2023

Annual Report

www.electricsuper.au



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Introduction

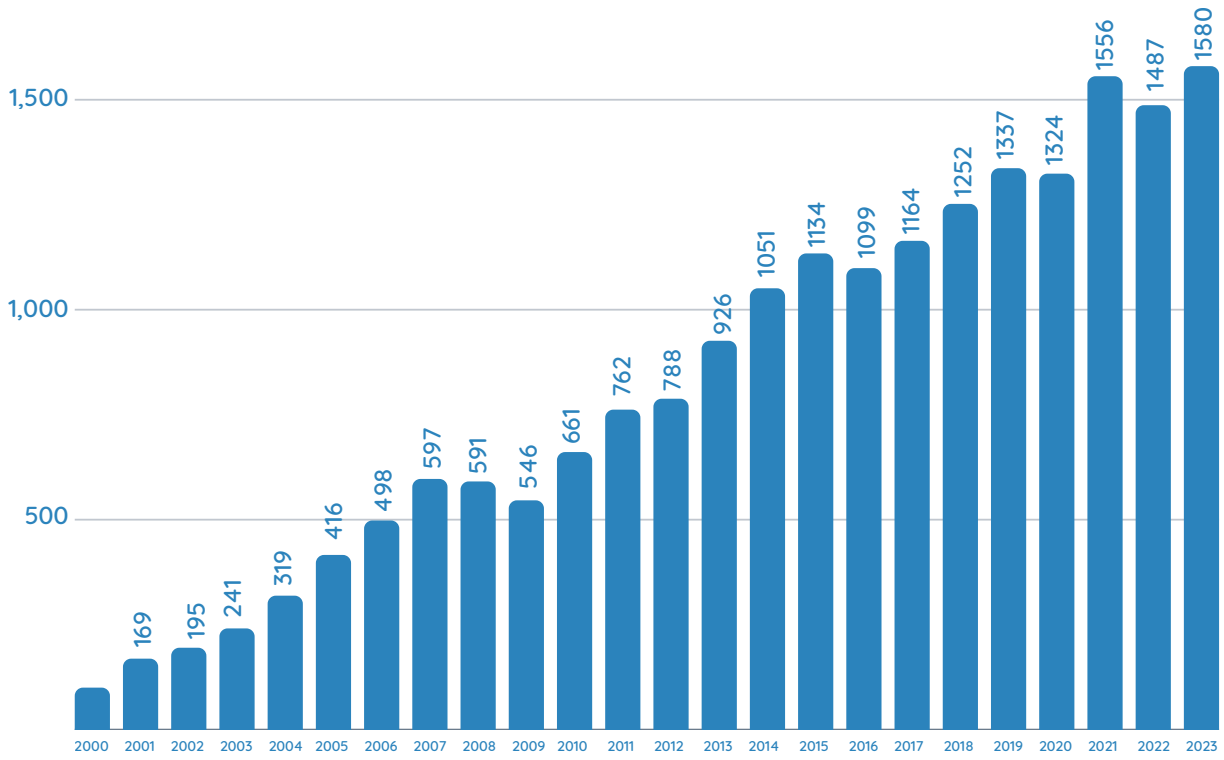
The Electricity Industry Superannuation Scheme (ElectricSuper) is the super fund for people who supply electricity to South Australia.

ElectricSuper is overseen by a Board, who are required by law to work in the best financial interests of members (within the Rules of ElectricSuper). The ElectricSuper Trustee Office manages the fund on behalf of the Board.

There are many organisations who work with ElectricSuper to help run the fund. These include employers, the fund administrator, investment managers, auditors, lawyers, accountants, insurers and financial advisers.

Asset Growth

Since 2000 ($m)



Board Members

At 30 June 2023

Chairman



Peter Siebels
Investment Committee
Corporate Governance Committee
Nominations Committee
Future Committee

Board changes

Terms for the 2 member-elected ended on 31 March 2023. Two candidates nominated for the female member-elected position and an election was held, for the first time using electronic/online voting. Janette Bettcher won the election and was returned to the Board for a term until 31 March 2026.

Mark Vincent was the only male nomination and was re-appointed as the male member-elected Board Member to the Board.

John Adley's term on the Board also ended 31 March 2023 and he was re-appointed by the Unions until 31 March 2026.

