

# Annual Review

## 2021–22



Government  
of South Australia



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**Funds SA Act**  
Superannuation Funds Management Corporation  
of South Australia Act 1995

**Funds SA Regulations**  
Superannuation Funds Management Corporation  
of South Australia Regulations 2010

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# Funds SA Highlights

## Launched our Climate Risk Response Plan

Our Climate Risk Response Plan includes a 5-Pillar framework that outlines the initial actions we will take to address the risk and opportunities of climate change.

- 1

**Governance & Culture**  
Defining how investment decisions are made at Funds SA, including continuously improving our knowledge of the risks and opportunities of climate change.


- 2

**Investment Strategy**  
Investment processes, including utilising scenario analysis to monitor and build portfolios that mitigate climate-related risks, identifying how different asset classes, sectors, industries and companies will be affected, and positioning the portfolio to invest for the future.


- 3

**Manager & Company Engagement**  
Engagement with new and existing investment managers and highest risk companies to evaluate current practices and encourage the integration of climate change into decision making processes.


- 4

**Advocacy**  
Engagement with industry bodies, corporate entities and service providers to improve practices and encourage the integration of climate-related risks and opportunities.


- 5

**Disclosure**  
Ensuring transparency and open communication with clients and other stakeholders.



## New Director appointed

Christopher Hall joined the Board of Funds SA, bringing extensive knowledge and experience in investment and funds management.

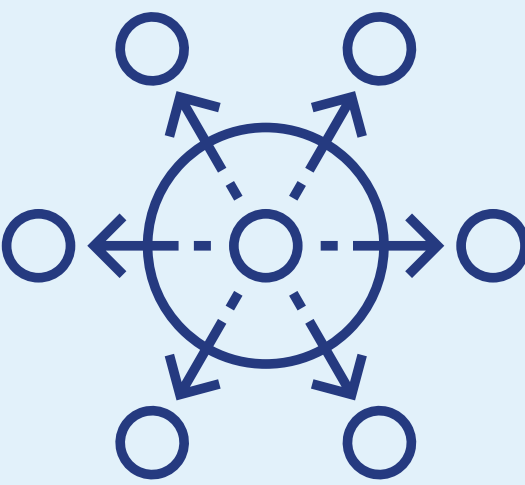


## Commencement of our major project

Our multi-year Investment Data & Technology project commenced, supporting development and implementation of in-house systems for portfolio management, performance analytics, and more active monitoring of investment risk.

## Increasing portfolio construction flexibility

Four sub-asset classes were established within Diversified Strategies Income, and two sub-asset classes within Diversified Strategies Growth.







# Letter from the CEO and Chairman



**Jo Townsend**



**Paul Laband**

Over the past three years, we have experienced the unprecedented impacts of COVID-19 and a significant number of global events of consequence including sovereign conflict, geopolitical tensions, and the re-emergence of inflation worldwide. These factors have led to greater market volatility, impacting the annual returns of investment options. The effects of market volatility saw negative annual returns for most options in 2020, followed by exceptionally high returns in 2021 and negative returns this year.

The combination of high inflation, tighter monetary policy with aggressive central bank actions, rising risks to economic growth bringing the possibility of recession, the ongoing Russia-Ukraine conflict, and COVID-19 related lockdowns in China have proven challenging for financial markets. These difficult market conditions resulted in all investment options, except Cash, posting negative returns for the financial year. The investment options with lower allocations to growth assets and short investment time horizons were significantly impacted by the rapid interest rate rises which led to the worst performance from bond markets in a number of decades.

In the face of disappointing investment returns over the 12-month period, the Board and Investment Team have been very focused on reviewing the investment strategies and manager selections to determine any changes to existing approaches that need to be made. This work is ongoing, with particular attention being paid to the lower risk options.

During the year, the Corporation progressed a range of key strategic initiatives. Our multi-year Investment Data & Technology project commenced, supporting development and implementation of in-house systems for portfolio management, performance analytics, and more active monitoring of investment risk.

We have continued to enhance and develop our Responsible Investment approach. We have updated our organisational Climate Change Position Statement and launched our Climate Risk Response Plan (Plan). Central to our Plan is a 5-Pillar framework that outlines the initial actions we will take to meet our goal of managing the long-term financial risks and opportunities of climate change, and the transition of our portfolio towards Net Zero Emissions by 2050.

Finally, to maintain and foster our positive and collaborative culture, and in response to the workplace changes over the past two years, the Corporation has developed and established a Wellbeing Strategy, with assistance from industry partners. This adds to our already significant workplace and professional development programs.

We would like to thank our clients and key stakeholders for their support over the past year; our Board, for their guidance; and our staff, for their continuing flexibility and dedication as we adapt to the changing investment landscape and working environment.

*Jo Townsend* *Paul Laband*

**Jo Townsend**  
Chief  
Executive  
Funds SA

**Paul Laband**  
Chairman  
Funds SA Board





# Corporation Overview

Funds SA is the investment management partner for South Australian public sector superannuation funds and approved authorities.

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

Our organisational expertise, deep investment partnerships, and 'manager of managers' approach drive our pursuit of future financial prosperity through global market reach. This, combined with our team's experience and sophisticated investment solutions, enables us to navigate the continually evolving financial landscape.

We have developed investment options to meet a range of investment objectives, including tailored strategies for select clients. These cater to clients with differing tax statuses.

The Corporation is owned by the Government of South Australia, established under its legislation, and governed by a Board of Directors.

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



Our Strategic Plan has been updated to take us through to 2025, set against a backdrop of substantial change within both the local environment and the investment management industry more broadly.

Our focus has shifted from the establishment of strong foundations to the "delivery" phase for many

critical initiatives to enable us to continue to work towards the Vision of delivering a World Class investment experience.

Initiatives delivered within the strategic themes during the 2021-22 financial year include:



## Investment Performance

- Expanded our investment capabilities to include new asset classes.
- Continued integrating Responsible Investment practices into investment processes.
- Updated our Climate Change Position Statement and launched our Climate Risk Response Plan.
- Continued to leverage our scale, experience, and strong relationships with investment managers and other advisers to bring new investment ideas into the portfolio.



## Valued Partnerships

- Transitioned an existing client to a newly created tailored investment strategy.
- Provided guidance to our clients and stakeholders on a range of challenging developments within investment markets throughout the year.
- Continually improving and refining our service delivery based on client feedback.



## Organisational Excellence and Agility

- Developed and began implementation of our major Investment Data and Technology project to provide high quality information to enhance investment analysis, decision making, and implementation efficiencies.
- A range of projects have been implemented or commenced as part of Funds SA's digital transformation initiative, including modernising workplace technology and systems, and strengthening the security and resilience of Funds SA's IT environment.



## A Culture of Innovation and High Performance

- Implemented an Innovation Framework and Innovation Working Group to progress ideas from within the Corporation.
- Wellbeing Strategy development - undertook a Health Check in collaboration with SuperFriend, assessing our Wellbeing approach within Funds SA.
- Delivered a suite of targeted development programs to support our employees:
  - Embedding Innovation by supporting the development of all employees in Design Thinking principles to build innovation across the Corporation.
  - Targeted programs to support presentation and communication skills of staff across the Corporation.
  - Specific training focus on delivering streams of work effectively and efficiently.
  - Supporting key leadership roles with goals-focused coaching to drive individual and team achievements.



# Investment Performance

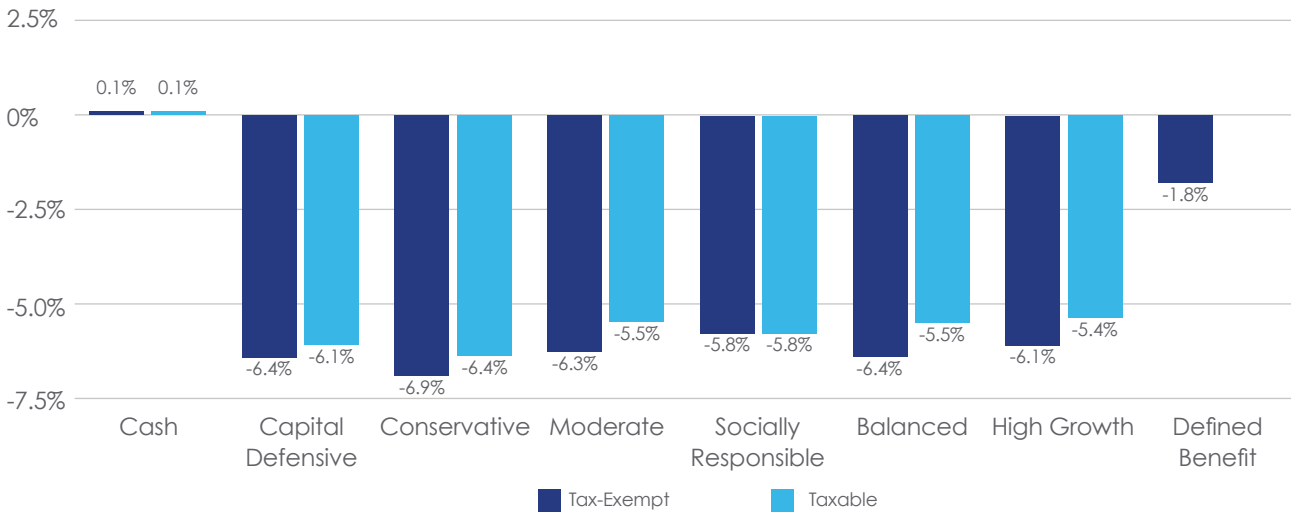
## Investment markets – a year in review

- Financial markets were volatile and returns mostly negative over the year.
- The combination of high inflation, tighter monetary policy with aggressive central bank actions, rising risks to economic growth bringing the possibility of recession, the ongoing Russia-Ukraine conflict, and COVID-19 related lock-downs in China have proven challenging for financial markets.
- Defensive asset classes such as Fixed Interest produced negative returns as interest rates and credit spreads rose sharply. Globally, interest rates rose rapidly from all-time lows in response to substantial increases in inflation. Fixed Interest markets recorded significant negative performance. In Australia, the bond market returned the worst 12-month loss since 1973.
- Global and domestic equities also produced negative returns as valuations fell in response to interest rate movements. Company earnings have held up to date, however the outlook is uncertain.
- Typically, Fixed Interest and Equity returns are negatively correlated. This year, that relationship changed and both asset classes moved in the same direction and by similar quantum.
- Unlisted assets such as Property and Diversified Strategies Growth provided positive returns, benefiting from the lagged nature of valuations which have not yet been impacted by rising interest rates.

## Funds SA's investment option performance

- Apart from the Cash investment option, all investment options delivered negative returns for the 12 months to 30 June 2022.
- In negative market environments, it is unusual for performance of investment options with lower allocations to growth assets and short investment time horizons to be similar to those with higher allocation to growth assets and long investment time horizons.
- The investment options with lower allocations to growth assets had meaningful exposure to the poorly performing listed assets, particularly Fixed Interest and, to a lesser extent, Equities.
- The investment options with lower allocations to growth assets and short investment time horizons are expected to have occasional negative returns, albeit infrequently. The last time this happened for the Capital Defensive and Conservative investment options was during the Global Financial Crisis in 2008/09.
- Over the year Equities, Fixed Interest, and Diversified Strategies Income asset classes were common detractors to performance. The unlisted asset classes of Property and Diversified Strategies Growth provided some offset producing positive returns.
- Investment options with higher allocations to growth assets have outperformed their return objectives over a 10-year period (long-term). Since inception in 1995, the Balanced Tax-Exempt option has delivered 7.8% p.a. and the State's Defined Benefit Strategy has returned 8.0% p.a.

Funds SA Tax-Exempt and Taxable investment option returns for the 12 months ending 30 June 2022, returns net of fees and gross of tax





### Tax-Exempt investment option investment returns, periods to 30 June 2022, returns net of fees and gross of tax

Investment option	6 months %	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	0.1	0.1	0.4	1.0	1.3	1.8	2.9	3.6
Capital Defensive	-7.0	-6.4	0.4	2.3	2.8	3.9	4.4	n.a.
Conservative	-8.3	-6.9	1.4	3.4	3.9	5.4	4.7	6.1
Moderate	-8.8	-6.3	2.6	4.6	5.1	6.8	5.0	n.a.
Socially Responsible	-13.0	-5.8	4.2	6.0	5.5	8.0	n.a.	n.a.
Balanced	-10.1	-6.4	4.4	6.1	6.5	8.3	5.4	7.3
High Growth	-10.6	-6.1	4.9	7.0	7.5	9.8	5.5	7.8
Defined Benefit	-6.7	-1.8	6.3	7.7	7.8	9.6	5.8	7.8

### Taxable investment option investment returns, periods to 30 June 2022, returns net of fees and gross of tax

Investment option	6 months %	1 year %	3 years % p.a.	5 years % p.a.	7 years % p.a.	10 years % p.a.	15 years % p.a.
Cash	0.1	0.1	0.4	1.0	1.3	1.8	2.9
Capital Defensive	-6.6	-6.1	0.3	2.1	2.7	3.6	4.1
Conservative	-7.9	-6.4	1.3	3.2	3.7	5.1	4.3
Moderate	-8.3	-5.5	2.7	4.5	5.0	6.5	4.7
Socially Responsible	-13.0	-5.8	4.2	6.0	5.5	8.0	n.a.
Balanced	-9.6	-5.5	4.6	6.1	6.4	8.0	5.0
High Growth	-10.3	-5.4	5.2	7.1	7.4	9.6	5.2

### Performance relative to investment objectives

Given the significant negative returns experienced in 2021-22, the investment options with lower allocations to growth assets and short-term investment horizons (Capital Defensive and Conservative) materially underperformed their return objectives. The Moderate investment option slightly underperformed its return objective due to its medium-term investment horizon.

The combination of the following factors contributed to these outcomes;

- Sharp increases in Consumer Price Index (CPI) results over the period.
- Limited allocation to unlisted assets that delivered positive performance.
- Meaningful allocations to listed assets that delivered negative performance.
- Whilst true for most investment options, the unusual circumstance where Fixed Interest and Equities asset classes produced substantial negative returns at the same time was more significant for the investment options with lower allocations to growth assets.

