the year ended 30 June 2019

	Leasehold improvements \$'000	Computer and office equipment \$'000	Property, Plant and Equipment Total \$'000
Carrying amount at the beginning of the financial year	745	228	973
Additions	18	116	134
Disposals	-	(1)	(1)
Depreciation	(104)	(60)	(164)
Carrying amount at the end of the financial year	659	283	942

Note 6 Non-financial assets

6.2 Fair Value Hierarchy

Funds SA categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in their valuation at 30 June 2020.

During the 2019-20 year, Funds SA had no valuations categorised into Level 1 or Level 2 and there were no transfers of assets between any of the fair value hierarchy levels.

Unobservable inputs used to derive Level 3 fair values are explained in Schedule 1. Although unobservable inputs were used in determining fair value, and are subjective, Funds SA considers that the overall valuation would not be materially affected by changes to existing assumptions. There were no changes in valuation techniques during 2019-20. The reconciliation of fair value measurements using significant unobservable inputs (Level 3) is represented by the reconciliation of property, plant and equipment above.

6.3 Other assets

Other assets include prepayments, these are prepaid amounts that relate to a benefit to be consumed in a later reporting period.

	2020 \$'000	2019 \$'000
Prepayments	398	179
Total other assets	398	179

Note 7 Leases

7.1 Adoption of AASB 16 Leases

The adoption of AASB 16 Leases from 1 July 2019 has resulted in adjustments to the amounts recognised for leases from a lessee perspective in the financial statements. AASB 16 replaces AASB 117 Leases and requires lessees to recognise assets and liabilities for leases, previously classified as operating leases, in the Statement of Financial Position.

Transitional and ongoing accounting policies adopted by Funds SA in relation to AASB 16 are disclosed further at note 10.1. Lease liabilities and right of use assets recognised as at initial application on 1 July 2019, including the incremental borrowing rates applied, are also presented at note 10.1.

The table below shows the differences in accounting treatment of leases under AASB 16 and AASB 117.

Financial Report	AASB 16 (from 1 July 2019)	AASB 117 (30 June 2019)
Statement of Comprehensive Income	<ul style="list-style-type: none">depreciation expense representing the consumption of the right of use asset over the lease term.lease interest expense representing the cost associated with financing the right-of-use asset over the lease term.	<ul style="list-style-type: none">lease payments recognised as an expense under supplies and services.
Statement of Financial Position	<ul style="list-style-type: none">right of use asset representing the right to use the leased asset over the term of the lease.lease liability representing the present value of future lease payments.	<ul style="list-style-type: none">Not recognised.
Statement of Cashflows	<ul style="list-style-type: none">cash outflows for lease payments are separated into principle and interest components disclosed under financing activities.	<ul style="list-style-type: none">cash outflows for lease payments included in supplies and services disclosed under operating activities.

Note 7 Leases

7.2 Right of use asset

	2020 \$'000	2019 \$'000
Office lease – 25 Grenfell Street Adelaide		
Right of use asset	2,028	-
Accumulated depreciation	(325)	-
Total office lease – 25 Grenfell Street Adelaide	1,703	-
Vehicle lease		
Right of use asset	15	-
Accumulated depreciation	(8)	-
Total vehicle lease	7	-
Total right of use assets	1,710	-

Right of use assets are measured by applying the cost model.

Funds SA has the following leases:

- an office lease of floor space in a building located at 25 Grenfell Street, Adelaide. The office lease is for a non-cancellable period of 10 years from October 2015, with an option to extend the lease term by a further 5 years. Fixed rent reviews occur annually, rental payments are monthly in advance.
- a motor vehicle lease with the South Australian Government Financing Authority (SAFA) as part of a staff member's remuneration package.

Depreciation of the right of use assets are disclosed in note 4.3. The lease liabilities related to the right-of-use assets are presented in note 7.3 below.

Impairment

The right of use assets leased by Funds SA have been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

7.3 Lease liabilities

	2020 \$'000	2019 \$'000
Current		
Office lease – 25 Grenfell Street Adelaide		
Lease liability	265	-
Vehicle lease		
Lease liability	7	-
Total current lease liabilities	272	-
Non-Current		
Office lease – 25 Grenfell Street Adelaide		
Lease liability	1,470	-
Total non- current borrowings	1,470	-
Total lease liabilities	1,742	-

Current lease liabilities represent present value of future lease payments due in 12 months. Non-current lease liabilities represent lease payments not due in 12 months. The right of use assets related to these lease liabilities are presented at note 7.2 above. All material future cash outflows for the

remaining assessed lease term are reflected in the lease liabilities disclosed above. Total cash outflows relating to the repayment of leases for the reporting period were \$328,000. Lease interest payments are disclosed at note 4.4.

7.4 Office lease term

The lease term of the office lease is based on the remaining non-cancellable period. The lease allows for an option to extend the lease term by a further 5 years. On initial application of AASB 16

at 1 July 2019 the lease term was assessed and it was deemed not reasonably certain that Funds SA would exercise the option, as a result the lease term is based on the non-cancellable period only.