Appointed by employers



Sophie Holdstock
Nominations Committee
Future Committee



Patrick Makinson
Investment Committee (Chair)
Future Committee



Patrick McAvaney
Corporate Governance Committee



Paul Wight
Nominations Committee (Chair)

Elected by members



Janette Bettcher
Future Committee (Chair)
Investment Committee



Mark Vincent
Corporate Governance Committee (Chair)

Appointed by Unions SA



John Adley
Investment Committee



Scott Cowen
Corporate Governance Committee
Future Committee

Board committees

Investment Committee

The Investment Committee oversees ElectricSuper's investments, including the asset allocation and individual investment managers. The Committee provides advice to the Board on any changes that it considers necessary.

Nominations Committee

The Nominations Committee is responsible for ensuring the Board has an effective skill set and composition to adequately discharge its responsibilities and duties.

Corporate Governance Committee

This Committee makes sure we have the right controls and procedures in place, as well as reviewing ElectricSuper's compliance with all regulations.

Future Committee

The Future Committee is responsible for overseeing all matters that will allow ElectricSuper to stay agile and to continue to deliver the best possible member outcomes in the long term. The Committee provides advice to the Board.

Board Member terms & conditions

Board members are appointed or elected for a term of 3 years, or, in the case of casual vacancies, for the balance of the term of their predecessor.

Under the terms of the ElectricSuper trust deed and rules, no Board member is remunerated, other than the Independent Chairman. All expenses associated with their work for ElectricSuper are reimbursed, including travel and accommodation.

Training

All Board Members and staff undertake training to improve their knowledge and skills in areas of benefit to ElectricSuper. The cost of this training is met by ElectricSuper.

Some examples of the training that has been undertaken are:

- Attending major industry conferences, such as the Conference of Major Super funds (CMSF) run by the Australian Institute of Superannuation Trustees (AIST) and the ASFA Conference
- The Company Directors' Course run by the Australian Institute of Company Directors
- One day conferences on investments, superannuation issues and public sector superannuation funds
- Refreshers of super fundamentals (RG146), Risk management and Investment fundamentals

Chairman's remuneration

The Chairman's remuneration is set by the Board in accordance with ElectricSuper's trust deed following appropriate advice and consultation. The Chairman receives no incentives or bonuses, but is entitled to claim for expenses incurred in the course of his work for ElectricSuper.

Performance reviews

The Board undertakes a performance review every year. This involves each Board Member completing 2 questionnaires of open questions. They consider the Board's performance as a whole, and the individual Board Member's view of their own performance.

The answers are reviewed by the Chairman, who discusses the results with each Board Member. In the case of the Chairman, his review is carried out by the Nominations Committee.

All ElectricSuper staff take part in regular performance reviews.

Service providers

ElectricSuper outsources various operational roles to experienced external service providers. The Board monitors all service providers carefully and regularly reviews their performance. These companies provide help and advice to the Board.

- **Board**
  - **ElectricSuper Committees**
    - **ElectricSuper Trustee Office**
      - **Actuary and Administrator:** Mercer Outsourcing (Australia) Pty Ltd
      - **Tax adviser/Accountant:** Sharyn Long Chartered Accountants (Australia) Pty Ltd
      - **Insurer:** MetLife
      - **Investment adviser:** JANA Investment Advisers Pty Ltd
      - **External auditor:** EY
      - **Internal auditor:** Grant Thornton
      - **Legal advisers:** DMAW Lawyers and Mercer Legal Pty Ltd
      - **Communications:** The Digital Embassy and China Shop Graphic Design

Board meeting attendance

Board Member	Appointed by	Last appointed	Term expires	Meetings attended	
				Board	Committee
Adley, John	SA Unions	1 April 2023	31 March 2026	3 out of 4	3 out of 5
Alternate: Jewell, Ben	SA Unions	1 April 2020	31 March 2023	-	-
Bettcher, Janette	Members	1 April 2023	31 March 2026	3 out of 4	8 out of 9
Cowen, Scott	SA Unions	1 April 2022	31 March 2025	4 out of 4	9 out of 9
Holdstock, Sophie	Employer	1 April 2022	31 March 2025	4 out of 4	7 out of 7
Makinson, Patrick	Employer	1 April 2022	31 March 2025	3 out of 4	7 out of 9
McAvaney, Patrick	Employer	1 April 2021	31 March 2024	4 out of 4	4 out of 5
Siebels, Peter	Board	31 May 2020	31 March 2024	4 out of 4	17 out of 17
Vincent, Mark	Members	1 April 2023	31 March 2026	4 out of 4	5 out of 5
Wight, Paul	Employer	1 April 2021	31 March 2024	4 out of 4	3 out of 3