### Investment options vs investment objectives, for periods ended 30 June 2022, returns net of fees and gross of tax\*

Investment option	Investment horizon	Investment objective % p.a.	Tax-Exempt investment option performance % p.a.	Taxable investment option performance % p.a.	Number of negative annual returns likely over any 20-year period
Cash	0+ years	RBA Cash Rate	0.1	0.1	Less than 0.5
Capital Defensive	2+ years	(CPI + 0.5%) = 5.9	-0.1	0.0	2 to less than 3
Conservative	4+ years	(CPI + 1.5%) = 4.7	2.7	2.5	2 to less than 3
Moderate	6+ years	(CPI + 2.5%) = 5.5	5.3	5.2	3 to less than 4
Socially Responsible	10+ years	(CPI + 3.0%) = 5.8	8.0	8.0	4 to less than 6
Balanced	10+ years	(CPI + 3.5%) = 6.0	8.3	8.0	4 to less than 6
High Growth	10+ years	(CPI + 4.5%) = 7.0	9.8	9.6	4 to less than 6
Defined Benefit	10+ years	(CPI + 4.5%) = 6.8	9.6	n.a.	4 to less than 6

\* 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. Note: The Cash investment option performance is assessed over 1-year rolling periods.



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# Outlook

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There are a number of themes and risks associated with financial markets that we have considered in the investment and management of the investment options for the coming year.

- The inflationary outlook, which is expected to be structurally higher than the past decade.
- The impact of rising interest rates and the risk of central bank policy misstep as they implement tighter monetary policy.
- Moderation of economic growth as government stimulus measures continue to be reduced.
- Tensions in Eastern Europe extend beyond Russia/Ukraine.
- Continued impact of the Russia/Ukraine conflict on energy and soft commodity prices.
- A broad range of ESG factors, including the increasing importance of climate change impacts on financial markets.
- Supply chain pressures take longer than expected to ease.
- Sustainability of earnings to support asset valuations.
- New strains of COVID-19 become widespread, and vaccine/treatments are ineffective.
- Funds SA's existing investment option structures and liquidity demands.

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# Investment Strategy

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Funds SA has developed a range of asset classes that are the building blocks of the investment strategy for the investment options.

Strategic projects are underway with the goal to increase our data analytics capabilities across the portfolio and provide deeper insights to increase sophistication and agility in our portfolio management approach.

We continue to deepen our relationships with our investment managers to reposition exposures and composition of asset classes; to take advantage of market opportunities, manage fees, and participate in unique investment opportunities.

Our investment platform continues to evolve to provide greater portfolio construction flexibility with the aim of enhancing investment outcomes for clients.

We've created new sub-asset classes within the Diversified Strategies Income and Diversified Strategies Growth asset classes. This enables Funds SA to vary asset allocations based on differing risk/return and fee preferences across our clients. Four sub-asset classes were established within Diversified Strategies Income, and two sub-asset classes within Diversified Strategies Growth.

Funds SA has established a range of investment strategies for each asset class, including the engagement of external investment managers.





# Investment Strategy

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

Asset class	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.
Fixed Interest	<p>Exposure to debt instruments providing principal repayment at maturity, and coupon payments at regular intervals until maturity. These instruments are subject to movement in bond yields and credit spreads, which may result in both positive and negative valuation changes.</p> <p>Includes investments in:</p> <p><b>Short-Term Fixed Interest</b> Investments include short maturity debt securities issued predominantly by Australian high quality corporate and financial entities.</p> <p><b>Long-Term Fixed Interest*</b> Investments in domestic and global government issued debt securities of a long maturity.</p>
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. These instruments are subject to movement in real yields and credit spreads, which may result in both positive and negative valuation changes.
Diversified Strategies Income	<p>Investment opportunities with expected returns between that of bonds and equities, not readily classifiable within the other asset classes. Includes investments in:</p> <p><b>Investment Grade Credit*</b> Investments in publicly traded debt securities issued by predominately global high quality non-government borrowers.</p> <p><b>Sub-Investment Grade Credit*</b> Investments in debt securities that are issued by entities other than developed market governments.</p> <p><b>Defensive Alternatives*</b> Absolute return strategies being liquid alternative investments that can take both long and short positions across a wide range of financial market instruments to generate alpha. The strategy is designed as a liquid alternative to defensive assets such as bonds.</p> <p><b>Growth Alternatives*</b> Absolute return strategies being liquid alternative investments that can take both long and short positions across a wide range of financial market instruments to generate alpha. The strategy is designed as a liquid alternative to growth asset such as equities.</p>

Property	Exposure to Australian listed and unlisted property across the office, retail and industrial sectors. Includes a range of assets from the premium end of the property market providing long-term cashflows from quality tenants and which are held for the long term and through investment cycles. May also include an exposure to some sectors with a higher risk and return expectation such as development and refurbishment opportunities with a shorter investment horizon.
Australian Equities	Equity exposure to companies listed or about to be listed on the Australian Securities Exchange. Active and passive asset classes are used.
International Equities^	Equity exposure to companies listed on international stock exchanges. Includes exposure to emerging markets and small companies. Active and passive asset classes are used.
Diversified Strategies Growth	<p>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:</p> <p><b>Core Infrastructure*</b> Investment opportunities in assets or companies that display one or more of the following characteristics: provide an essential service that is important to the functioning of society at large or a specific community; have stable or predictable cash flow generation; have a long useful economic life or operate under long-term concessions; display monopoly-like characteristics or have high barriers to entry into their market; and provide an element of inflation protection.</p> <p><b>Private Markets*</b> Investment opportunities with expected returns in excess of long-term expectation for listed equities, not classifiable within the other asset classes.</p>

\* International assets are hedged to the Australian Dollar.  
^ A portion of the developed markets component is hedged to the Australian Dollar.



# Asset Allocation

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

## LTSAA for Funds SA's Tax-Exempt investment options as at 30 June 2022

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Socially Responsible %	Balanced %	High Growth %
Cash	100	13	10	8	3	3	2
Fixed Interest	0	37	23	15	16	8	0
Inflation-Linked Securities Tax-Exempt	0	15	15	11	0	5	0
Diversified Strategies Income	0	17	18	12	0	8	7
Property Tax-Exempt	0	6	9	10	14	12	16
Australian Equities Tax-Exempt	0	5	10	16	28	23	26
International Equities Tax-Exempt	0	7	15	23	32	33	39
Diversified Strategies Growth Tax-Exempt	0	0	0	5	7	8	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Growth assets</b>	<b>0</b>	<b>25</b>	<b>40</b>	<b>55</b>	<b>70</b>	<b>72</b>	<b>85</b>

## LTSAA for Funds SA's Taxable investment options as at 30 June 2022

Asset class	Cash %	Capital Defensive %	Conservative %	Moderate %	Socially Responsible %	Balanced %	High Growth %
Cash	100	13	10	8	3	3	2
Fixed Interest	0	37	23	15	16	8	0
Inflation-Linked Securities Taxable	0	15	15	11	0	5	0
Diversified Strategies Income	0	17	18	12	0	8	7
Property Taxable	0	6	9	10	14	12	16
Australian Equities Taxable	0	5	11	18	28	26	29
International Equities Taxable	0	7	14	21	32	30	36
Diversified Strategies Growth Taxable	0	0	0	5	7	8	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Growth assets</b>	<b>0</b>	<b>25</b>	<b>40</b>	<b>55</b>	<b>70</b>	<b>72</b>	<b>85</b>



# Responsible Investment

Our approach to Responsible Investment is financial outcomes focused which complements traditional investment analysis. We do this through environmental, social and governance (ESG) integration and stewardship activities to support long-term performance for our clients. We recognise the importance of a robust and transparent approach to Responsible Investment, which is why we value our membership with the UN-supported Principles for Responsible Investment and the Global Real Estate Sustainability Benchmark.



During the year we have continued to develop and enhance our Responsible Investment approach across our investment portfolio by:

- Updating our investment process documents for appointing and monitoring external investment managers to incorporate specific ESG criteria.
- Utilising the Sustainable Accounting Standards Board (SASB) standards in our investment and due diligence process.
- Adding more ESG data to enhance our monitoring of ESG risks across different asset classes.
- Completing our biennial survey of our investment managers' ESG processes to gain a deeper understanding of their approach and future focus areas.
- Analysing the climate risks and opportunities across our investment portfolio and launching our Climate Risk Response Plan.

## Our focus areas

We will continue to develop and enhance our Responsible Investment approach focusing on the following initiatives in the near-term:

- Actioning the items in the Climate Risk Response Plan and preparing for formal reporting against our climate actions.
- Incorporation of ESG data into portfolio monitoring.
- Monitoring our portfolio for robust integration of ESG practices.

## Manager Survey

This year we undertook our biennial ESG survey of our investment managers to obtain a detailed picture of how ESG factors are considered across our portfolio. The survey questions determine how ESG risk is assessed in each manager's investment due diligence process, the way these considerations are integrated into investment decisions, and the level of portfolio monitoring conducted within this approach. For these three areas, managers were asked to assess themselves with their responses ranging from 'Not in Our Approach' through to 'Leading the Space'.

### Overall



This year we sought information from our investment managers on management of climate risk, their Net Zero commitments, and approach to managing modern slavery risks.

While our investment managers are at different stages in their approach to assessing and mitigating climate risk, the commitment to address climate related risks in investment portfolios is clear. Of our investment managers surveyed, 77% are taking action on climate risk.



## Emerging ESG themes:

- Climate change remains front of mind for Funds SA and our investment managers. Dominant themes within this category are progressing Net Zero targets, climate reporting, and focusing on the transition towards a low carbon economy.
- Biodiversity and its connection with climate change. Primary themes within this category are water preservation, natural capital, and the circular economy.
- Health & Safety in the wake of COVID19.
- The benefits of increased diversity.





## Our pathway towards Net Zero Emissions by 2050.

Over the past 12 months there has been a marked shift in investor focus on climate change. Across the globe economies are decarbonising and this brings significant risk and opportunity for investors. In 2021 we undertook detailed climate risk analysis leading to the updating of our Climate Change Position Statement and launch of our Climate Risk Response Plan (Plan).

Central to our Plan is a 5-Pillar framework that outlines the initial actions we will take to meet our goal of managing the long-term financial risks and opportunities of climate change. The framework incorporates the transition of our portfolio towards Net Zero Emissions by 2050.

Since the approval of our Climate Risk Response Plan in early 2022, we have undertaken a number of activities set out in the Plan.

### Governance



- Established a Climate Council to oversee implementation of our Plan.
- Engaged with clients to explain our initial climate risk related actions and highlighted our approach to transition the portfolio towards Net Zero Emissions by 2050.

### Investment Strategy



- Commenced engagement with investment managers on Net Zero strategies, approaches to carbon reduction, and climate opportunities.
- Built climate risk into our investment due diligence process.
- Commenced the process of phasing out thermal coal from our investment portfolio.
- Subscribed to climate datasets to support ongoing analysis of climate risks.

### Manager & Company Engagement



- Updated our Manager ESG survey to assess how our investment managers are responding to climate-related investment risks, their Net Zero commitments, and their plans to get to Net Zero.
- Commenced development of a framework to support company engagement through our investment managers and other investors.

### Advocacy



- Commenced a review of partnerships that support our climate goals.

### Disclosure



- Communicated our Plan on our website and preparing for our first report on progress to be delivered in 2023.

## Investments supporting Australia's energy network to transition to a greater mix of renewables.

Through Utilities Trust of Australia, Funds SA is invested in ElectraNet and Transgrid, infrastructure companies that own and operate the regulated electricity transmission networks throughout South Australia and New South Wales respectively.

ElectraNet and Transgrid are partnering to deliver an energy interconnector between the power grids of South Australia and New South Wales, with an added connection to Victoria, known as Project EnergyConnect.

The Project involves building an approximately 900km-long interconnector with the route passing through renewable energy zones in South Australia, New South Wales, and Victoria. The interconnector

will increase transfer capacity between SA and NSW by around 800 MW. Future renewable projects in these areas will be able to connect to the grid and supply new energy into the network, enabling Australia's energy network to transition to a greater mix of renewables.

The project will also benefit regional communities through job creation and local procurement during construction and in the longer term, as new energy projects come online. Consultation has been undertaken with local communities, traditional landowners, and other impacted stakeholders to ensure all relevant parties are consulted as part of the project's development and progress.

Further information may be found at [projectenergyconnect.com.au](https://projectenergyconnect.com.au)





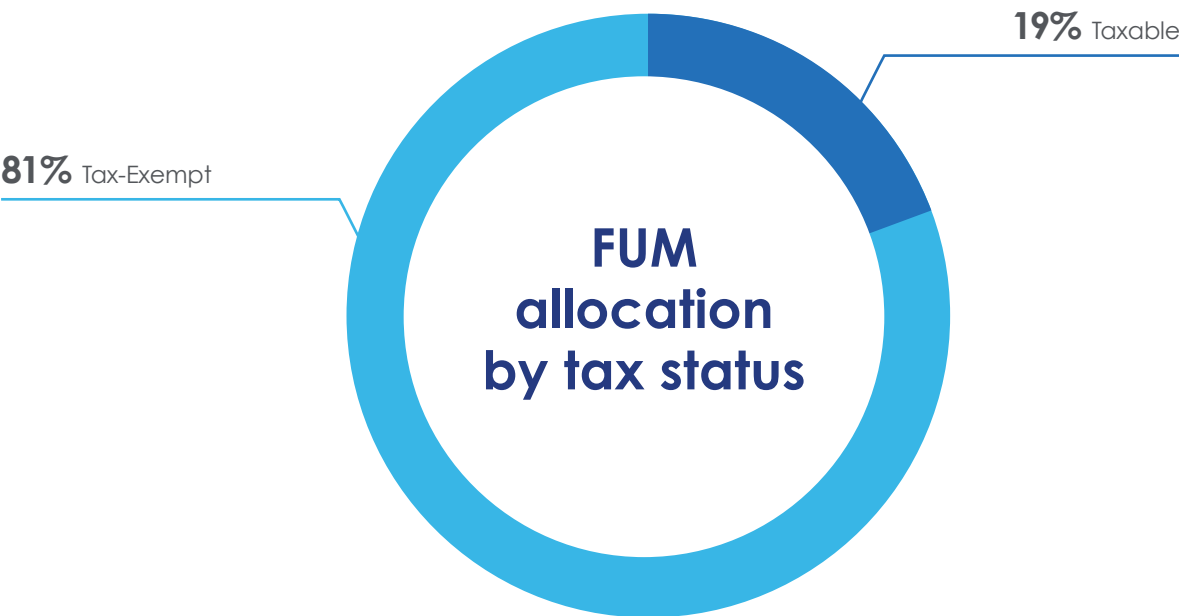
# Clients

Our clients are at the core of everything we do. We don't just 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 \$39 billion on behalf of our clients, made up of:



We strive to build strong and enduring partnerships with our clients and stakeholders to deliver a world class investment experience.