7.5 Maturity analysis

	Carrying Amount 30 June 2020	Contractual Maturities 30 June 2020		
		Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Lease liabilities	1,742	272	1,373	97

The maturity analysis is based on the assessment of the remaining lease term.

Note 7 Leases

7.6 Events after the reporting period – lease modification

Funds SA have agreed to a new lease to expand the existing office space at 25 Grenfell Street which replaces the lease in existence as at 30 June 2020. The new lease will commence on completion of fit-out works, which is estimated to be 1 September 2020. The new lease conditions align with the non-cancellable period of the lease in existence

as at 30 June 2020 and retains option to extend the lease term for a further 5 years as disclosed in note 7.4. Fixed rent reviews occur annually, rental payments are monthly in advance.

Funds SA has estimated the impact of the new lease for the 30 June 2021 reporting period below.

Statement of Financial Position	1 September 2020 (new lease) \$'000	1 September 2020 (existing lease) \$'000
Assets		
Right of use asset – 25 Grenfell Street Adelaide	2,436	1,649
Liabilities		
Lease liabilities – 25 Grenfell Street Adelaide	2,436	1,712

The estimated net impact of the lease modification on the 2020-21 Statement of Comprehensive Income is set out below.

Statement of Comprehensive Income	30 June 2021 \$'000
Office lease - 25 Grenfell Street Adelaide	
Depreciation	129
Lease interest expense	(8)
Gain on lease modification	(63)
Net increase (decrease) in expenses	58

The estimated impact is based on management's assessment of the lease term which remains unchanged and is disclosed at note 7.4. The incremental borrowing rates applied to the new lease of 0.73% were SAFA's interest rates for principal and interest loans to SA Government agencies for 30 June 2020 as published by the Department of Treasury and Finance.

The additional cash outflows required to repay the principle and interest components of the lease are estimated to be \$136,000 for the 2020-21 reporting period.



Note 8 Liabilities

Employee benefit liabilities are disclosed in note 3.

8.1 Payables

Current	2020 \$'000	2019 \$'000
Creditors	270	189
GST payable	542	479
Accrued expenses	197	153
Employment on-costs	101	68
Total current payables	1,110	889
Non Current		
Employment on-costs	102	93
Total non current payables	102	93
Total payables	1,212	982

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of Funds SA.

Accrued expenses represent goods and services provided by suppliers during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

Employment on-costs

Employment benefits on-costs include superannuation contributions and payroll tax in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave and are settled when the respective employee benefits that they relate to is discharged.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate of 41% to 42% in 2020. This rate is used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial to these statements.

Interest rate and credit risk

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.





Note 9 Cash flow reconciliation

Reconciliation of Net Cash provided by Operating Activities to Surplus:	2020 \$'000	2019 \$'000
Net surplus	135	1,262
Add non-cash items		
Depreciation	535	164
Changes in Assets / Liabilities		
(Increase) in receivables	(3,932)	(548)
(Increase) in other assets	(219)	(69)
Increase in payables	230	7
Increase in employee benefits	428	124
Net cash (used)/ provided by operating activities	(2,823)	940

Note 10 Changes in accounting policy

10.1 AASB 16 Leases

AASB 16 Leases sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. AASB 16 replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 largely replaces this with depreciation expenses that represents the use of the right-of-use asset and lease interest expense that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on Fund SA's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019	8,791
Assets	
Right of use assets	2,043
Liabilities	
Lease liabilities	2,043
Opening retained earnings 1 July 2019	8,791

Funds SA in its 2018-19 financial report had total undiscounted operating lease commitments of \$2.15 million under AASB 117.

The variance between the unrecognised contractual commitment in the 2018-19 financial report and the initial recognition of the lease liability is due to adjusting for the present value of the future lease payments by the discounting of cashflows.

Accounting policies on transition

AASB 16 Leases sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. Fund SA has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 Leases and related interpretations.
- the initial measurement of the lease liabilities was the present value of the remaining leases payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The incremental borrowing rate for the office lease and vehicle lease were 1.55% and 3.13% respectively.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in Fund SA's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- Fund SA, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are measured applying the cost model.

Significant accounting policies relating to the application of AASB 16 are disclosed at note 7.

Note 11 Outlook

11.1 Unrecognised contractual commitments

Operating lease commitments

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

Commitments for minimum lease payments in relation to non-cancellable operating leases, are payable as follows:	2020 \$'000	2020 \$'000
Within one year	-	307
Later than one year but not longer than five years	-	1,364
Later than five years	-	482
Total non-cancellable operating lease commitments	-	2,153

Commitments include operating commitments arising from contractual or statutory sources and are disclosed at their nominal value. Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office.

If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

11.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable,

are measured at nominal value. Funds SA is not aware of any contingent assets or liabilities.

11.3 Impact of standards and statements not yet effective

Funds SA has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective and have concluded that there will be no significant impacts to Funds SA.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public class grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. Funds SA does not have any arrangements falling within the scope of this standard.