Report from the Chairman & CEO

Peter Siebels (Chairman) and Nic Szuster (CEO)

Thankfully, the disruptive impact of COVID-19 lockdowns reduced on most people's day-to-day lives in 2022/23, but this year has nonetheless been a year of great change. There were many fast moving factors which impacted on the financial and social landscapes over the year. Inflation reached levels not seen for many years, and although there is some commentary amongst pundits that this may have peaked for now, only time will tell. The cost of living increased for our members throughout the year, following a string of rises in interest rates. Overall, the economic environment has presented a raft of challenges, and as such we are very pleased to announce a good performance for all of our investment options this year.

Investment markets

Investment markets continue to move quickly. Resilience and the ability to react to movements in the market are the order of the day! Inflationary pressures continue and the cost of living is a hot topic. Investment returns at 30 June 2023 were noticeably more positive than at the end of June the year before, but market volatility continues to impact on returns and market confidence.

With most asset classes looking fully priced, we remain cautious in our outlook. We held a higher cash allocation than we ordinarily would to be best positioned to act when opportunities presented themselves throughout the year.

The message from the Board's investment adviser, JANA, strongly supports the Board maintaining a well-diversified portfolio, which aligns with the Board's strategy.

The Balanced Growth return for the year ending 30 June 2023 was 9.50%, with a 10-year average return of 7.55%.

Member Services

The Board places very high importance on making sure our members have access to the information they need to make the most informed decisions possible for themselves and their retirement. In fact, it is one of the Board's Strategic Goals to ensure our members can find and utilise relevant resources easily and to make sure they understand their options at retirement.

The long-awaited lifting of stringent COVID restrictions this year allowed our Member Services team to enthusiastically recommence worksite visits and other in-person meetings. The team met with members right across South Australia, at worksites in the metro and regional areas, as well as in our Adelaide-based office, over the phone and by videoconferencing. Through 2022/23, the team held 931 meetings with 733 members.

To further support our members, the public website was regularly updated with new online materials to allow members to self-educate. Members also received targeted emails every few months to provide them links to specific resources to help them further build their knowledge or to book a one-on-one appointment with our Member Services team.

Changes to Board Members

The 3-year terms of member-elected Board Members, Janette Bettcher and Mark Vincent, came to an end on 31 March 2023. Nominations were called for these positions in late 2022 and 3 nominations were received: one male and 2 females. With the Trust Deed's requirement for one male and one female appointment, an election for the female position was called. Following an online election across the whole of ElectricSuper's membership, Janette Bettcher was reappointed to the Board position. As the only male nomination, Mark Vincent was also reappointed to the Board.