# Client and stakeholder engagement

We continued to work in close partnership with our clients to provide client-specific investment reviews, strategy development and implementation. Through this turbulent period we've provided guidance to our stakeholders across a range of challenging market developments and ESG related queries.

We continue to work on improving our reporting capabilities to provide relevant and insightful information for clients and their stakeholders. While investment results have been disappointing this year, we have ongoing initiatives throughout the Corporation to increase insight and agility within our investment platform.







# People and Culture

Funds SA has a values-based culture focused on wellbeing and high performance.

Our values:

- 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.

The team is supported by a strong leadership group to provide the necessary workplace environment for our employees to stay engaged and committed to our Vision of delivering a world class investment experience.

Our people are the driving force behind our success and industry status. We've attracted people to the Corporation who are excited to be part of a growing investment management business.

## Wellbeing of our employees is paramount

Funds SA actively supports health and wellbeing across the Corporation.

The emphasis on employee physical and mental health, wellbeing, and Work Health and Safety (WHS) has incorporated flexible work arrangements that staff continue to embrace and access in line with business requirements.

Funds SA continued its collaboration with SuperFriend in 2021-2022 to undertake an organisational health check to review current practices and determine strategies for enhancement of wellbeing approaches across the Corporation.

A Situational Analysis was completed which was validated through face-to-face focus groups with two cross functional employee groups as well as a manager group.

Funds SA is now working towards implementing a high-level Action Plan to further embed mental health and wellbeing activities into existing systems and processes. An initial focus will be on building capability to increase confidence in the day-to-day management of a mentally healthy workplace.

## COVID-19 management

Funds SA staff continued to work from home effectively during the year in line with advice from the Office for the Commissioner for Public Sector employment. Work From Home agreements and WHS checklists continued for all staff working from home.

Regular communication with staff continues to focus on addressing the physical and mental health impacts of COVID-19 and changes to circumstances as a result of working from home during the pandemic (including time providing care to family members).

## Graduate Program

The Graduate Program has been extremely successful over many years. Throughout 2021-2022, Funds SA continued to employ 2 graduates. Within the financial year, one of those graduates was appointed to an Analyst level position through a competitive recruitment process.

Graduates participate in the Department of Treasury and Finance Graduate Development Program, as well as key development activities both within Funds SA and via external programs and events to build industry knowledge and exposure.

Recruitment also commenced for an additional 4 Graduate positions beginning in late 2022.



# 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 day-to-day management of the Corporation.

Ms Townsend has worked in the financial services sector for 30 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 Director of FEAL.



**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 the implementation of Funds SA's enterprise risk management framework, corporate governance, and compliance function including policies and standards. He also coordinates the secretarial functions of the Board, 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 25 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 investment strategy, portfolio management, 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 Equipsuper.

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 on the reputation of Funds SA as a respected funds management Corporation.

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, and the design and execution 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 operations, data 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.





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# Governance

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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, the nominated funds of approved authorities and other funds established by the Corporation pursuant to strategies formulated by the Corporation and such other functions as are assigned to the Corporation under South Australian legislation.

## Our objective

The object 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.

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## Direction of the Minister

**The Responsible Minister is the Treasurer, the Hon Stephen Mulligan MP.**

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

Legislation was introduced to the House of Assembly on 5 May 2022 proposing amendment to s.21 (Direction of Minister) of the Funds SA Act.

*The Superannuation Funds Management Corporation of South Australia (Investment in Russian Assets) Amendment Bill 2022* proposes that a Ministerial direction may include a direction to the Corporation in relation to divestment of Russian assets.

However, any action taken by the Corporation in accordance with such a direction must be taken prudently and consistently with the Corporation's responsibilities to the entities for whom it invests and manages funds.

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## 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 approving 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.



**Ms Kathryn Presser**  
AM

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 Independent Chair of the Department of Treasury and Finance Risk and Performance Committee.

Ms Presser sits on the Council of Governors for the Walford Anglican School for Girls.



**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, Director of locane Pty Ltd, Chair of the West Beach Trust, and Chair of Gaming Care.



**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 of ReturnToWorkSA and Committee Member of the Investment and Finance, and Technology Committees, Director of St John Ambulance (SA), Director of Super SA, and Director of Southern Select Super Corporation.



**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 serves as a Committee Member on the South Australian Venture Capital Fund, Non-Executive Director of Universal Biosensors Inc and Chair of the Audit and Risk committee, Non-Executive Director of LUCRF Trustees, Non-Executive Director of the Acorn Capital Investment Fund Ltd and Chair of the Risk and Audit Committee and Honorary Role within the Breast Cancer Trials Finance and Audit Committee.



**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 Southern Select Superannuation Corporation Board.

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.



**Mr Christopher Hall**

Christopher Hall brings extensive knowledge and expertise in investment and funds management, gained through 30 years professional experience in the industry. During his career he has held a range of senior portfolio management and business leadership roles in Australia and Asia, most recently with Argo Investments, Blackrock Asset Management, and Ellerston Capital.

Mr Hall is currently Chair of BiomeBank, Chairman of the Investment Committee at Perks Private Wealth, Director of CC Hall Consulting Pty Ltd, Member of the Investment Committee – Bedford Group, Director of the International Centre Financial Services – University of Adelaide and Member of the Investment Committee of the Prince Alfred College Foundation.



# Board attendance record

	Board Meeting		Trustee Meeting		Audit and Risk Committee		HR Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Paul Laband	10	10	2	2	5	5	2	2
Bill Griggs	10	9	2	2	-	-	2	2
Christopher Hall	8	6	1	1	3	3	-	-
Jane Jeffreys	10	8	2	2	-	1	2	2
Robert Patterson	2	2	1	1	2	2	-	-
Kathryn Presser	10	10	2	2	5	5	-	-
Judith Smith	10	10	2	2	5	5	-	-
Leah York	10	9	2	2	-	1	2	2

Robert Patterson resigned from the Funds SA Board effective 3 October 2021  
Christopher Hall was appointed to the Funds SA Board effective 4 October 2021

## 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 any 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 2022.

## Policies

The Board has approved policies to guide the Corporation's pursuit of its organisational 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:

- Compliance Policy
- Corporate Governance Policy
- Instrument of Delegation

- Investment Policy Statement
- Responsible Investment Policy
- Risk Management Framework
- Asset Valuation & Unit Pricing Policy
- Derivatives Risk Statement
- Work, Health and Safety (WHS) 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. For the financial year ending 30 June 2022, Funds SA's internal audit function was outsourced to PwC. Internal Audit has direct access to the Audit and Risk Committee and the CEO. Internal Audit is responsible for implementing the Internal Audit Plan approved by the Audit and Risk Committee and for tabling its 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 accounts and financial statements. During the year, representatives of the Auditor-General's Department attended all Audit and Risk Committee meetings and participated in discussion of issues before the Committee. The executives of the Auditor-General's Department can also meet 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. As at 11 November 2021, Bill Griggs advised his conflict of interest regarding the ICAC evaluation and review process being conducted at Super SA.

## 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 listed below.

- Advance Business Consulting – IT implementation services
- Cambridge Associates – retained for advice on private equity funds
- Crown Solicitor's Office – legal advice
- Deloitte – tax advisory services
- EGM Partners, Robert Walters, Finite Recruitment – Recruitment
- Ernst & Young – unit trust audit services and tax advisory services
- HRM Matters – Employment matters
- JANA Investment Advisers – investment strategy advice and manager research
- Matrix IDMS – data warehouse and support
- Northern Trust – asset custody, investment administration and reporting services
- Nuago – IT support services
- PricewaterhouseCoopers - internal audit services
- Ropes & Gray – legal advice
- Shared Services SA – payroll services
- Shoreline – IT Advisory
- Solutions Plus - IT implementation services
- Thomson Geer Lawyers – legal advice





# Financial Statements

## for the year ended 30 June 2022

### Certification of the Financial Statements

We certify that the:

- financial statements of Funds SA:
  - are in accordance with the accounts and records of Funds SA;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant Australian Accounting Standards; and
  - present a true and fair view of the financial position of Funds SA as at 30 June 2022 and the results of its operations and cash flows for the financial year.
- 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 14th September 2022.



**Kathryn Presser**  
Chair of Audit and Risk Committee



**Paul Laband**  
Chairman, Board of Directors





# Statement of comprehensive income

## For the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
<b>Income</b>			
Administration fee revenue	2.1	22,131	19,795
Interest		-	2
Other income	2.2	17	-
<b>Total Income</b>		<b>22,148</b>	<b>19,797</b>
<b>Expenses</b>			
Employee benefits costs	3.3	12,734	10,749
Supplies and services	4.1	5,622	6,209
Depreciation	4.3	875	835
Lease interest expense	4.4	13	16
<b>Total Expenses</b>		<b>19,244</b>	<b>17,809</b>
<b>Net Surplus</b>		<b>2,904</b>	<b>1,988</b>
<b>Total Comprehensive Result</b>		<b>2,904</b>	<b>1,988</b>
<b>The Net Surplus and Comprehensive Result are attributable to the SA Government as owner</b>			

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

# Statement of financial position

## As at 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5.1	10,243	7,327
Receivables	5.2	5,873	5,939
Other assets	6.3	933	495
<b>Total Current Assets</b>		<b>17,049</b>	<b>13,761</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6.1	1,162	1,525
Right of use assets	7.1	1,425	1,866
Investments in Funds SA Unit Trusts	12	-	-
<b>Total Non-Current Assets</b>		<b>2,587</b>	<b>3,391</b>
<b>Total Assets</b>		<b>19,636</b>	<b>17,152</b>
<b>Current Liabilities</b>			
Payables	8.1	1,819	1,740
Employee benefits	3.4	1,059	1,098
Lease liabilities	7.2	436	454
<b>Total Current Liabilities</b>		<b>3,314</b>	<b>3,292</b>
<b>Non-Current Liabilities</b>			
Payables	8.1	119	115
Employee benefits	3.4	1,238	1,210
Lease liabilities	7.2	1,147	1,621
<b>Total Non-Current Liabilities</b>		<b>2,504</b>	<b>2,946</b>
<b>Total Liabilities</b>		<b>5,818</b>	<b>6,238</b>
<b>Net Assets</b>		<b>13,818</b>	<b>10,914</b>
<b>Equity</b>			
Retained earnings		13,818	10,914
<b>Total Equity</b>		<b>13,818</b>	<b>10,914</b>
<b>The total equity is attributable to the SA Government as owner</b>			

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 2022

	Retained Earnings \$'000
<b>Balance at 30 June 2020</b>	<b>8,926</b>
Total comprehensive result for 2020-21	1,988
<b>Balance at 30 June 2021</b>	<b>10,914</b>
Total comprehensive result for 2021-22	2,904
<b>Balance at 30 June 2022</b>	<b>13,818</b>
<b>Changes in equity are attributable to the SA Government as owner</b>	

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 2022

	Note No.	2022 \$'000	2021 \$'000
<b>Cash flows from Operating Activities</b>			
<b>Cash inflows</b>			
Fees and charges		24,458	23,250
Interest received		-	2
Other income		21	-
<b>Cash generated from operations</b>		<b>24,479</b>	<b>23,252</b>
<b>Cash outflows</b>			
Employee benefit payments		(12,770)	(10,409)
Supplies and services		(6,563)	(6,754)
GST paid to the ATO		(1,653)	(977)
Lease interest payments		(13)	(16)
<b>Cash used in operations</b>		<b>(20,999)</b>	<b>(18,156)</b>
<b>Net cash provided by operating activities</b>	9	<b>3,480</b>	<b>5,096</b>
<b>Cash flows from Investing Activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		1	3
Proceeds from lease incentives		-	150
<b>Cash generated from investing activities</b>		<b>1</b>	<b>153</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(73)	(925)
<b>Cash used in investing activities</b>		<b>(73)</b>	<b>(925)</b>
<b>Net cash used in investing activities</b>		<b>(72)</b>	<b>(772)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of lease principal		(492)	(409)
<b>Cash used in financing activities</b>		<b>(492)</b>	<b>(409)</b>
<b>Net cash used in financing activities</b>		<b>(492)</b>	<b>(409)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,916</b>	<b>3,915</b>
Cash and cash equivalents at the beginning of the financial year		7,327	3,412
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>10,243</b>	<b>7,327</b>

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:

- 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

### Funds SA Restructure of Asset Classes

In June 2021 the Funds SA Board approved a restructure to expand the number of asset classes within Funds SA's investment structure. These changes resulted in the establishment of new asset classes with a view to increase portfolio construction flexibility and enable allocations to each of the asset classes building blocks to be customised across the investment options based on their risk / return preferences.

Within each asset class are sub-asset classes that have expected risk and return parameters which can vary significantly. This was most pronounced within the Diversified Strategies Growth (DSG) and Diversified Strategies Income (DSI) asset classes. The restructure would carve out these sub-asset classes from these existing asset classes and transition them into their own separate asset classes.

During the 2021-22 financial year implementation of the restructure occurred. A summary of the events that took place is provided below, these have been reflected in Schedule 1.

Comparatives for the 2021 financial year have not been restated.

### Diversified Strategies Income

- Assets within the sub-asset classes, Growth Alternatives and Credit were transferred from Diversified Strategies Income asset class to new asset classes referred to as Credit (August 2021) and Growth Alternatives (September 2021).
- The Diversified Strategies Income asset class legal name was changed to Defensive Alternatives (September 2021) to reflect the nature of the assets remaining in the asset class.

### Diversified Strategies Growth

- Core infrastructure assets were transferred from Diversified Strategies Growth Tax-Exempt to a new asset class, Core Infrastructure Tax-Exempt (September 2021).
- Private equity assets remained in Diversified Strategies Growth Tax-Exempt and the presentational name of the asset class was changed to Private Markets Tax-Exempt (September 2021) to reflect the nature of the assets remaining in the asset class.
- Core infrastructure assets were transferred from Diversified Strategies Growth Taxable to a new asset class, Core Infrastructure Taxable (September 2021).
- Private equity assets remained in Diversified Strategies Growth Taxable and the presentational name of the asset class was changed to Private Markets Taxable (September 2021) to reflect the nature of the assets remaining in the asset class.

### Income and Expenses Descriptions

#### Rent, Interest & Dividends

##### Rent

Rent received on the directly held real estate assets covered by Funds SA's Internally Managed Inflation Linked Securities.

##### Interest

Interest received on a range of directly held securities including cash at bank, term deposits, promissory notes, bonds and other debt related securities.

##### Dividends/ Distributions

Dividends are received on directly held Australian and International shareholdings.

Distributions are received from investments in listed and unlisted unit trusts and private equity investments.