11.4 Events after the reporting period

Funds SA have agreed to a new lease to expand the existing office space at 25 Grenfell Street. The new lease will commence on

completion of fit-out works, which is estimated to be 1 September 2020, the financial impact of this new lease is disclosed at note 7.6.

11.5 COVID-19 pandemic outlook

The COVID-19 pandemic will continue to impact the operations of the Corporation in 2020-21. The key expected impacts are:

- Staff continuing to work remotely some of the time and a possible increase in working from home arrangements in the future; and
- Reduced expenditure on travel due to COVID-19 restrictions.

Asset class funds under management

The fair values of funds under management disclosed in Schedule 1 Statement of Net Assets Under Management as at 30 June 2020 reflect the conditions known as at that date. The evolving COVID-19 health situation and its impact on investment markets are being closely monitored.



Note 12 Financial Instruments

12.1 Financial risk management

Financial risk management in relation to the client funds under management is disclosed in Schedule 1.

Financial risk management in relation to Funds SA's corporate activities is disclosed below:

Liquidity risk and market risk

The administration fee that Funds SA charges to its clients to cover its administration expenses is calculated as a percentage of average funds under management valued at market value. The market value of these funds depends upon the performance of the underlying investments, which are linked to the performance of world financial markets.

Funds SA manages this risk in two ways:

- Firstly, its administration fee is set at a level that conservatively allows for periods of prolonged low market values of funds under management; and

Funds SA's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

- Secondly, Funds SA has the ability to increase the administration fee should this action be necessary to cover administration expenses.

As Funds SA has the ability to amend the administration fee to ensure all administration expenses and liabilities of Funds SA are able to be satisfied as and when they fall due, the market risk is deemed to be immaterial and therefore a sensitivity analysis has not been undertaken.

Creditors are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Credit risk

Receivables are normally settled within 30 days. Receivables and other assets are non-interest bearing. Based on past history, it is not anticipated that counterparties will fail to discharge their obligations as all counterparties

are SA Government related entities. The carrying amount of receivables approximates fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

12.2 Maturity analysis

Cash, receivables and payables all have a maturity of less than 12 months. Lease liabilities relate to Funds SA's office and vehicle leases and have a maturity greater than 12 months, refer to note 7.5. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these financial instruments, refer to the table provided at note 12.3 below.

12.3 Classification of financial instruments

Funds SA measures all financial instruments at amortised cost, the carrying amount is disclosed below.

	Carrying Amount 30 June 2020 \$'000
Financial assets	
Receivables	7,390
Financial liabilities	
Payables	276
Lease liabilities	1,742

	Carrying Amount 30 June 2019 \$'000
Financial assets	
Receivables	3,458
Financial liabilities	
Payables	220

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and

Local Government taxes, fees and charges; Auditor-General's Department audit fees).

Note 13 Investments in Funds SA Unit Trusts

On 20 June 2008 Funds SA established 15 unit trusts to manage the investments of Funds SA's tax-paying clients. Since that time, an additional 5 unit trusts have been established. A consolidated list of Funds SA's unit trusts is provided below.

Trust	Date established	Settled Sum
High Growth B Unit Trust	20 June 2008	\$10
Growth B Unit Trust	20 June 2008	\$10
Balanced B Unit Trust	20 June 2008	\$10
Moderate B Unit Trust	20 June 2008	\$10
Conservative B Unit Trust	20 June 2008	\$10
Capital Defensive B Unit Trust	20 June 2008	\$10
Cash Option B Unit Trust	20 June 2008	\$10
Australian Equities B Unit Trust	20 June 2008	\$10
International Equities B Unit Trust	20 June 2008	\$10
Property B Unit Trust	20 June 2008	\$10
Diversified Strategies Growth B Unit Trust	20 June 2008	\$10
Diversified Strategies Income A&B Unit Trust	20 June 2008	\$10
Fixed Interest A&B Unit Trust	20 June 2008	\$10
Inflation Linked Securities A&B Unit Trust	20 June 2008	\$10
Cash A&B Unit Trust	20 June 2008	\$10
Socially Responsible Investment Unit Trust	12 February 2010	\$10
Short Term Fixed Interest A&B Unit Trust	8 June 2010	\$10
Funds SA Property Holdings Trust	22 March 2016	\$10
Australian Equities Passive B Unit Trust	29 May 2019	\$10
International Equities Passive B Unit Trust	29 May 2019	\$10
Total		\$200



Note 14 Client funds under management

Operation of Investment Portfolio

Funds SA operates a multi-layered unitisation structure to facilitate the administration of different investment strategies applying to the various client funds. For the year ending 30 June 2020, Funds SA managed a number of different investment options distinguished by differing strategic asset allocations, namely:

- **High Growth**
- **Growth**
- **Balanced**
- **Moderate**
- **Conservative**
- **Capital Defensive**
- **Cash**
- **Socially Responsible**
- **Motor Accident Commission¹**
- **Lifetime Support Authority Strategy¹**
- **Defined Benefit Strategy**
- **SAFA Investment Strategy¹**

¹These investment options are customised strategies available to the South Australian Government Financing Authority (SAFA), Motor Accident Commission and Lifetime Support Authority only.