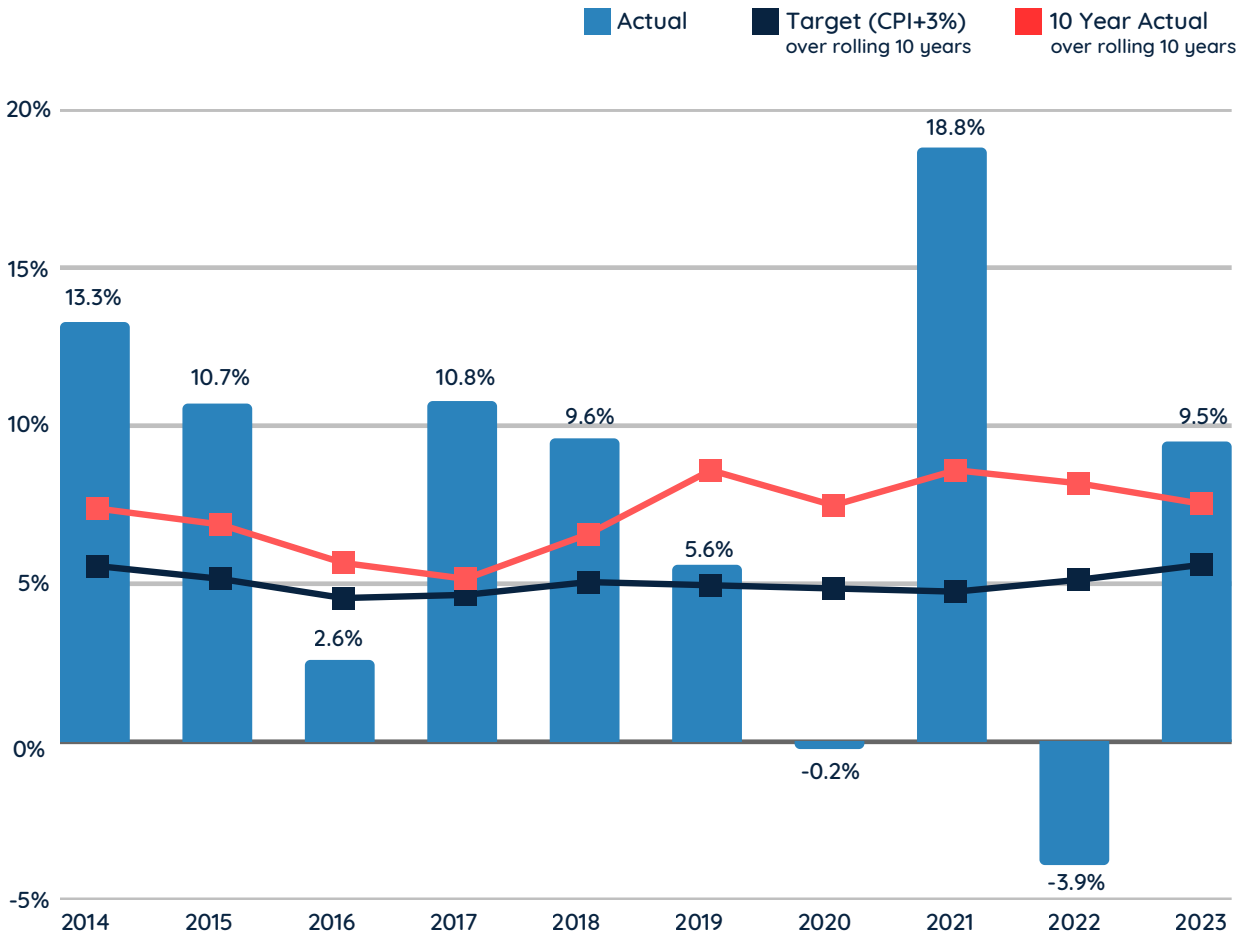
We thank all 3 nominees for putting their nomination forward for the member-elected Board positions.

John Adley was re-nominated as a union representative during this year.

We look forward to continuing to work with Janette, Mark and John over their coming terms of service.

Your Board is committed to delivering great returns and outstanding services to all members. The Board and staff of ElectricSuper worked hard to ensure that members received the high level of service that they have come to expect from the fund. We thank the Board and staff for their efforts.

Balanced Growth option compared to target



Member activity

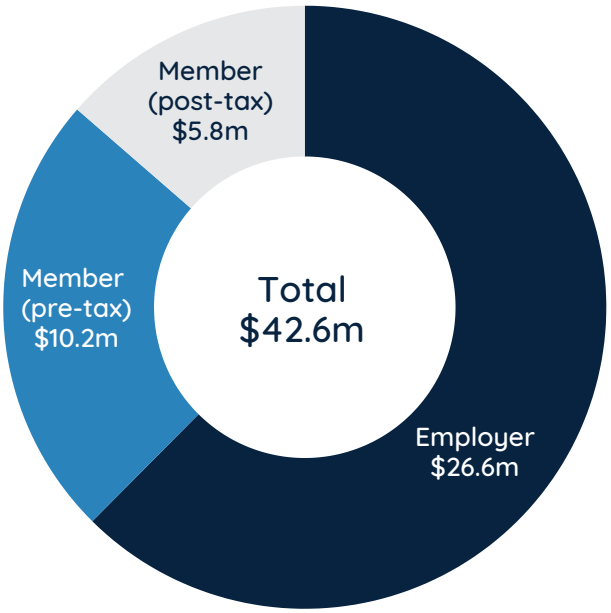
Membership statistics

Division:	2	3	4	5	Retained	Total
Members at 30 June 2022	333	30	18	1,820	839	3,040
Entrants during the year	-	-	-	245	143	388
Exits during the year	20	7	2	152	178	359
Members at 30 June 2023	313	23	16	1913	804	3,069

ElectricSuper also paid pensions to 590 members, who have retired and are receiving a regular income from the fund.