##### Realised Gains/(Losses)

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.

##### Unrealised Gains/(Losses)

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.

##### Expenses

Fees and charges directly invoiced and paid by each asset class for the reporting period. Expenses include directly paid fund manager base and performance fees, Funds SA administration fees, custody costs, asset consulting fees, legal fees, tax and audit costs.

### Investment Valuation Sources

#### Discretely Managed Portfolios

Funds SA's custodian, Northern Trust, 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 of the pooled funds and other unlisted units trusts at balance date.

##### 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).

##### Currency Hedge and Futures Overlay

The values of the currency hedge and futures overlays, as at balance date, 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 2022

Asset class	Rent, Interest & Dividends \$'000	Realised gains / (losses) \$'000	Unrealised gains / (losses) \$'000	Expenses \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	332,078	45,846	(833,280)	(40,864)	<b>(496,220)</b>
Australian Equities Passive Tax-Exempt	7,003	1,664	(9,097)	(130)	<b>(560)</b>
Australian Equities Taxable	79,800	(5,786)	(187,092)	(8,999)	<b>(122,077)</b>
Australian Equities Passive Taxable	3,709	(475)	(2,924)	(76)	<b>234</b>
International Equities Tax-Exempt	191,952	(285,242)	(1,418,262)	(61,432)	<b>(1,572,984)</b>
International Equities Passive Tax-Exempt	13,964	2,112	(78,932)	(624)	<b>(63,480)</b>
International Equities Taxable	28,665	(51,596)	(234,956)	(10,646)	<b>(268,533)</b>
International Equities Passive Taxable	3,478	1,109	(18,112)	(270)	<b>(13,795)</b>
Property Tax-Exempt	20,235	3	378,483	(3,210)	<b>395,511</b>
Property Taxable	3,799	-	71,855	(661)	<b>74,993</b>
Private Markets Tax-Exempt	241,333	(31,800)	232,922	(3,497)	<b>438,958</b>
Core Infrastructure Tax-Exempt	6,018	(2,008)	91,023	(702)	<b>94,331</b>
Private Markets Taxable	35,821	(7,128)	40,644	(885)	<b>68,452</b>
Core Infrastructure Taxable	755	(790)	11,642	(145)	<b>11,462</b>
Defensive Alternatives	25,696	47,715	(25,279)	(4,938)	<b>43,194</b>
Credit	80,662	(102,615)	(330,113)	(4,062)	<b>(356,128)</b>
Growth Alternatives	741	(43,696)	115,076	(8,137)	<b>63,984</b>
Inflation Linked Securities Tax-Exempt	23,156	-	(56,633)	(963)	<b>(34,440)</b>
Inflation Linked Securities Taxable	24,472	(9,707)	(72,714)	(2,217)	<b>(60,166)</b>
Long Term Fixed Interest	41,184	(35,828)	(201,745)	(3,224)	<b>(199,613)</b>
Short Term Fixed Interest	26,148	(43,586)	(73,251)	(1,861)	<b>(92,550)</b>
Cash	2,199	1,249	52	(1,105)	<b>2,395</b>
Socially Responsible	4,457	(2,434)	(18,799)	(528)	<b>(17,304)</b>
<b>TOTAL</b>	<b>1,197,325</b>	<b>(522,993)</b>	<b>(2,619,492)</b>	<b>(159,176)</b>	<b>(2,104,336)</b>

Schedule 1: Asset class funds under management (continued)

## Statement of income and expenses of assets under management

For the year ended 30 June 2021

Asset class	Rent, Interest & Dividends \$'000	Realised gains / (losses) \$'000	Unrealised gains / (losses) \$'000	Expenses \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	170,598	387,758	1,164,452	(31,216)	<b>1,691,592</b>
Australian Equities Passive Tax-Exempt	3,874	245	22,397	(90)	<b>26,426</b>
Australian Equities Taxable	36,137	65,941	253,314	(6,759)	<b>348,633</b>
Australian Equities Passive Taxable	812	-	9,722	(48)	<b>10,486</b>
International Equities Tax-Exempt	198,545	1,230,343	1,461,668	(55,570)	<b>2,834,986</b>
International Equities Passive Tax-Exempt	11,378	6,452	133,879	(588)	<b>151,121</b>
International Equities Taxable	32,527	175,841	247,005	(9,467)	<b>445,906</b>
International Equities Passive Taxable	2,782	1,698	34,202	(368)	<b>38,314</b>
Property Tax-Exempt	24,218	-	369,438	(2,855)	<b>390,801</b>
Property Taxable	4,000	-	64,776	(553)	<b>68,223</b>
Diversified Strategies Growth Tax-Exempt	262,863	192,036	155,408	(3,647)	<b>606,660</b>
Diversified Strategies Growth Taxable	40,923	43,921	30,276	(667)	<b>114,453</b>
Diversified Strategies Income	110,281	165,770	45,596	(27,665)	<b>293,982</b>
Inflation Linked Securities Tax-Exempt	29,891	-	3,037	(1,680)	<b>31,248</b>
Inflation Linked Securities Taxable	38,899	10,049	6,091	(2,095)	<b>52,944</b>
Long Term Fixed Interest	32,769	33,903	(90,712)	(2,691)	<b>(26,731)</b>
Short Term Fixed Interest	18,228	1,971	(9,695)	(1,417)	<b>9,087</b>
Cash	4,963	(98)	208	(722)	<b>4,351</b>
Socially Responsible	7,741	8,821	16,808	(332)	<b>33,038</b>
Fixed Interest (MAC)	283	241	(487)	-	<b>37</b>
<b>TOTAL</b>	<b>1,031,712</b>	<b>2,324,892</b>	<b>3,917,383</b>	<b>(148,430)</b>	<b>7,125,557</b>



Schedule 1: Asset class funds under management (continued)

## Statement of net assets under management

As at 30 June 2022

Asset class	Discretely Managed Portfolios \$'000	Managed Funds \$'000	Internally Managed Investments \$'000	Currency Hedge & Futures Overlay \$'000	Other Assets \$'000	Liabilities \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	6,637,267	-	-	18,983	401	(177,341)	<b>6,479,310</b>
Australian Equities Passive Tax-Exempt	73,257	-	-	-	25	(28)	<b>73,254</b>
Australian Equities Taxable	1,480,777	-	-	-	274	(1,997)	<b>1,479,054</b>
Australian Equities Passive Taxable	-	23,265	-	-	-	(25)	<b>23,240</b>
International Equities Tax-Exempt	8,061,438	626,600	-	(97,906)	-	(23,863)	<b>8,566,269</b>
International Equities Passive Tax-Exempt	532,109	-	-	(22,460)	18	(153)	<b>509,514</b>
International Equities Taxable	1,399,077	113,304	-	(6,101)	36,250	(2,859)	<b>1,539,671</b>
International Equities Passive Taxable	156,590	-	-	(1,511)	67	(79)	<b>155,067</b>
Property Tax-Exempt	-	4,318,920	-	-	-	(721)	<b>4,318,199</b>
Property Taxable	-	827,088	-	-	-	(162)	<b>826,926</b>
Private Markets Tax-Exempt	-	2,607,505	-	(132,553)	15,003	(938)	<b>2,489,017</b>
Core Infrastructure Tax-Exempt	-	1,286,665	-	(7,838)	-	(222)	<b>1,278,605</b>
Private Markets Taxable	-	403,111	-	(21,711)	2,260	(341)	<b>383,319</b>
Core Infrastructure Taxable	-	179,686	-	(1,385)	-	(61)	<b>178,240</b>
Defensive Alternatives	-	865,616	-	-	420	(187)	<b>865,849</b>
Credit	761,287	1,698,154	-	(149,882)	-	(1,781)	<b>2,307,778</b>
Growth Alternatives	396,680	149,699	-	-	-	(2,570)	<b>543,809</b>
Inflation Linked Securities Tax-Exempt	-	-	261,101	-	3,756	(4,381)	<b>260,476</b>
Inflation Linked Securities Taxable	1,084,691	-	-	-	273,636	(539)	<b>1,357,788</b>
Long Term Fixed Interest	1,442,483	-	-	2	45	(845)	<b>1,441,685</b>
Short Term Fixed Interest	1,254,137	-	-	2,333	37,875	(477)	<b>1,293,868</b>
Cash	2,338,207	-	-	-	32,350	(274)	<b>2,370,283</b>
Socially Responsible	168,374	17,953	-	(1,420)	-	(112)	<b>184,795</b>
<b>TOTAL</b>	<b>25,786,374</b>	<b>13,117,566</b>	<b>261,101</b>	<b>(421,449)</b>	<b>402,380</b>	<b>(219,956)</b>	<b>38,926,016</b>

Schedule 1: Asset class funds under management (continued)

## Statement of net assets under management

As at 30 June 2021

Asset class	Discretely Managed Portfolios \$'000	Managed Funds \$'000	Internally Managed Investments \$'000	Currency Hedge & Futures Overlay \$'000	Other Assets \$'000	Liabilities \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	7,359,606	-	-	-	540	(8,023)	<b>7,352,123</b>
Australian Equities Passive Tax-Exempt	226,503	-	-	-	86	(58)	<b>226,531</b>
Australian Equities Taxable	1,523,733	-	-	-	10	(1,751)	<b>1,521,992</b>
Australian Equities Passive Taxable	-	105,534	-	-	33	(30)	<b>105,537</b>
International Equities Tax-Exempt	9,610,016	845,496	-	(70,475)	3,246	(19,892)	<b>10,368,391</b>
International Equities Passive Tax-Exempt	687,418	-	-	(5,198)	958	(236)	<b>682,942</b>
International Equities Taxable	1,543,536	128,839	-	(7,358)	1,364	(3,493)	<b>1,662,888</b>
International Equities Passive Taxable	188,301	-	-	(852)	844	(103)	<b>188,190</b>
Property Tax-Exempt	-	4,121,177	-	-	2,868	(721)	<b>4,123,324</b>
Property Taxable	-	758,224	-	-	1,841	(154)	<b>759,911</b>
Diversified Strategies Growth Tax-Exempt	-	2,924,789	-	(51,586)	264,252	(1,219)	<b>3,136,236</b>
Diversified Strategies Growth Taxable	-	487,471	-	(9,031)	29,359	(231)	<b>507,568</b>
Diversified Strategies Income	1,483,356	2,654,508	-	(43,783)	983	(6,831)	<b>4,088,233</b>
Inflation Linked Securities Tax-Exempt	-	-	317,734	-	2,531	(61)	<b>320,204</b>
Inflation Linked Securities Taxable	912,630	434,727	-	-	52	(629)	<b>1,346,780</b>
Long Term Fixed Interest	1,623,036	-	-	-	23	(1,100)	<b>1,621,959</b>
Short Term Fixed Interest	931,684	-	-	-	1	(608)	<b>931,077</b>
Cash	2,127,506	-	-	-	5,323	(280)	<b>2,132,549</b>
Socially Responsible	142,572	11,202	-	(584)	44	(94)	<b>153,140</b>
<b>TOTAL</b>	<b>28,359,897</b>	<b>12,471,967</b>	<b>317,734</b>	<b>(188,867)</b>	<b>314,358</b>	<b>(45,514)</b>	<b>41,229,575</b>

## Schedule 1: Asset class funds under management (continued)

### 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 2022. 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 2022.

There were no transfers of assets between Levels 1, 2 or 3 during the year ended 30 June 2022.

## Schedule 1: Asset class funds under management (continued)

# Fair value of financial assets and liabilities

## As at 30 June 2022

Financial assets and liabilities through profit or loss	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Other \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	6,485,443	(698)	-	(5,435)	<b>6,479,310</b>
Australian Equities Passive Tax-Exempt	73,275	-	-	(21)	<b>73,254</b>
Australian Equities Taxable	1,480,426	(157)	-	(1,215)	<b>1,479,054</b>
Australian Equities Passive Taxable	32	23,226	-	(18)	<b>23,240</b>
International Equities Tax-Exempt	8,043,703	519,751	-	2,815	<b>8,566,269</b>
International Equities Passive Tax-Exempt	531,422	(22,460)	-	552	<b>509,514</b>
International Equities Taxable	1,438,746	101,018	-	(93)	<b>1,539,671</b>
International Equities Passive Taxable	156,427	(1,511)	-	151	<b>155,067</b>
Property Tax-Exempt	1,012	279,251	4,038,540	(604)	<b>4,318,199</b>
Property Taxable	250	53,406	773,409	(139)	<b>826,926</b>
Private Markets Tax-Exempt	15,355	(132,549)	2,607,019	(808)	<b>2,489,017</b>
Core Infrastructure Tax-Exempt	226	(7,838)	1,286,411	(194)	<b>1,278,605</b>
Private Markets Taxable	2,257	(21,706)	403,077	(309)	<b>383,319</b>
Core Infrastructure Taxable	455	(1,385)	179,225	(55)	<b>178,240</b>
Defensive Alternatives	5,369	860,658	-	(178)	<b>865,849</b>
Credit	32,155	2,277,309	-	(1,686)	<b>2,307,778</b>
Growth Alternatives	43,525	502,825	-	(2,541)	<b>543,809</b>
Inflation Linked Securities*	1,195,537	162,815	261,101	(1,189)	<b>1,618,264</b>
Long Term Fixed Interest	1,445,151	(2,843)	-	(623)	<b>1,441,685</b>
Short Term Fixed Interest	77,088	1,217,142	-	(362)	<b>1,293,868</b>
Cash	2,231,627	138,883	-	(227)	<b>2,370,283</b>
Socially Responsible	168,272	(1,420)	17,934	9	<b>184,795</b>
<b>TOTAL</b>	<b>23,427,753</b>	<b>5,943,717</b>	<b>9,566,716</b>	<b>(12,170)</b>	<b>38,926,016</b>

\*Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities Tax-Exempt and Inflation Linked Securities Taxable asset classes.