Each client fund holds units in an investment option, which in turn holds units in each of the asset classes according to the strategic asset allocation for the investment option. Units are issued and redeemed periodically as transactions occur at unit prices calculated having regard to the market value of underlying investments.

Under section 26(2) of the Funds SA Act, Funds SA is required to "prepare separate financial statements in a form approved by the Minister in respect of each fund or authority in respect of each financial year". In compliance with the Funds SA Act, the format of these financial statements has been approved by the Minister.

- These client fund financial statements are explained and disclosed below:
- Each client fund's allocation of total net investment income is disclosed in the Statement of Receipts and Payments. The amounts disclosed in the payments and receipts include client placements and redemptions in investment options inclusive of switches between investment options.
 - The interest which each client fund holds in the unitised investment portfolio is disclosed in the Statement of Funds Under Management - by Investment Option.
 - The indirect interest which each client fund holds in the asset classes is disclosed in the Statement of Funds Under Management - by Asset class.
 - Australian Equities A, Australian Equities Passive A, International Equities A, International Equities Passive A, Property A, Diversified Strategies Growth A and Inflation Linked Securities A asset classes are available to untaxed clients only, whereas Australian Equities B, Australian Equities Passive B, International Equities B, International Equities Passive B, Property B and Diversified Strategies Growth B asset classes are available to taxed clients only. All other asset classes, with the exception of Fixed Interest (MAC) (which is available to the Motor Accident Commission only), are available to both untaxed and taxed clients.

Note 14 provides financial statements in respect of each client fund under the management of Funds SA for the 2019-20 financial year.

The valuation of the investments of each client fund under management has been valued at fair value in accordance with AASB 13 *Fair Value Measurement*. Funds SA considers fair value to be the Net Asset Value of units held in each investment option and asset class. Net Asset Value excludes any impacts of buy and sell spreads applicable to each investment option and asset class and is consistent with the valuation methodology adopted in Schedule 1 above.



Note 14 Client Funds Under Management

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Legal Services Commission	14(aa)

14(a) South Australian Superannuation Scheme – Employer Contribution Accounts

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	2,857,354	2,887,349
Add: Receipts	367,267	384,959
Net Investment Income	(31,657)	221,171
	335,610	606,130
Less: Payments	(638,975)	(636,125)
Funds Under Management at 30 June	2,553,989	2,857,354

Statement of Funds Under Management – by Investment Option

Investment Option		
Defined Benefit Strategy	2,553,989	2,857,354
Funds Under Management at 30 June	2,553,989	2,857,354

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	525,468	643,432
International Equities A	789,868	824,667
Property A	437,237	489,525
Diversified Strategies Growth A	404,021	474,659
Diversified Strategies Income	330,298	382,812
Cash	67,097	42,259
Funds Under Management at 30 June	2,553,989	2,857,354

Note 14 Client Funds Under Management

14(b) South Australian Superannuation Fund – Old Scheme Division

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	1,615,913	1,581,214
Add: Receipts	3,010	-
Net Investment Income	(20,015)	124,044
	(17,005)	124,044
Less: Payments	(94,450)	(89,345)
Funds Under Management at 30 June	1,504,458	1,615,913

Statement of Funds Under Management – by Investment Option

Investment Option		
Defined Benefit Strategy	1,504,458	1,615,913
Funds Under Management at 30 June	1,504,458	1,615,913

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	309,533	363,879
International Equities A	465,281	466,372
Property A	257,560	276,840
Diversified Strategies Growth A	237,994	268,433
Diversified Strategies Income	194,566	216,491
Cash	39,524	23,898
Funds Under Management at 30 June	1,504,458	1,615,913

14(c) South Australian Superannuation Fund – New Scheme Division

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	627,270	647,025
Add: Receipts	51,487	18,686
Net Investment Income	(4,174)	47,594
	47,313	66,280
Less: Payments	(120,583)	(86,035)
Funds Under Management at 30 June	554,000	627,270

Statement of Funds Under Management – by Investment Option

Investment Option		
High Growth A	23,418	29,132
Growth A	391,741	472,237
Balanced A	62,496	63,759
Moderate A	24,988	24,246
Conservative A	24,042	22,406
Capital Defensive A	9,526	8,808
Cash A	17,654	4,894
Socially Responsible	135	1,788
Funds Under Management at 30 June	554,000	627,270

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	114,903	130,027
International Equities A	157,795	167,189
International Equities Passive A	14,723	-
Property A	67,313	79,103
Diversified Strategies Growth A	46,962	60,043
Inflation Linked Securities A	11,774	37,925
Long Term Fixed Interest	7,596	26,422
Short Term Fixed Interest	9,999	9,751
Diversified Strategies Income	62,425	96,355
Cash	60,375	18,667
Socially Responsible	135	1,788
Funds Under Management at 30 June	554,000	627,270