## Schedule 1: Asset class funds under management (continued)

# Fair value of financial assets and liabilities

## As at 30 June 2021

Financial assets and liabilities through profit or loss	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Other \$'000	TOTAL \$'000
Australian Equities Tax-Exempt	7,357,326	(54)	-	(5,149)	<b>7,352,123</b>
Australian Equities Passive Tax-Exempt	226,587	-	-	(56)	<b>226,531</b>
Australian Equities Taxable	1,523,184	(12)	-	(1,180)	<b>1,521,992</b>
Australian Equities Passive Taxable	32	105,534	-	(29)	<b>105,537</b>
International Equities Tax-Exempt	9,595,484	778,662	-	(5,755)	<b>10,368,391</b>
International Equities Passive Tax-Exempt	687,906	(5,198)	-	234	<b>682,942</b>
International Equities Taxable	1,542,333	122,126	-	(1,571)	<b>1,662,888</b>
International Equities Passive Taxable	189,008	(852)	-	34	<b>188,190</b>
Property Tax-Exempt	115,330	314,740	3,693,925	(671)	<b>4,123,324</b>
Property Taxable	37,831	51,902	670,322	(144)	<b>759,911</b>
Diversified Strategies Growth Tax-Exempt	264,241	(51,586)	2,924,755	(1,174)	<b>3,136,236</b>
Diversified Strategies Growth Taxable	29,366	(9,031)	487,455	(222)	<b>507,568</b>
Diversified Strategies Income	93,252	4,001,735	-	(6,754)	<b>4,088,233</b>
Inflation Linked Securities*	690,065	658,120	317,734	1,065	<b>1,666,984</b>
Long Term Fixed Interest	1,611,190	11,844	-	(1,075)	<b>1,621,959</b>
Short Term Fixed Interest	448,716	482,911	-	(550)	<b>931,077</b>
Cash	2,049,692	83,135	-	(278)	<b>2,132,549</b>
Socially Responsible	142,577	(584)	11,198	(51)	<b>153,140</b>
<b>TOTAL</b>	<b>26,604,120</b>	<b>6,543,392</b>	<b>8,105,389</b>	<b>(23,326)</b>	<b>41,229,575</b>

\* Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities Tax-Exempt and Inflation Linked Securities Taxable 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 2021 \$'000	Purchases \$'000	Disposals \$'000	Unrealised Gains/ (Losses) \$'000	Closing Balance - 30 June 2022 \$'000
Property Tax-Exempt	3,693,925	200,224	(289,816)	434,207	4,038,540
Property Taxable	670,322	75,500	(55,063)	82,650	773,409
Private Markets Tax-Exempt	2,924,755	548,859	(1,237,515)	370,920	2,607,019
Core Infrastructure Tax-Exempt	-	1,187,549	-	98,862	1,286,411
Private Markets Taxable	487,455	78,145	(224,843)	62,320	403,077
Core Infrastructure Taxable	-	166,198	-	13,027	179,225
Inflation Linked Securities*	317,734	-	-	(56,633)	261,101
Socially Responsible	11,198	9,386	(3,376)	726	17,934
<b>Total</b>	<b>8,105,389</b>	<b>2,265,861</b>	<b>(1,810,613)</b>	<b>1,006,079</b>	<b>9,566,716</b>

\* Inflation Linked Securities includes the externally and internally managed inflation linked securities from both the Inflation Linked Securities Tax-Exempt and Inflation Linked Securities Taxable 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 transactional purposes.

### 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 and withholding tax reclaims) 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 underlying assets, liabilities, reference rates or indices.

Funds SA's key uses of derivatives includes managing portfolio risk and facilitating the implementation of investment strategies efficiently and cost effectively. Funds SA use a variety of derivative instruments, such as over the counter contracts, including currency forward rate agreements, options and swaps and exchange-traded futures and options. Derivatives are an authorised investment within overlay accounts via an execution agent and in 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 2022 is incorporated within the Statement of Net Assets Under Management in Schedule 1.

The following is a description of the main types of portfolio risk arising from the use of financial instruments and includes information on how Funds SA manages each type of risk.

Market Risk

Market risk is the risk that investment returns generated by the different financial markets will be volatile and will deviate from 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

Liquidity risk is the risk of being unable to meet obligations as they fall due or incurring significant transaction costs in meeting such obligations. Liquidity risk also includes the potential opportunity cost associated with not being able to maintain asset allocation at strategic weights.

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 positioning being negatively impacted.

Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cashflow position of Funds SA's clients. The allocation to cash and highly liquid assets in the strategic asset allocation of each investment option is set at a level sufficient to manage expected cash redemptions;
- 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;
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met;
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

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 Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax-Exempt, Core Infrastructure Taxable, Credit, Long Term Fixed Interest and Inflation Linked Securities Taxable asset classes are fully hedged to Australian dollars.
- Foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are partly 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.

Counterparty risk

Counterparty risk, or credit risk is the risk that financial counterparties are unable to perform their contractual obligations.

Funds SA manages and mitigates this risk through the following measures:

- ensuring investment managers have adequate processes for and competence in monitoring and evaluating counterparty risk;
- the inclusion of criteria within Investment Management Agreements to ensure appropriate diversification with respect to counterparty risk;
- requiring the posting of collateral or progressive margin settlements to cover the extent to which over-the-counter derivative contracts are in a favourable financial position;
- restricting the use of futures contracts to recognised exchanges only;
- ensuring Funds SA's custodian is diligent in collecting distributions and dividends, and
- restricting the use of non-exchange traded derivatives to defined uses and mandates and ensuring managers have adequate capabilities and processes to monitor inherent counterparty risk.



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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 2022, 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
- Lifetime Support Authority
- Health Services Charitable Gifts Board
- The University of Adelaide Endowment Fund
- Legal Services Commission
- Construction Industry Training Board

### 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 2022 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 the client funds are disclosed separately under Note 13 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

Funds SA has assessed the impact of new and changed Australian Accounting Standards for the 2021-22 reporting period and determined that there was no effect on Funds SA.

## 1.7 Rounding

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

## 1.8 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.

## 1.9 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.

Assets and liabilities that are to be consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

## 1.10 Insurance

Funds SA has arranged, through South Australian Financing Authority (SAFA), to insure all major risks of Funds SA. The excess payable under this arrangement varies depending on each class of insurance held.

## 1.11 Taxation

Funds SA is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

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.

## 1.12 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 transactions are further disclosed at note 3.1.

### Significant transactions with SA Government related entities

Significant transactions with SA Government related entities are identified throughout this report and in addition Funds SA has incurred expenses of \$551,000 (\$466,000) relating to Payroll tax. This amount is paid to Revenue SA, an entity within the SA Government.

### Asset class funds under management

Funds SA's significant transactions with SA Government related client entities are disclosed in note 13. 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 Administration fee revenue

	2022 \$'000	2021 \$'000
Administration fee revenue	22,131	19,795
<b>Total administration fee revenue</b>	<b>22,131</b>	<b>19,795</b>

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 11.1.

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 in accordance with AASB15 *Revenue From Contracts With Customers*.

## 2.2 Other income

	2022 \$'000	2021 \$'000
Advisory services revenue	17	-
<b>Total other income</b>	<b>17</b>	<b>-</b>

Funds SA provides advisory services to the Motor Accident Commission, on a cost recovery basis. Payments are due monthly in arrears for the 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. Total compensation for key management personnel was \$2,669,000 in 2021-22 and \$2,651,000 in 2020-21.

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.

## Key management personnel remuneration

	2022 \$'000	2021 \$'000
Salaries and other short-term employee benefits	2,419	2,423
Post-employment benefits	250	228
Total	2,669	2,651

## Transactions with key management personnel and other related parties

During the 2021-22 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 2021-22 financial year.

Director	Funds SA Board	Sub-Committees <sup>1</sup>	
		Audit and Risk Committee	Human Resources Committee
Paul Laband (reappointed 21/4/2022)	Chair (reappointed 21/4/2022)	✓	✓
Jane Jeffreys (reappointed 10/12/2021)	✓	–	Chair (reappointed 10/12/2021)
Robert Patterson (ceased 3/10/2021)	✓	✓	–
Kathryn Presser	✓	Chair	–
Bill Griggs (reappointed 2/10/2021)	✓	–	✓
Judith Smith (reappointed 19/7/2021)	✓	✓	–
Leah York	✓	–	✓
Christopher Hall (appointed 4/10/2021)	✓	✓	–

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

## Board and committee remuneration

	Number of Board directors	
	2022	2021
The number of governing board directors whose remuneration received or receivable falls within the following bands:		
\$0 - \$19,999	1	-
\$20,000 - \$39,999	1	-
\$40,000 - \$59,999	5	6
\$80,000 - \$99,999	1	1
Total number of governing directors	8	7

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

fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$369,000 (2020-21: \$368,000).



# Note 3 Board, committees and employees

## 3.3 Employee benefits expenses

	2022 \$'000	2021 \$'000
Salaries and wages	10,417	8,807
Board and committee fees	335	336
Employee leave entitlements	284	200
Employment on-costs	1,698	1,406
<b>Total employee benefits expenses</b>	<b>12,734</b>	<b>10,749</b>

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:

	2022	2021
\$157,001 to \$177,000	5	5
\$177,001 to \$197,000	2	5
\$197,001 to \$217,000	4	2
\$217,001 to \$237,000	3	2
\$237,001 to \$257,000	2	2
\$257,001 to \$277,000	2	-
\$277,001 to \$297,000	1	1
\$317,001 to \$337,000	1	1
\$357,001 to \$377,000	3	3
\$377,001 to \$397,000	1	-
\$397,001 to \$417,000	1	1
\$457,001 to \$477,000	-	1
\$517,001 to \$537,000	1	-
\$557,001 to \$577,000	1	-
\$597,000 to \$617,000	-	1
<b>Total number of employees</b>	<b>27</b>	<b>24</b>

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 \$7,480,000 (\$6,334,000 for 2020-21).

## 3.4 Employee benefits liability

	2022 \$'000	2021 \$'000
<b>Current</b>		
Accrued salaries and wages	-	296
Annual leave	989	748
Long service leave	55	43
Skills and experience retention leave	15	11
<b>Total current employee benefits</b>	<b>1,059</b>	<b>1,098</b>
<b>Non-Current</b>		
Long service leave	1,238	1,210
<b>Total non-current employee benefits</b>	<b>1,238</b>	<b>1,210</b>
<b>Total employee benefits</b>	<b>2,297</b>	<b>2,308</b>

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 increased from 2021 (1.25%) to 2022 (3.50%).

The actuarial assessment performed by the Department of Treasury and Finance retained the salary inflation rate at 2.5% 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 \$253,000 and employee benefits expense of \$253,000. 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

	2022 \$'000	2021 \$'000
Information technology expenses	3,324	3,121
Human resource expenses	322	483
Contractors and temporary staff	539	1,401
Board expenses	109	82
Staff development	170	127
Subscriptions and publications	291	266
Internal audit fees	137	198
External audit fees <sup>(1)</sup>	135	131
Travel and accommodation	198	38
Legal and advisory expenses	227	175
Tenancy outgoings	41	65
Office supplies and printing	54	60
Other	75	62
<b>Total supplies and services</b>	<b>5,622</b>	<b>6,209</b>

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.

<sup>(1)</sup> Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance Audit Act were \$134,900 (\$131,200). No other services were provided by the Auditor-General's Department.



# 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.	2022 \$'000	No.	2021 \$'000
Below \$10,000	1	3	6	24
Above \$10,000	13	492	12	1,635
<b>Total</b>	<b>14</b>	<b>495</b>	<b>18</b>	<b>1,659</b>

## 4.3 Depreciation

	2022 \$'000	2021 \$'000
<b>Depreciation</b>		
Computer and office equipment	164	160
Leasehold improvements	271	238
Right of use asset – Office lease – 25 Grenfell Street Adelaide	438	429
Right of use asset – Vehicle lease	2	8
<b>Total depreciation</b>	<b>875</b>	<b>835</b>

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	Remaining Term of Lease
Computer and Office Equipment:	
• Computers and hardware	3 – 5 years
• Office furniture	10 years
Right of use assets	Term of lease

## 4.4 Lease interest expense

	2022 \$'000	2021 \$'000
Interest expense on lease liabilities	13	16
<b>Total lease interest expense</b>	<b>13</b>	<b>16</b>







# Note 5 Financial Assets

## 5.1 Cash and cash equivalents

Cash is measured at nominal value.

	2022 \$'000	2021 \$'000
Commonwealth Bank account	10,242	7,326
Cash on Hand	1	1
<b>Total cash and cash equivalents</b>	<b>10,243</b>	<b>7,327</b>

## 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 2022 there are no indications of impairment.

	2022 \$'000	2021 \$'000
Debtors*	5,873	5,939
<b>Total receivables</b>	<b>5,873</b>	<b>5,939</b>

Funds SA's management of credit risk is disclosed at note 11.1.

\* Debtors includes \$5,873,000 (\$5,932,000) from administration fee revenue receivable as at 30 June 2022.



# Note 6 Non-financial assets

## 6.1 Property, plant and equipment

	2022 \$'000	2021 \$'000
<b>Leasehold improvements</b>		
Leasehold improvements	1,926	1,913
Accumulated depreciation	(1,003)	(732)
<b>Total leasehold improvements</b>	<b>923</b>	<b>1,181</b>
<b>Computer and office equipment</b>		
Computer and office equipment	919	930
Accumulated depreciation	(680)	(586)
<b>Total computer and office equipment</b>	<b>239</b>	<b>344</b>
<b>Total property plant and equipment</b>	<b>1,162</b>	<b>1,525</b>

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. Property, plant and equipment is assessed for impairment on an annual basis.

Property, plant and equipment includes \$293,684 of fully depreciated assets that are still in use as at 30 June 2022.

## Reconciliation of property, plant and equipment

The following table shows the movement of property, plant and equipment during the year ended 30 June 2022

	Leasehold improvements \$'000	Computer and office equipment \$'000	Capital work in progress \$'000	Property, Plant and Equipment Total \$'000
<b>Carrying amount at the beginning of the financial year</b>	1,181	344	-	1,525
Additions	13	60	-	73
Disposals	-	(1)	-	(1)
Depreciation	(271)	(164)	-	(435)
Transfers between asset classes	-	-	-	-
<b>Carrying amount at the end of the financial year</b>	<b>923</b>	<b>239</b>	<b>-</b>	<b>1,162</b>

The following table shows the movement of property, plant and equipment during the year ended 30 June 2021

	Leasehold improvements \$'000	Computer and office equipment \$'000	Capital work in progress \$'000	Property, Plant and Equipment Total \$'000
<b>Carrying amount at the beginning of the financial year</b>	570	381	54	1,005
Additions	795	130	-	925
Disposals	-	(7)	-	(7)
Depreciation	(238)	(160)	-	(398)
Transfers between asset classes	54	-	(54)	-
<b>Carrying amount at the end of the financial year</b>	<b>1,181</b>	<b>344</b>	<b>-</b>	<b>1,525</b>



# 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 2022.

During the 2021-22 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 2021-22. 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.