14(d) Southern State Superannuation Fund

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	18,983,247	17,242,415
Add: Receipts	1,630,900	722,979
Net Investment Income	(119,554)	1,392,255
	1,511,346	2,115,234
Less: Payments	(1,380,491)	(374,402)
Funds Under Management at 30 June	19,114,102	18,983,247

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth A	1,435,455	1,460,675
Growth A	713,321	733,028
Balanced A	15,108,097	15,578,966
Moderate A	444,577	345,796
Conservative A	419,540	354,219
Capital Defensive A	277,765	217,411
Cash A	639,966	226,170
Socially Responsible	75,381	66,982
Funds Under Management at 30 June	19,114,102	18,983,247

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	3,787,802	3,700,847
International Equities A	5,084,903	4,696,246
International Equities Passive A	482,285	-
Property A	2,108,094	2,166,878
Diversified Strategies Growth A	1,419,749	1,593,454
Inflation Linked Securities A	1,068,039	1,459,437
Long Term Fixed Interest	969,417	1,295,629
Short Term Fixed Interest	467,964	535,456
Diversified Strategies Income	1,473,583	2,880,064
Cash	2,176,885	588,254
Socially Responsible	75,381	66,982
Funds Under Management at 30 June	19,114,102	18,983,247

14(e) Super SA Retirement Investment Fund – Super SA Flexible Rollover Product

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	1,327,208	1,175,119
Add: Receipts	472,145	226,986
Net Investment Income	(13,812)	86,133
	458,333	313,119
Less: Payments	(365,234)	(161,030)
Funds Under Management at 30 June	1,420,307	1,327,208

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth B	76,427	60,624
Growth B	121,473	137,701
Balanced B	636,508	662,627
Moderate B	169,677	172,578
Conservative B	140,691	130,750
Capital Defensive B	95,047	93,522
Cash B	159,996	54,219
Socially Responsible	20,488	15,187
Funds Under Management at 30 June	1,420,307	1,327,208

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	236,928	243,632
International Equities B	268,952	250,923
International Equities Passive B	26,409	-
Property B	130,892	133,580
Diversified Strategies Growth B	94,769	97,136
Inflation Linked Securities B	85,594	116,371
Long Term Fixed Interest	66,880	81,263
Short Term Fixed Interest	76,442	74,815
Diversified Strategies Income	126,663	194,420
Cash	286,290	119,881
Socially Responsible	20,488	15,187
Funds Under Management at 30 June	1,420,307	1,327,208

14(f) Super SA Retirement Investment Fund – Super SA Income Stream

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	3,619,505	3,188,085
Add: Receipts	1,088,982	521,767
Net Investment Income	(35,674)	237,220
	1,053,308	758,987
Less: Payments	(930,367)	(327,567)
Funds Under Management at 30 June	3,742,446	3,619,505

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth B	103,104	127,611
Growth B	231,104	252,625
Balanced B	1,741,487	1,857,220
Moderate B	631,994	568,023
Conservative B	467,486	461,576
Capital Defensive B	238,676	205,318
Cash B	286,772	111,825
Socially Responsible	41,823	35,307
Funds Under Management at 30 June	3,742,446	3,619,505

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	629,796	660,038
International Equities B	714,485	680,436
International Equities Passive B	69,910	-
Property B	350,198	363,375
Diversified Strategies Growth B	246,391	257,516
Inflation Linked Securities B	261,629	335,007
Long Term Fixed Interest	201,495	231,960
Short Term Fixed Interest	228,869	214,553
Diversified Strategies Income	352,243	541,282
Cash	645,607	300,031
Socially Responsible	41,823	35,307
Funds Under Management at 30 June	3,742,446	3,619,505

14(g) Parliamentary Superannuation Scheme

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	255,816	273,279
Add: Receipts	12,796	4,257
Net Investment Income	(2,974)	19,496
	9,822	23,753
Less: Payments	(21,956)	(41,216)
Funds Under Management at 30 June	243,682	255,816

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth A	5,231	4,526
Growth A	1,967	3,203
Balanced A	22,134	23,236
Moderate A	905	714
Conservative A	1	-
Capital Defensive A	567	-
Cash A	3,160	-
Socially Responsible	2,040	1,396
Defined Benefit Strategy	207,677	222,741
Funds Under Management at 30 June	243,682	255,816

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	49,243	56,711
International Equities A	72,990	72,637
International Equities Passive A	826	-
Property A	39,222	41,984
Diversified Strategies Growth A	35,344	39,862
Inflation Linked Securities A	1,527	2,181
Long Term Fixed Interest	1,420	1,988
Short Term Fixed Interest	641	621
Diversified Strategies Income	29,421	34,618
Cash	11,008	3,818
Socially Responsible	2,040	1,396
Funds Under Management at 30 June	243,682	255,816

14(h) Judges' Pension Scheme

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	280,330	273,550
Add: Receipts	3,600	4,770
Net Investment Income	(3,551)	21,340
	49	26,110
Less: Payments	(11,328)	(19,330)
Funds Under Management at 30 June	269,051	280,330

Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	269,051	280,330
Funds Under Management at 30 June	269,051	280,330

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	55,356	63,126
International Equities A	83,209	80,906
Property A	46,061	48,027
Diversified Strategies Growth A	42,562	46,568
Diversified Strategies Income	34,795	37,557
Cash	7,068	4,146
Funds Under Management at 30 June	269,051	280,330

14(i) Governors' Pension Scheme

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	3,247	284
Add: Receipts	-	3,000
Net Investment Income	(37)	243
	(37)	3,243
Less: Payments	(283)	(280)
Funds Under Management at 30 June	2,927	3,247

Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	2,927	3,247
Funds Under Management at 30 June	2,927	3,247

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	602	731
International Equities A	905	937
Property A	501	556
Diversified Strategies Growth A	463	539
Diversified Strategies Income	379	436
Cash	77	48
Funds Under Management at 30 June	2,927	3,247

14(j) South Australian Ambulance Service Superannuation Scheme

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	288,205	267,493
Add: Receipts	7,300	7,800
Net Investment Income	(1,586)	20,722
	5,714	28,522
Less: Payments	(19,720)	(7,810)
Funds Under Management at 30 June	274,199	288,205

Statement of Funds Under Management - by Investment Option

Investment Option		
Balanced B	274,199	288,205
Funds Under Management at 30 June	274,199	288,205

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	61,184	61,219
International Equities B	67,372	63,578
International Equities Passive B	7,024	-
Property B	30,592	32,350
Diversified Strategies Growth B	26,190	27,429
Inflation Linked Securities B	14,280	24,211
Long Term Fixed Interest	16,870	22,074
Short Term Fixed Interest	4,987	6,054
Diversified Strategies Income	19,414	43,827
Cash	26,286	7,463
Funds Under Management at 30 June	274,199	288,205

14(k) Police Superannuation Scheme – Employer Contribution Account

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	1,385,163	1,282,862
Add: Receipts	72,715	59,506
Net Investment Income	(18,269)	104,750
	54,446	164,256
Less: Payments	(63,950)	(61,955)
Funds Under Management at 30 June	1,375,659	1,385,163

Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	1,375,659	1,385,163
Funds Under Management at 30 June	1,375,659	1,385,163

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	283,033	311,917
International Equities A	425,448	399,775
Property A	235,510	237,308
Diversified Strategies Growth A	217,619	230,101
Diversified Strategies Income	177,909	185,576
Cash	36,140	20,486
Funds Under Management at 30 June	1,375,659	1,385,163

14(l) Police Superannuation Fund – Old Scheme Division

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	597,729	573,507
Add: Receipts	-	-
Net Investment Income	(7,448)	45,642
	(7,448)	45,642
Less: Payments	(23,185)	(21,420)
Funds Under Management at 30 June	567,096	597,729

Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	567,096	597,729
Funds Under Management at 30 June	567,096	597,729

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	116,677	134,599
International Equities A	175,385	172,512
Property A	97,086	102,404
Diversified Strategies Growth A	89,710	99,294
Diversified Strategies Income	73,340	80,080
Cash	14,898	8,840
Funds Under Management at 30 June	567,096	597,729

14(m) South Australian Government Financing Authority (SAICORP – Insurance Fund 1)

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	615,322	578,190
Add: Receipts	53,000	40,000
Net Investment Income	(3,859)	48,132
	49,141	88,132
Less: Payments	(62,000)	(51,000)
Funds Under Management at 30 June	602,463	615,322

Statement of Funds Under Management - by Investment Option

Growth A	-	615,322
SAFA Investment Strategy	602,463	-
Funds Under Management at 30 June	602,463	615,322

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	117,931	133,905
International Equities A	180,251	173,322
Property A	79,171	81,786
Diversified Strategies Growth A	59,338	65,285
Inflation Linked Securities A	36,306	32,689
Long Term Fixed Interest	23,709	23,248
Diversified Strategies Income	89,954	95,798
Cash	15,803	9,289
Funds Under Management at 30 June	602,463	615,322

14(n) South Australian Government Financing Authority (SAICORP – Insurance Fund 2)

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	15,119	17,664
Add: Receipts	-	-
Net Investment Income	23	955
	23	955
Less: Payments	(4,000)	(3,500)
Funds Under Management at 30 June	11,142	15,119

Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative A	11,142	15,119
Funds Under Management at 30 June	11,142	15,119

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	1,202	1,827
International Equities A	1,623	2,107
International Equities Passive A	98	-
Property A	925	1,285
Inflation Linked Securities A	1,665	2,359
Long Term Fixed Interest	551	723
Short Term Fixed Interest	1,987	2,683
Diversified Strategies Income	1,902	2,693
Cash	1,189	1,442
Funds Under Management at 30 June	11,142	15,119

14(o) South Australian Government Financing Authority (SAICORP – Insurance Fund 3)

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	32,704	24,157
Add: Receipts	-	6,500
Net Investment Income	218	2,047
	218	8,547
Less: Payments	(10,000)	-
Funds Under Management at 30 June	22,922	32,704

Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative A	22,922	32,704
Funds Under Management at 30 June	22,922	32,704

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	2,473	3,952
International Equities A	3,340	4,557
International Equities Passive A	202	-
Property A	1,902	2,780
Inflation Linked Securities A	3,425	5,103
Long Term Fixed Interest	1,134	1,564
Short Term Fixed Interest	4,088	5,805
Diversified Strategies Income	3,912	5,825
Cash	2,446	3,118
Funds Under Management at 30 June	22,922	32,704

14(p) South Australian Government Financing Authority (SAICORP – Insurance Fund 4)

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	-	-
Add: Receipts	140,000	-
Net Investment Income	2,293	-
	142,293	-
Less: Payments	0	-
Funds Under Management at 30 June	142,293	-

Statement of Funds Under Management - by Investment Option

Investment Option		
Capital Defensive A	142,293	-
Funds Under Management at 30 June	142,293	-

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	8,227	-
International Equities A	10,377	-
International Equities Passive A	102	-
Property A	7,554	-
Inflation Linked Securities A	21,290	-
Long Term Fixed Interest	7,049	-
Short Term Fixed Interest	42,483	-
Diversified Strategies Income	22,891	-
Cash	22,320	-
Funds Under Management at 30 June	142,293	-

14(q) Adelaide Cemeteries Authority

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	6,363	6,525
Add: Receipts	900	150
Net Investment Income	(4)	488
	896	638
Less: Payments	(1,900)	(800)
Funds Under Management at 30 June	5,359	6,363

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth A	3,497	4,789
Balanced A	1,005	1,095
Conservative A	857	479
Funds Under Management at 30 June	5,359	6,363

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	1,166	1,556
International Equities A	1,578	1,993
International Equities Passive A	139	-
Property A	717	890
Diversified Strategies Growth A	423	602
Inflation Linked Securities A	189	166
Long Term Fixed Interest	102	108
Short Term Fixed Interest	171	112
Diversified Strategies Income	602	803
Cash	272	133
Funds Under Management at 30 June	5,359	6,363

14(r) Motor Accident Commission Compulsory Third Party Fund

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	61,587	1,012,035
Add: Receipts	-	24,000
Net Investment Income	1,532	18,288
	1,532	42,288
Less: Payments	(19,100)	(992,736)
Funds Under Management at 30 June	44,019	61,587

Statement of Funds Under Management - by Investment Option

Investment Option		
Motor Accident Commission A	44,019	61,587
Funds Under Management at 30 June	44,019	61,587

Statement of Funds Under Management – by Asset class

Asset class		
Fixed Interest (MAC)	31,128	34,208
Diversified Strategies Income (MAC)	-	13,228
Cash	12,891	14,151
Funds Under Management at 30 June	44,019	61,587

14(s) Motor Accident Commission Retained Premium Component

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	103,872	-
Add: Receipts	-	102,036
Net Investment Income	2,527	1,836
	2,527	103,872
Less: Payments	(55,000)	-
Funds Under Management at 30 June	51,399	103,872

Statement of Funds Under Management - by Investment Option

Investment Option		
Motor Accident Commission A	51,399	103,872
Funds Under Management at 30 June	51,399	103,872

Statement of Funds Under Management – by Asset class

Asset class		
Fixed Interest (MAC)	36,347	57,695
Diversified Strategies Income (MAC)	0	22,310
Cash	15,052	23,867
Funds Under Management at 30 June	51,399	103,872

14(t) South Australian Metropolitan Fire Service Superannuation Scheme

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	434,232	398,339
Add: Receipts	54,778	45,299
Net Investment Income	(2,953)	29,892
	51,825	75,191
Less: Payments	(51,098)	(39,298)
Funds Under Management at 30 June	434,959	434,232

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth B	6,546	6,525
Growth B	296,982	314,972
Balanced B	5,725	5,950
Moderate B	7,362	7,348
Conservative B	98,578	87,491
Capital Defensive B	6,189	7,387
Cash B	13,577	4,559
Funds Under Management at 30 June	434,959	434,232

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	86,578	93,120
International Equities B	101,798	93,112
International Equities Passive B	9,888	-
Property B	49,626	51,333
Diversified Strategies Growth B	36,054	38,075
Inflation Linked Securities B	15,986	32,918
Long Term Fixed Interest	6,443	17,109
Short Term Fixed Interest	19,974	17,961
Diversified Strategies Income	55,520	66,663
Cash	53,092	23,941
Funds Under Management at 30 June	434,959	434,232

14(u) Super SA Select

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	9,393	6,299
Add: Receipts	3,306	3,367
Net Investment Income	(204)	647
	3,102	4,014
Less: Payments	(1,720)	(920)
Funds Under Management at 30 June	10,775	9,393

Statement of Funds Under Management - by Investment Option

Investment Option		
Balanced B	10,289	8,960
Cash B	486	433
Funds Under Management at 30 June	10,775	9,393

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	2,296	1,903
International Equities B	2,528	1,976
International Equities Passive B	264	-
Property B	1,148	1,006
Diversified Strategies Growth B	983	853
Inflation Linked Securities B	536	753
Long Term Fixed Interest	633	686
Short Term Fixed Interest	187	188
Diversified Strategies Income	728	1,363
Cash	1,472	665
Funds Under Management at 30 June	10,775	9,393

14(v) Lifetime Support Authority

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	762,244	598,785
Add: Receipts	96,000	108,000
Net Investment Income	(11,558)	55,459
	84,442	163,459
Less: Payments	-	-
Funds Under Management at 30 June	846,686	762,244

Statement of Funds Under Management - by Investment Option

Investment Option		
Lifetime Support Authority Strategy	846,686	762,244
Funds Under Management at 30 June	846,686	762,244

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities A	174,202	167,711
International Equities A	261,839	196,543
Property A	144,958	116,251
Diversified Strategies Growth A	133,941	126,655
Inflation Linked Securities A	-	25,296
Long Term Fixed Interest	-	-
Diversified Strategies Income	109,502	118,338
Cash	22,244	11,450
Funds Under Management at 30 June	846,686	762,244

14(w) Health Services Charitable Gifts Board – Pool Investment

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	96,876	90,114
Add: Receipts	12,100	1,500
Net Investment Income	(538)	6,262
	11,562	7,762
Less: Payments	(13,079)	(1,000)
Funds Under Management at 30 June	95,359	96,876

Statement of Funds Under Management - by Investment Option

Investment Option		
Growth B	10,151	16,593
Balanced B	45,516	49,517
Capital Defensive B	35,938	25,852
Cash B	3,754	4,914
Funds Under Management at 30 June	95,359	96,876

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	14,312	16,319
International Equities B	16,619	16,722
International Equities Passive B	1,558	-
Property B	8,351	9,144
Diversified Strategies Growth B	5,519	6,624
Inflation Linked Securities B	7,476	8,781
Long Term Fixed Interest	4,661	5,614
Short Term Fixed Interest	11,531	8,687
Diversified Strategies Income	10,308	14,301
Cash	15,024	10,684
Funds Under Management at 30 June	95,359	96,876

14(x) Health Services Charitable Gifts Board – Ray and Shirl Norman Cancer Research Trust

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	7,759	7,489
Add: Receipts	305	400
Net Investment Income	(64)	525
	241	925
Less: Payments	(681)	(655)
Funds Under Management at 30 June	7,319	7,759

Statement of Funds Under Management - by Investment Option

Investment Option		
Growth B	6,365	7,088
Cash B	954	671
Funds Under Management at 30 June	7,319	7,759

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	1,534	1,728
International Equities B	1,786	1,731
International Equities Passive B	181	-
Property B	829	927
Diversified Strategies Growth B	734	816
Inflation Linked Securities B	-	384
Long Term Fixed Interest	-	261
Diversified Strategies Income	761	1,064
Cash	1,494	848
Funds Under Management at 30 June	7,319	7,759

14(y) Health Services Charitable Gifts Board - DE Brown Trust

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	287	284
Add: Receipts	1	-
Net Investment Income	-	19
	1	19
Less: Payments	(22)	(16)
Funds Under Management at 30 June	266	287

Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative B	266	287
Funds Under Management at 30 June	266	287

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	29	38
International Equities B	36	37
International Equities Passive B	3	-
Property B	22	24
Inflation Linked Securities B	38	44
Long Term Fixed Interest	14	13
Short Term Fixed Interest	47	50
Diversified Strategies Income	46	50
Cash	31	31
Funds Under Management at 30 June	266	287

14(z) The University of Adelaide Endowment Trust

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	192,692	189,024
Add: Receipts	4,800	364
Net Investment Income	(2,398)	14,324
	2,402	14,688
Less: Payments	(3,500)	(11,020)
Funds Under Management at 30 June	191,594	192,692

Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth B	191,594	192,692
Funds Under Management at 30 June	191,594	192,692

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	49,976	57,058
International Equities B	57,595	59,174
International Equities Passive B	5,439	-
Property B	28,768	28,782
Diversified Strategies Growth B	22,100	22,178
Diversified Strategies Income	20,985	20,870
Cash	6,731	4,630
Funds Under Management at 30 June	191,594	192,692

14(aa) Legal Services Commission

Statement of Receipts and Payments	2020 \$'000	2019 \$'000
Funds Under Management at 1 July	-	-
Add: Receipts	8,000	-
Net Investment Income	(194)	-
	7,806	-
Less: Payments	-	-
Funds Under Management at 30 June	7,806	-

Statement of Funds Under Management - by Investment Option

Investment Option		
Capital Defensive B	7,806	-
Funds Under Management at 30 June	7,806	-

Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities B	371	-
International Equities B	562	-
International Equities Passive B	23	-
Property B	424	-
Inflation Linked Securities B	1,109	-
Long Term Fixed Interest	404	-
Short Term Fixed Interest	2,325	-
Diversified Strategies Income	1,275	-
Cash	1,313	-
Funds Under Management at 30 June	7,806	-



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