	2022 \$'000	2021 \$'000
Prepayments	933	495
<b>Total other assets</b>	<b>933</b>	<b>495</b>

# Note 7 Leases

## 7.1 Right of use assets

	2022 \$'000	2021 \$'000
<b>Office lease – 25 Grenfell Street Adelaide</b>		
Right of use assets	2,617	2,617
Accumulated depreciation	(1,192)	(754)
<b>Total office lease – 25 Grenfell Street Adelaide</b>	<b>1,425</b>	<b>1,863</b>
<b>Vehicle lease</b>		
Right of use assets	-	19
Accumulated depreciation	-	(16)
<b>Total vehicle lease</b>	<b>-</b>	<b>3</b>
<b>Total right of use assets</b>	<b>1,425</b>	<b>1,866</b>

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 5 years from August 2020, 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 previous motor vehicle lease with the South Australian Government Financing Authority (SAFA) as part of a staff member's remuneration package. This leasing arrangement concluded in October 2021.

Depreciation of the right of use assets is disclosed in note 4.3. The lease liabilities related to the right of use assets are presented in note 7.2 below.

### Impairment

The right of use assets leased by Funds SA have been assessed for impairment. There was no indication of impairment. Accordingly, as at the reporting date, no impairment loss or reversal of impairment loss was recognised.

# Note 7 Leases

## 7.2 Lease liabilities

	2021 \$'000	2020 \$'000
<b>Current</b>		
<b>Office lease – 25 Grenfell Street Adelaide</b>		
Lease liability	436	451
<b>Vehicle lease</b>		
Lease liability	-	3
<b>Total current lease liabilities</b>	<b>436</b>	<b>454</b>
<b>Non-Current</b>		
<b>Office lease – 25 Grenfell Street Adelaide</b>		
Lease liability	1,147	1,621
<b>Total non- current borrowings</b>	<b>1,147</b>	<b>1,621</b>
<b>Total lease liabilities</b>	<b>1,583</b>	<b>2,075</b>

Current lease liabilities represent the present value of future lease payments due in 12 months. Non-current lease liabilities represent lease payments not due within 12 months. The right of use assets related to these lease liabilities are presented at note 7.1 above. The lease liabilities represent the

non-cancellable period of the lease only, lease extension options, discussed at note 7.3, are not reflected in the lease liabilities. Total cash outflows relating to the repayment of leases for the reporting period were \$505,000 (\$425,000). Lease interest payments are disclosed at note 4.4.

## 7.3 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. Upon commencement of the lease, 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. Should the option to extend the lease term be exercised in the future, expected cash outflows for the extension term would be an additional \$3,723,000.

## 7.4 Maturity analysis

Contractual Maturities 30 June 2022					
	Carrying Amount (Discounted) 30 June 2022	Total Contractual Maturities (Undiscounted) 30 June 2022	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Lease liabilities	1,583	1,601	444	1,157	-

The maturity analysis is based on undiscounted cash payments expected over the remaining assessment of the lease term.



# Note 8 Liabilities

Employee benefit liabilities are disclosed in note 3.4.

## 8.1 Payables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Creditors	191	463
GST payable	902	858
Accrued expenses	558	278
Employment on-costs	168	141
<b>Total current payables</b>	<b>1,819</b>	<b>1,740</b>
<b>Non Current</b>		
Employment on-costs	119	115
<b>Total non current payables</b>	<b>119</b>	<b>115</b>
<b>Total payables</b>	<b>1,938</b>	<b>1,855</b>

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 with 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 are discharged.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave expected to be taken as leave has remained at 42% in 2022. This rate is used in the employment on-cost calculation.

### 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

	2022 \$'000	2021 \$'000
<b>Reconciliation of Net Cash provided by Operating Activities to Surplus:</b>		
Net surplus	2,904	1,988
<b>Add non-cash items</b>		
Depreciation	875	835
(Gain) Loss on disposal of property, plant and equipment	-	3
<b>Changes in Assets / Liabilities</b>		
(Increase) / Decrease in receivables	66	1,451
(Increase) / Decrease in other assets	(438)	(97)
Increase / (Decrease) in payables	84	643
Increase / (Decrease) in employee benefits	(11)	273
<b>Net cash (used)/ provided by operating activities</b>	<b>3,480</b>	<b>5,096</b>



# Note 10 Outlook

## 10.1 Unrecognised contractual commitments

Commitments include operating commitments arising from contractual 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.

Funds SA has the following expenditure commitments as at 30 June 2022:

### Expenditure Commitments

	2022 \$'000	2021 \$'000
Within one year	1,313	-
Later than one year but not longer than five years	2,631	-
Later than five years	-	-
<b>Total expenditure commitments</b>	<b>3,944</b>	<b>-</b>

Funds SA's expenditure commitments are for agreements in relation to:

- Contracts with investment system providers, FactSet and Matrix

Whilst both FactSet and Matrix had contractual agreements in place with Funds SA in 2021, it was determined that these previous contracts did not meet the necessary recognition criteria to warrant a disclosure as committed expenditure.

## 10.2 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.

## 10.3 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.

## 10.4 Events after the reporting period

There were no significant events after the reporting period.





# Note 11 Financial Instruments

## 11.1 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:

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.

### 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 valuation of the underlying investments, which are linked to the performance of global financial markets.

Funds SA manages this risk in three 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
- Secondly, Funds SA has the ability to increase the administration fee should this action be necessary to cover administration expenses.
- Thirdly, Funds SA maintains adequate cash reserves to absorb corporate deficits should they arise over the short-term.

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.

## 11.2 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 7.4. 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 11.3 below.

## 11.3 Classification of financial instruments

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

	Carrying Amount 30 June 2022 \$'000
Financial assets	5,873
Receivables	
Financial liabilities	515
Payables	1,583
Lease liabilities	2,075

	Carrying Amount 30 June 2021 \$'000
Financial assets	5,939
Receivables	
Financial liabilities	506
Payables	2,075
Lease liabilities	1,742

The receivable and payable amounts disclosed above 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 12 Investments in Funds SA Unit Trusts

Funds SA have 27 unit trusts to manage the investments of Funds SA's tax-paying clients. A

consolidated list of Funds SA's unit trusts is provided below.

Legal Name of Trust	Date established	Settled Sum
High 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
Defensive Alternatives 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 Asset Class 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
Socially Responsible Investment Option Unit Trust	10 December 2020	\$10
DSG A Holdings Trust	15 February 2021	\$10
DSG B Holdings Trust	15 February 2021	\$10
Core Infrastructure Taxable Unit Trust	1 July 2021	\$10
Credit Taxable Unit Trust	1 July 2021	\$10
Core Infrastructure Tax-Exempt Holdings Trust Unit Trust	17 December 2021	\$10
Core Infrastructure Taxable Holdings Trust Unit Trust	17 December 2021	\$10
University of Adelaide Strategy Unit Trust	17 December 2021	\$10
Total		\$270

\*The Diversified Strategies Income A & B Unit Trust changed its name to Defensive Alternatives Unit Trust during the 2021-22 financial year.



# Note 13 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 2022, Funds SA managed a number of different investment options distinguished by differing strategic asset allocations, namely:

- High Growth
- Balanced
- Moderate
- Conservative
- Capital Defensive
- Cash
- Socially Responsible
- Lifetime Support Authority Strategy<sup>1</sup>
- Defined Benefit Strategy
- SAFA Investment Strategy<sup>1</sup>
- University of Adelaide Strategy<sup>1</sup>

<sup>1</sup> These investment options are customised strategies available to the South Australian Government Financing Authority (SAFA), Lifetime Support Authority, and University of Adelaide 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 Tax-exempt, Australian Equities Passive Tax-exempt, International Equities Tax-exempt, International Equities Passive Tax-exempt, Property Tax-exempt, Private Markets Tax-exempt, Core Infrastructure Tax-exempt, Growth Alternatives Tax-exempt and Inflation Linked Securities Tax-exempt asset classes are available to untaxed clients only, whereas Australian Equities Taxable, Australian Equities Passive Taxable, International Equities Taxable, International Equities Passive Taxable, Property Taxable, Private Markets Taxable and Core Infrastructure Taxable asset classes are available to taxed clients only. All other asset classes are available to both untaxed and taxed clients.

Note 13 provides financial statements in respect of each client fund under the management of Funds SA for the 2021-22 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.

## Funds SA Restructure of Asset Classes

During the 2021-22 financial year, Fund SA undertook a restructure of its investment structure to expand the number of asset classes available to increase portfolio construction flexibility and enable optimisation of risk and return for each Investment Option.

This restructure is described further at Schedule 1 to Funds SA's financial statements.





# Note 13 Client funds under management

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## 13(a) South Australian Superannuation Scheme – Employer Contribution Accounts

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>2,952,942</b>	<b>2,553,989</b>
Add: Receipts	372,738	439,025
Net Investment Income	(42,234)	584,248
	330,504	1,023,273
Less: Payments	(659,370)	(624,320)
<b>Funds Under Management at 30 June</b>	<b>2,624,076</b>	<b>2,952,942</b>

### Statement of Funds Under Management – by Investment Option

Investment Option		
Defined Benefit Strategy	2,624,076	2,952,942
<b>Funds Under Management at 30 June</b>	<b>2,624,076</b>	<b>2,952,942</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	508,588	624,257
International Equities Tax-Exempt	714,878	932,024
Property Tax-Exempt	480,021	488,470
Private Markets Tax-Exempt*	358,199	461,135
Core Infrastructure Tax-Exempt	127,422	-
Defensive Alternatives**	60,373	396,839
Credit	144,309	-
Growth Alternatives	160,789	-
Cash	69,497	50,217
<b>Funds Under Management at 30 June</b>	<b>2,624,076</b>	<b>2,952,942</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



## Note 13 Client funds under management

### 13(b) South Australian Superannuation Fund – Old Scheme Division

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>1,730,480</b>	<b>1,504,458</b>
Add: Receipts	4,860	50
Net Investment Income	(27,344)	343,162
	(22,484)	343,212
Less: Payments	(108,510)	(117,190)
<b>Funds Under Management at 30 June</b>	<b>1,599,486</b>	<b>1,730,480</b>

#### Statement of Funds Under Management – by Investment Option

Investment Option		
Defined Benefit Strategy	1,599,486	1,730,480
<b>Funds Under Management at 30 June</b>	<b>1,599,486</b>	<b>1,730,480</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
International Equities Tax-Exempt	310,006	365,827
Property Tax-Exempt	435,748	546,183
Diversified Strategies Growth Tax-Exempt	292,593	286,253
Diversified Strategies Growth Tax-Exempt	218,338	270,234
International Equities Tax-Exempt	77,669	-
Property Tax-Exempt	36,800	232,555
Diversified Strategies Growth Tax-Exempt	87,963	-
Diversified Strategies Income	98,008	-
Cash	42,361	29,428
<b>Funds Under Management at 30 June</b>	<b>1,599,486</b>	<b>1,730,480</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(c) South Australian Superannuation Fund – New Scheme Division

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>598,866</b>	<b>554,000</b>
Add: Receipts	3,652	443,697
Net Investment Income	(32,690)	110,993
	(29,038)	554,690
Less: Payments	(80,515)	(509,824)
<b>Funds Under Management at 30 June</b>	<b>489,313</b>	<b>598,866</b>

#### Statement of Funds Under Management – by Investment Option

Investment Option		
High Growth Tax-Exempt	685	8,472
Balanced Tax-Exempt	429,531	518,518
Moderate Tax-Exempt	18,719	22,995
Conservative Tax-Exempt	18,128	22,314
Capital Defensive Tax-Exempt	10,291	12,694
Cash Tax-Exempt	10,365	11,912
Socially Responsible Investment	1,594	1,961
<b>Funds Under Management at 30 June</b>	<b>489,313</b>	<b>598,866</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	100,460	129,374
Australian Equities Passive Tax-Exempt	1,539	5,463
International Equities Tax-Exempt	128,714	177,516
International Equities Passive Tax-Exempt	10,468	16,300
Property Tax-Exempt	56,176	60,495
Property Taxable	212	147
Private Markets Tax-Exempt*	26,150	39,517
Core Infrastructure Tax-Exempt	17,607	-
Defensive Alternatives**	11,773	48,917
Credit	28,952	-
Inflation-Linked Securities Tax-Exempt	28,241	32,898
Long-Term Fixed Interest	25,748	33,218
Short-Term Fixed Interest	22,334	17,756
Cash	29,897	35,937
Socially Responsible	1,042	1,328
<b>Funds Under Management at 30 June</b>	<b>489,313</b>	<b>598,866</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(d) Southern State Superannuation Fund

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>23,396,050</b>	<b>19,114,102</b>
Add: Receipts	1,797,952	2,281,964
Net Investment Income	(1,468,720)	4,042,795
	329,232	6,324,759
Less: Payments	(1,733,730)	(2,042,811)
<b>Funds Under Management at 30 June</b>	<b>21,991,552</b>	<b>23,396,050</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Tax-Exempt	2,684,608	2,890,431
Balanced Tax-Exempt	17,350,371	18,739,091
Moderate Tax-Exempt	579,218	574,516
Conservative Tax-Exempt	449,864	489,397
Capital Defensive Tax-Exempt	221,138	248,881
Cash Tax-Exempt	552,694	329,619
Socially Responsible Investment	153,659	124,115
<b>Funds Under Management at 30 June</b>	<b>21,991,552</b>	<b>23,396,050</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	4,662,722	5,204,205
Australian Equities Passive Tax-Exempt	71,366	219,842
International Equities Tax-Exempt	6,021,559	7,177,662
International Equities Passive Tax-Exempt	497,493	663,855
Property Tax-Exempt	2,647,432	2,507,296
Property Taxable	20,432	9,311
Private Markets Tax-Exempt*	1,244,865	1,655,926
Core Infrastructure Tax-Exempt	840,136	-
Defensive Alternatives**	449,134	1,942,105
Credit	1,271,332	-
Inflation-Linked Securities Tax-Exempt	1,048,937	1,082,409
Long-Term Fixed Interest	997,944	1,164,404
Short-Term Fixed Interest	791,131	505,738
Cash	1,326,640	1,179,215
Socially Responsible	100,429	84,082
<b>Funds Under Management at 30 June</b>	<b>21,991,552</b>	<b>23,396,050</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

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

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>1,742,837</b>	<b>1,420,307</b>
Add: Receipts	660,134	567,330
Net Investment Income	(101,623)	249,316
	558,511	816,646
Less: Payments	(518,925)	(494,116)
<b>Funds Under Management at 30 June</b>	<b>1,782,423</b>	<b>1,742,837</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	237,920	262,960
Balanced Taxable	876,803	863,821
Moderate Taxable	207,630	216,998
Conservative Taxable	179,916	179,550
Capital Defensive Taxable	98,153	95,529
Cash Taxable	143,470	92,155
Socially Responsible Investment	38,531	31,824
<b>Funds Under Management at 30 June</b>	<b>1,782,423</b>	<b>1,742,837</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	347,871	346,923
Australian Equities Passive Taxable	5,699	23,983
International Equities Taxable	360,045	377,696
International Equities Passive Taxable	38,151	42,791
Property Taxable	190,249	169,449
Private Markets Taxable*	87,989	115,890
Core Infrastructure Taxable	42,279	-
Defensive Alternatives**	44,822	170,827
Credit	115,024	-
Inflation-Linked Securities Taxable	109,821	106,577
Long-Term Fixed Interest	90,806	90,519
Short-Term Fixed Interest	102,720	77,579
Cash	221,764	199,044
Socially Responsible	25,183	21,559
<b>Funds Under Management at 30 June</b>	<b>1,782,423</b>	<b>1,742,837</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



## 13(f) Super SA Retirement Investment Fund – Super SA Income Stream

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>4,504,109</b>	<b>3,742,446</b>
Add: Receipts	1,336,563	1,145,068
Net Investment Income	(257,965)	648,528
	1,078,598	1,793,596
Less: Payments	(1,172,403)	(1,031,933)
<b>Funds Under Management at 30 June</b>	<b>4,410,304</b>	<b>4,504,109</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	376,049	426,401
Balanced Taxable	2,039,205	2,224,586
Moderate Taxable	867,154	835,775
Conservative Taxable	605,738	607,802
Capital Defensive Taxable	187,413	209,793
Cash Taxable	246,727	134,264
Socially Responsible Investment	88,018	65,488
<b>Funds Under Management at 30 June</b>	<b>4,410,304</b>	<b>4,504,109</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	844,115	888,882
Australian Equities Passive Taxable	13,861	62,540
International Equities Taxable	869,105	967,954
International Equities Passive Taxable	91,357	109,894
Property Taxable	465,484	432,662
Private Markets Taxable*	205,563	287,661
Core Infrastructure Taxable	98,966	-
Defensive Alternatives**	125,521	463,733
Credit	306,650	-
Inflation-Linked Securities Taxable	320,391	320,969
Long-Term Fixed Interest	248,747	260,467
Short-Term Fixed Interest	290,100	229,252
Cash	472,917	435,730
Socially Responsible	57,527	44,365
<b>Funds Under Management at 30 June</b>	<b>4,410,304</b>	<b>4,504,109</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(g) Parliamentary Superannuation Scheme

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>289,951</b>	<b>243,682</b>
Add: Receipts	8,561	14,605
Net Investment Income	(6,773)	55,921
	1,788	70,526
Less: Payments	(22,874)	(24,257)
<b>Funds Under Management at 30 June</b>	<b>268,865</b>	<b>289,951</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Tax-Exempt	11,695	12,320
Balanced Tax-Exempt	27,671	30,871
Moderate Tax-Exempt	980	1,045
Conservative Tax-Exempt	1	1
Capital Defensive Tax-Exempt	2,296	635
Socially Responsible Investment	225,282	2,665
Defined Benefit Strategy	940	242,414
<b>Funds Under Management at 30 June</b>	<b>268,865</b>	<b>289,951</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	52,994	61,571
Australian Equities Passive Tax-Exempt	143	436
International Equities Tax-Exempt	73,506	90,836
International Equities Passive Tax-Exempt	1,009	1,332
Property Tax-Exempt	46,696	45,287
Property Taxable	125	200
Private Markets Tax-Exempt*	33,284	41,287
Core Infrastructure Tax-Exempt	12,653	-
Defensive Alternatives**	5,954	36,545
Credit	15,063	-
Growth Alternatives	13,804	-
Inflation-Linked Securities Tax-Exempt	1,864	1,707
Long-Term Fixed Interest	1,866	2,379
Short-Term Fixed Interest	1,672	764
Cash	7,618	5,802
Socially Responsible	614	1,805
<b>Funds Under Management at 30 June</b>	<b>268,865</b>	<b>289,951</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



## 13(h) Judges' Pension Scheme

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>323,099</b>	<b>269,051</b>
Add: Receipts	2,130	1,710
Net Investment Income	(5,502)	62,738
	(3,372)	64,448
Less: Payments	(11,390)	(10,400)
<b>Funds Under Management at 30 June</b>	<b>308,337</b>	<b>323,099</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	308,337	323,099
<b>Funds Under Management at 30 June</b>	<b>308,337</b>	<b>323,099</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	59,761	68,304
International Equities Tax-Exempt	84,000	101,977
Property Tax-Exempt	56,404	53,446
Private Markets Tax-Exempt*	42,089	50,456
Core Infrastructure Tax-Exempt	14,973	-
Defensive Alternatives**	7,094	43,421
Credit	16,957	-
Growth Alternatives	18,893	-
Cash	8,166	5,495
<b>Funds Under Management at 30 June</b>	<b>308,337</b>	<b>323,099</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(i) Governors' Pension Scheme

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>3,292</b>	<b>2,927</b>
Add: Receipts	-	-
Net Investment Income	(45)	660
	(45)	660
Less: Payments	(382)	(295)
<b>Funds Under Management at 30 June</b>	<b>2,865</b>	<b>3,292</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	2,865	3,292
<b>Funds Under Management at 30 June</b>	<b>2,865</b>	<b>3,292</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	555	696
International Equities Tax-Exempt	780	1,039
Property Tax-Exempt	524	545
Private Markets Tax-Exempt*	391	514
Core Infrastructure Tax-Exempt	139	-
Defensive Alternatives**	66	442
Credit	158	-
Growth Alternatives	176	-
Cash	76	56
<b>Funds Under Management at 30 June</b>	<b>2,865</b>	<b>3,292</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(j) South Australian Ambulance Service Superannuation Scheme

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>320,722</b>	<b>274,199</b>
Add: Receipts	5,150	4,770
Net Investment Income	(16,953)	58,603
	(11,803)	63,373
Less: Payments	(16,172)	(16,850)
<b>Funds Under Management at 30 June</b>	<b>292,747</b>	<b>320,722</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Balanced Taxable	292,747	320,722
<b>Funds Under Management at 30 June</b>	<b>292,747</b>	<b>320,722</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	73,707	81,006
Australian Equities Passive Taxable	1,198	5,273
International Equities Taxable	74,941	85,851
International Equities Passive Taxable	8,033	9,764
Property Taxable	35,058	34,268
Private Markets Taxable*	20,028	27,940
Core Infrastructure Taxable	9,546	-
Defensive Alternatives**	7,987	25,010
Credit	15,524	-
Inflation-Linked Securities Taxable	14,903	15,238
Long-Term Fixed Interest	14,828	18,925
Short-Term Fixed Interest	10,282	2,771
Cash	6,712	14,676
<b>Funds Under Management at 30 June</b>	<b>292,747</b>	<b>320,722</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(k) Police Superannuation Scheme – Employer Contribution Account

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>1,710,015</b>	<b>1,375,659</b>
Add: Receipts	53,282	83,730
Net Investment Income	(29,605)	327,321
	23,677	411,051
Less: Payments	(85,805)	(76,695)
<b>Funds Under Management at 30 June</b>	<b>1,647,887</b>	<b>1,710,015</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	1,647,887	1,710,015
<b>Funds Under Management at 30 June</b>	<b>1,647,887</b>	<b>1,710,015</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	319,388	361,500
International Equities Tax-Exempt	448,934	539,724
Property Tax-Exempt	301,447	282,868
Private Markets Tax-Exempt*	224,945	267,038
Core Infrastructure Tax-Exempt	80,020	-
Defensive Alternatives**	37,913	229,805
Credit	90,624	-
Growth Alternatives	100,973	-
Cash	43,643	29,080
<b>Funds Under Management at 30 June</b>	<b>1,647,887</b>	<b>1,710,015</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(l) Police Superannuation Fund – Old Scheme Division

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>670,973</b>	<b>567,096</b>
Add: Receipts	-	-
Net Investment Income	(11,027)	131,132
	(11,027)	131,132
Less: Payments	(29,510)	(27,255)
<b>Funds Under Management at 30 June</b>	<b>630,436</b>	<b>670,973</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Defined Benefit Strategy	630,436	670,973
<b>Funds Under Management at 30 June</b>	<b>630,436</b>	<b>670,973</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	122,189	141,845
International Equities Tax-Exempt	171,750	211,776
Property Tax-Exempt	115,325	110,991
Private Markets Tax-Exempt*	86,058	104,780
Core Infrastructure Tax-Exempt	30,613	-
Defensive Alternatives**	14,504	90,171
Credit	34,670	-
Growth Alternatives	38,630	-
Cash	16,697	11,410
<b>Funds Under Management at 30 June</b>	<b>630,436</b>	<b>670,973</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(m) South Australian Government Financing Authority (SAFA – Insurance Fund 1)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>640,969</b>	<b>602,463</b>
Add: Receipts	14,000	30,000
Net Investment Income	(20,403)	123,506
	(6,403)	153,506
Less: Payments	(110,000)	(115,000)
<b>Funds Under Management at 30 June</b>	<b>524,566</b>	<b>640,969</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
SAFA Strategy	524,566	640,969
<b>Funds Under Management at 30 June</b>	<b>524,566</b>	<b>640,969</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	96,369	129,401
International Equities Tax-Exempt	133,367	196,668
Property Tax-Exempt	74,701	80,457
Private Markets Tax-Exempt*	54,036	61,175
Core Infrastructure Tax-Exempt	15,876	-
Defensive Alternatives**	14,714	98,991
Credit	33,977	-
Growth Alternatives	34,871	-
Inflation-Linked Securities Tax-Exempt	31,861	37,587
Long-Term Fixed Interest	20,927	23,372
Cash	13,867	13,318
<b>Funds Under Management at 30 June</b>	<b>524,566</b>	<b>640,969</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(n) South Australian Government Financing Authority (SAFA – Insurance Fund 2)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>15,259</b>	<b>11,142</b>
Add: Receipts	-	9,000
Net Investment Income	(1,048)	2,117
	(1,048)	11,117
Less: Payments	-	(7,000)
<b>Funds Under Management at 30 June</b>	<b>14,211</b>	<b>15,259</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Tax-Exempt	14,211	15,259
<b>Funds Under Management at 30 June</b>	<b>14,211</b>	<b>15,259</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	1,345	1,647
Australian Equities Passive Tax-Exempt	21	70
International Equities Tax-Exempt	1,723	2,286
International Equities Passive Tax-Exempt	84	172
Property Tax-Exempt	1,270	1,138
Defensive Alternatives*	614	2,689
Credit	1,896	
Inflation-Linked Securities Tax-Exempt	2,152	2,289
Long-Term Fixed Interest	1,143	701
Short-Term Fixed Interest	2,219	2,699
Cash	1,744	1,568
<b>Funds Under Management at 30 June</b>	<b>14,211</b>	<b>15,259</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(o) South Australian Government Financing Authority (SAFA – Insurance Fund 3)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>49,188</b>	<b>22,922</b>
Add: Receipts	-	23,000
Net Investment Income	(3,377)	3,266
	(3,377)	26,266
Less: Payments	-	-
<b>Funds Under Management at 30 June</b>	<b>45,811</b>	<b>49,188</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Tax-Exempt	45,811	49,188
<b>Funds Under Management at 30 June</b>	<b>45,811</b>	<b>49,188</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	4,336	5,308
Australian Equities Passive Tax-Exempt	67	227
International Equities Tax-Exempt	5,555	7,364
International Equities Passive Tax-Exempt	271	556
Property Tax-Exempt	4,093	3,670
Defensive Alternatives*	1,979	8,667
Credit	6,113	-
Inflation-Linked Securities Tax-Exempt	6,938	7,379
Long-Term Fixed Interest	3,684	2,260
Short-Term Fixed Interest	7,152	8,701
Cash	5,623	5,056
<b>Funds Under Management at 30 June</b>	<b>45,811</b>	<b>49,188</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(p) South Australian Government Financing Authority (SAFA – Insurance Fund 4)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>131,373</b>	<b>142,293</b>
Add: Receipts	-	-
Net Investment Income	(7,997)	9,080
	(7,997)	9,080
Less: Payments	(12,000)	(20,000)
<b>Funds Under Management at 30 June</b>	<b>111,376</b>	<b>131,373</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Capital Defensive Tax-Exempt	111,376	131,373
<b>Funds Under Management at 30 June</b>	<b>111,376</b>	<b>131,373</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	5,168	8,113
Australian Equities Passive Tax-Exempt	82	354
International Equities Tax-Exempt	5,328	10,440
International Equities Passive Tax-Exempt	1	444
Property Tax-Exempt	6,531	5,645
Defensive Alternatives*	4,796	21,763
Credit	13,726	-
Inflation-Linked Securities Tax-Exempt	16,818	19,569
Long-Term Fixed Interest	12,304	6,138
Short-Term Fixed Interest	29,645	38,890
Cash	16,977	20,017
<b>Funds Under Management at 30 June</b>	<b>111,376</b>	<b>131,373</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(q) Adelaide Cemeteries Authority

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>6,825</b>	<b>5,359</b>
Add: Receipts	1,800	800
Net Investment Income	(559)	1,166
	1,241	1,966
Less: Payments	-	(500)
<b>Funds Under Management at 30 June</b>	<b>8,066</b>	<b>6,825</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Tax-Exempt	4,902	4,364
Balanced Tax-Exempt	754	647
Moderate Tax-Exempt	1,289	862
Conservative Tax-Exempt	1,121	952
<b>Funds Under Management at 30 June</b>	<b>8,066</b>	<b>6,825</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	1,704	1,439
Australian Equities Passive Tax-Exempt	26	61
International Equities Tax-Exempt	2,263	2,027
International Equities Passive Tax-Exempt	187	187
Property Tax-Exempt	1,119	848
Private Markets Tax-Exempt*	452	488
Core Infrastructure Tax-Exempt	308	-
Defensive Alternatives**	108	813
Credit	630	-
Inflation-Linked Securities Tax-Exempt	351	267
Long-Term Fixed Interest	219	154
Short-Term Fixed Interest	312	239
Cash	387	302
<b>Funds Under Management at 30 June</b>	<b>8,066</b>	<b>6,825</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(r) Motor Accident Commission Compulsory Third Party Fund

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>21,431</b>	<b>44,019</b>
Add: Receipts	-	44,048
Net Investment Income	(1,150)	2,312
	(1,150)	46,360
Less: Payments	(10,651)	(68,948)
<b>Funds Under Management at 30 June</b>	<b>9,630</b>	<b>21,431</b>

#### Statement of Funds Under Management - by Investment Option

<b>Investment Option</b>		
Capital Defensive Tax-Exempt	9,630	21,431
<b>Funds Under Management at 30 June</b>	<b>9,630</b>	<b>21,431</b>

#### Statement of Funds Under Management – by Asset class

<b>Asset class</b>		
Australian Equities Tax-Exempt	447	1,324
Australian Equities Passive Tax-Exempt	7	58
International Equities Tax-Exempt	461	1,703
International Equities Passive Tax-Exempt	-	72
Property Tax-Exempt	565	921
Defensive Alternatives*	415	3,550
Credit	1,186	-
Inflation-Linked Securities Tax-Exempt	1,454	3,192
Long-Term Fixed Interest	1,064	1,001
Short-Term Fixed Interest	2,563	6,344
Cash	1,468	3,266
<b>Funds Under Management at 30 June</b>	<b>9,630</b>	<b>21,431</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(s) Motor Accident Commission Retained Premium Component

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>6,788</b>	<b>51,399</b>
Add: Receipts	-	6,443
Net Investment Income	(433)	379
	(433)	6,822
Less: Payments	-	(51,433)
<b>Funds Under Management at 30 June</b>	<b>6,355</b>	<b>6,788</b>

#### Statement of Funds Under Management - by Investment Option

<b>Investment Option</b>		
Capital Defensive Tax-Exempt	6,355	6,788
<b>Funds Under Management at 30 June</b>	<b>6,355</b>	<b>6,788</b>

#### Statement of Funds Under Management – by Asset class

<b>Asset class</b>		
Australian Equities Tax-Exempt	295	419
Australian Equities Passive Tax-Exempt	5	18
International Equities Tax-Exempt	304	539
International Equities Passive Tax-Exempt	-	23
Property Tax-Exempt	372	292
Defensive Alternatives*	274	1,125
Credit	783	-
Inflation-Linked Securities Tax-Exempt	960	1,011
Long-Term Fixed Interest	702	317
Short-Term Fixed Interest	1,691	2,010
Cash	969	1,034
<b>Funds Under Management at 30 June</b>	<b>6,355</b>	<b>6,788</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



## 13(t) South Australian Metropolitan Fire Service Superannuation Scheme

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>522,954</b>	<b>434,959</b>
Add: Receipts	75,219	58,248
Net Investment Income	(28,091)	86,874
	47,128	145,122
Less: Payments	(91,348)	(57,127)
<b>Funds Under Management at 30 June</b>	<b>478,734</b>	<b>522,954</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	333,959	364,316
Balanced Taxable	9,117	8,360
Moderate Taxable	8,411	9,111
Conservative Taxable	108,887	124,649
Capital Defensive Taxable	7,570	7,528
Cash Taxable	10,790	8,990
<b>Funds Under Management at 30 June</b>	<b>478,734</b>	<b>522,954</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	109,716	111,682
Australian Equities Passive Taxable	1,790	7,533
International Equities Taxable	120,045	127,053
International Equities Passive Taxable	12,968	14,079
Property Taxable	65,749	64,031
Private Markets Taxable*	28,487	40,179
Core Infrastructure Taxable	13,821	-
Defensive Alternatives**	6,075	66,823
Credit	38,945	-
Inflation-Linked Securities Taxable	19,035	21,339
Long-Term Fixed Interest	10,698	7,781
Short-Term Fixed Interest	20,034	23,452
Cash	31,371	39,002
<b>Funds Under Management at 30 June</b>	<b>478,734</b>	<b>522,954</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(u) Super SA Select

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>33,305</b>	<b>10,775</b>
Add: Receipts	29,614	23,042
Net Investment Income	(2,901)	3,352
	26,713	26,394
Less: Payments	(11,075)	(3,864)
<b>Funds Under Management at 30 June</b>	<b>48,943</b>	<b>33,305</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
Balanced Taxable	47,051	32,775
Cash Taxable	1,892	530
<b>Funds Under Management at 30 June</b>	<b>48,943</b>	<b>33,305</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	11,846	8,278
Australian Equities Passive Taxable	193	539
International Equities Taxable	12,045	8,773
International Equities Passive Taxable	1,291	998
Property Taxable	5,634	3,502
Private Markets Taxable*	3,219	2,855
Core Infrastructure Taxable	1,534	-
Defensive Alternatives**	1,284	2,556
Credit	2,495	-
Inflation-Linked Securities Taxable	2,395	1,557
Long-Term Fixed Interest	2,383	1,934
Short-Term Fixed Interest	1,653	283
Cash	2,971	2,030
<b>Funds Under Management at 30 June</b>	<b>48,943</b>	<b>33,305</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(v) Lifetime Support Authority

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>1,175,950</b>	<b>846,686</b>
Add: Receipts	110,000	114,500
Net Investment Income	(17,724)	214,764
	92,276	329,264
Less: Payments	-	-
<b>Funds Under Management at 30 June</b>	<b>1,268,226</b>	<b>1,175,950</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
Lifetime Support Authority Strategy	1,268,226	1,175,950
<b>Funds Under Management at 30 June</b>	<b>1,268,226</b>	<b>1,175,950</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Tax-Exempt	232,984	246,892
International Equities Tax-Exempt	337,398	368,622
Property Tax-Exempt	232,929	194,704
Private Markets Tax-Exempt*	200,212	183,688
Core Infrastructure Tax-Exempt	61,187	-
Defensive Alternatives**	29,162	156,952
Credit	69,760	-
Growth Alternatives	77,665	-
Cash	26,929	25,092
<b>Funds Under Management at 30 June</b>	<b>1,268,226</b>	<b>1,175,950</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(w) Health Services Charitable Gifts Board – Pool Investment

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>112,504</b>	<b>95,359</b>
Add: Receipts	51,854	36,200
Net Investment Income	(7,343)	14,445
	44,511	50,645
Less: Payments	(44,978)	(33,500)
<b>Funds Under Management at 30 June</b>	<b>112,037</b>	<b>112,504</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	-	1,087
Balanced Taxable	43,918	44,368
Moderate Taxable	67,619	30,504
Conservative Taxable	-	2,085
Capital Defensive Taxable	-	30,701
Cash Taxable	500	3,759
<b>Funds Under Management at 30 June</b>	<b>112,037</b>	<b>112,504</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	22,844	18,425
Australian Equities Passive Taxable	375	1,425
International Equities Taxable	23,135	20,000
International Equities Passive Taxable	2,403	2,307
Property Taxable	11,893	9,081
Private Markets Taxable*	5,738	5,744
Core Infrastructure Taxable	2,791	-
Defensive Alternatives**	3,722	12,652
Credit	7,889	-
Inflation-Linked Securities Taxable	9,764	10,510
Long-Term Fixed Interest	7,012	7,045
Short-Term Fixed Interest	7,325	11,441
Cash	7,146	13,874
<b>Funds Under Management at 30 June</b>	<b>112,037</b>	<b>112,504</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



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

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>8,296</b>	<b>7,319</b>
Add: Receipts	600	2,200
Net Investment Income	(388)	1,442
	212	3,642
Less: Payments	(1,123)	(2,665)
<b>Funds Under Management at 30 June</b>	<b>7,385</b>	<b>8,296</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	4,294	5,459
Moderate Taxable	2,704	2,447
Cash Taxable	387	390
<b>Funds Under Management at 30 June</b>	<b>7,385</b>	<b>8,296</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	1,680	1,818
Australian Equities Passive Taxable	27	120
International Equities Taxable	1,807	2,053
International Equities Passive Taxable	194	228
Property Taxable	958	996
Private Markets Taxable*	463	725
Core Infrastructure Taxable	226	-
Defensive Alternatives**	101	910
Credit	513	-
Inflation-Linked Securities Taxable	301	267
Long-Term Fixed Interest	191	223
Short-Term Fixed Interest	231	141
Cash	693	815
<b>Funds Under Management at 30 June</b>	<b>7,385</b>	<b>8,296</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.  
\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

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

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>294</b>	<b>266</b>
Add: Receipts	-	-
Net Investment Income	(16)	28
	(16)	28
Less: Payments	(46)	-
<b>Funds Under Management at 30 June</b>	<b>232</b>	<b>294</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Taxable	232	294
<b>Funds Under Management at 30 June</b>	<b>232</b>	<b>294</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	25	32
Australian Equities Passive Taxable	-	3
International Equities Taxable	26	38
International Equities Passive Taxable	3	4
Property Taxable	21	23
Defensive Alternatives*	11	53
Credit	30	-
Inflation-Linked Securities Taxable	35	44
Long-Term Fixed Interest	19	14
Short-Term Fixed Interest	36	49
Cash	26	34
<b>Funds Under Management at 30 June</b>	<b>232</b>	<b>294</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(z) Health Services Charitable Gifts Board – P F Beinke Charitable Trust – Flinders Medical Centre (Pastoral Care Account)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>273</b>	<b>-</b>
Add: Receipts	-	253
Net Investment Income	(18)	21
	(18)	274
Less: Payments	(1)	(1)
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Taxable	254	273
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	27	30
Australian Equities Passive Taxable	-	3
International Equities Taxable	29	36
International Equities Passive Taxable	3	4
Property Taxable	22	21
Defensive Alternatives*	12	49
Credit	33	-
Inflation-Linked Securities Taxable	38	41
Long-Term Fixed Interest	21	13
Short-Term Fixed Interest	40	45
Cash	29	31
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(aa) Health Services Charitable Gifts Board – P F Beinke Charitable Trust – Royal Adelaide Hospital (The Chapel Fund)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>274</b>	<b>-</b>
Add: Receipts	-	253
Net Investment Income	(18)	21
	(18)	274
Less: Payments	(3)	-
<b>Funds Under Management at 30 June</b>	<b>253</b>	<b>274</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Taxable	253	274
<b>Funds Under Management at 30 June</b>	<b>253</b>	<b>274</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	27	30
Australian Equities Passive Taxable	1	3
International Equities Taxable	29	36
International Equities Passive Taxable	3	4
Property Taxable	22	21
Defensive Alternatives*	12	49
Credit	33	-
Inflation-Linked Securities Taxable	38	41
Long-Term Fixed Interest	20	13
Short-Term Fixed Interest	39	46
Cash	29	31
<b>Funds Under Management at 30 June</b>	<b>253</b>	<b>274</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.



### 13(ab) Health Services Charitable Gifts Board – P F Beinke Charitable Trust – Daw Park Repatriation Hospital (Pastoral Care Chapel Account)

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>273</b>	<b>-</b>
Add: Receipts	-	253
Net Investment Income	(18)	21
	(18)	274
Less: Payments	(1)	(1)
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
Conservative Taxable	254	273
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	27	30
Australian Equities Passive Taxable	-	3
International Equities Taxable	29	36
International Equities Passive Taxable	3	4
Property Taxable	22	21
Defensive Alternatives*	12	49
Credit	33	-
Inflation-Linked Securities Taxable	39	41
Long-Term Fixed Interest	21	13
Short-Term Fixed Interest	39	45
Cash	29	31
<b>Funds Under Management at 30 June</b>	<b>254</b>	<b>273</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

### 13(ac) The University of Adelaide Endowment Trust

#### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>229,039</b>	<b>191,594</b>
Add: Receipts	227,819	223,893
Net Investment Income	(10,637)	46,409
	217,182	270,302
Less: Payments	(234,342)	(232,857)
<b>Funds Under Management at 30 June</b>	<b>211,879</b>	<b>229,039</b>

#### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	-	229,039
University of Adelaide Strategy	211,879	-
<b>Funds Under Management at 30 June</b>	<b>211,879</b>	<b>229,039</b>

#### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	61,397	59,142
Australian Equities Passive Taxable	-	3,695
International Equities Taxable	72,212	66,915
International Equities Passive Taxable	-	7,384
Property Taxable	27,523	32,912
Private Markets Taxable*	30,325	24,471
Core Infrastructure Taxable	8,342	-
Defensive Alternatives**	-	26,146
Cash	12,080	8,374
<b>Funds Under Management at 30 June</b>	<b>211,879</b>	<b>229,039</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(ad) Legal Services Commission

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>8,308</b>	<b>7,806</b>
Add: Receipts	-	-
Net Investment Income	(506)	502
	(506)	502
Less: Payments	-	-
<b>Funds Under Management at 30 June</b>	<b>7,802</b>	<b>8,308</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
Capital Defensive Taxable	7,802	8,308
<b>Funds Under Management at 30 June</b>	<b>7,802</b>	<b>8,308</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	381	437
Australian Equities Passive Taxable	8	71
International Equities Taxable	395	495
International Equities Passive Taxable	30	64
Property Taxable	445	376
Defensive Alternatives*	368	1,384
Credit	940	-
Inflation-Linked Securities Taxable	1,178	1,288
Long-Term Fixed Interest	865	417
Short-Term Fixed Interest	2,075	2,424
Cash	1,117	1,352
<b>Funds Under Management at 30 June</b>	<b>7,802</b>	<b>8,308</b>

\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.

## 13(ae) Construction Industry Training Fund

### Statement of Receipts and Payments

	2022 \$'000	2021 \$'000
<b>Funds Under Management at 1 July</b>	<b>22,942</b>	<b>-</b>
Add: Receipts	-	22,500
Net Investment Income	(1,237)	442
	(1,237)	22,942
Less: Payments	-	-
<b>Funds Under Management at 30 June</b>	<b>21,705</b>	<b>22,942</b>

### Statement of Funds Under Management - by Investment Option

Investment Option		
High Growth Taxable	14,996	15,842
Moderate Taxable	6,709	7,100
<b>Funds Under Management at 30 June</b>	<b>21,705</b>	<b>22,942</b>

### Statement of Funds Under Management – by Asset class

Asset class		
Australian Equities Taxable	5,389	5,277
Australian Equities Passive Taxable	88	347
International Equities Taxable	5,829	5,956
International Equities Passive Taxable	629	663
Property Taxable	3,076	2,890
Private Markets Taxable*	1,507	2,103
Core Infrastructure Taxable	735	-
Defensive Alternatives**	250	2,642
Credit	1,568	-
Inflation-Linked Securities Taxable	747	775
Long-Term Fixed Interest	475	648
Short-Term Fixed Interest	574	408
Cash	838	1,233
<b>Funds Under Management at 30 June</b>	<b>21,705</b>	<b>22,942</b>

\*The comparative figure represents the Diversified Strategies Growth asset class prior to the 2021-22 restructure.

\*\*The comparative figure represents the Diversified Strategies Income asset class prior to the 2021-22 restructure.





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