Contributions

ElectricSuper receives contributions from members (from after-tax salary and salary sacrifice) and from employers. The total contributions received during the 2022/23 year are shown here.

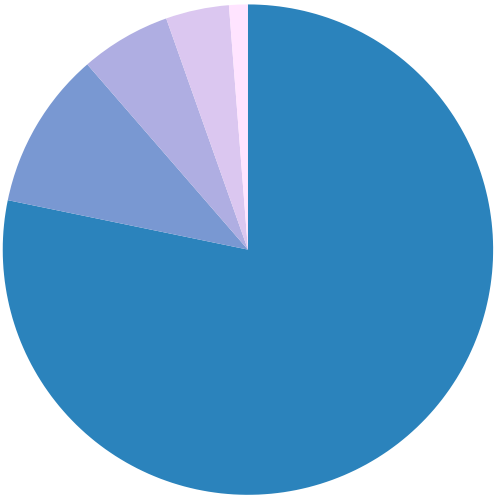


The employers pay all the contributions that the Board asks for. The Board must aim to have enough money in ElectricSuper to pay all benefits.

There was also $10m rolled into the fund from other super funds.

Participating employers

The participating employers and the numbers of employee members (including retained members*) in ElectricSuper at 30 June 2023 were as follows:



- **Utilities Management Pty Ltd (SA Power Networks)**
  2,401 members
- **ElectraNet Pty Ltd**
  319 members
- **AGL Torrens Island Pty Ltd & AGL Energy**
  183 members
- **Withdrawn employers**
  (Alinta Servco Pty Ltd, Engie, Flinders Power, EnergyAustralia Services Pty Ltd)
  128 members
- **SA Government**
  38 members

* Retained members have left the service of a Participating Employer, but kept their super in ElectricSuper.

Benefits

The fund paid out many member benefits during the year, both as lump sums and pensions. We also paid rollovers to other superannuation funds at the members' requests.

The table below shows those payments made directly to members (not rollovers).

By way of comparison, during the 2021/22 year, benefits to members totalling $41.7m were paid.

Benefit type	Total amount
Lump sum benefits	$13.8m
Disability pensions	$0.2m
Retirement pensions	$33.5m
Total	**$47.5m**

Member queries

Phone queries from members are handled by the Helpline (run by our administrator) and the Trustee Office.

The Helpline can assist members on all matters, as well as provide financial advice on simple matters over the phone. They have access to ElectricSuper's administration data and can resolve most questions quickly.

Members are also able to contact Helpline or the Trustee Office by email.

Over the year, the Helpline received 2,452 calls.

Investment Commentary

Global inflation pressures continue to moderate while economic growth remains resilient to higher interest rates

Over the course of 2022/23, investment market performance was strongly influenced by a global backdrop of persistently high inflation and expectations of an economic slowdown induced by an aggressive monetary tightening undertaken by major Central Banks. Although slower growth across developed economies was widely anticipated by investors, economic activity has so far proven relatively resilient to higher interest rates. Unemployment remains historically low across most developed regions.

Equity markets were volatile early in the Financial Year. Markets trended lower following hawkish comments from US Federal Reserve Chair, Jerome Powell, who signalled that restoring price stability was the key priority for the Federal Reserve and that the US Federal Reserve would tolerate weakness in economic growth and the labour market to do so.

Chinese Equities were particularly weak over the September 2022 Quarter, with markets worried about the impact of a global slowdown on an export driven economy, ongoing weakness to the Chinese property sector, and continuation of the Zero-COVID policy: which saw sporadic and ongoing lockdowns of major cities to limit the risks of potential outbreaks.

The December 2022 Quarter saw equity market volatility begin to subside, supported by expectations of a moderation in both inflation and the pace of interest rate rises over the course of 2023. In Europe, markets benefitted both from hopes that inflation may be slowing and signs that an energy crisis was likely to be averted. There had been fears gas supply shortages would lead to severe power restrictions during the European winter. Policymaker efforts to replenish energy stockpiles and a moderate winter limited both the humanitarian and economic impacts.

Following an extended period of COVID-related lockdowns, Chinese authorities signalled an intention to fully reopen the Chinese economy in late 2022. Markets responded strongly in anticipation of stronger Chinese growth over the course of 2023. In Japan, the Bank of Japan surprised the market by announcing that it intended to widen the band in which it allowed 10-year bond yields to fluctuate. This resulted in a sharp rise in the value of the Japanese Yen, which rose against both the AUD and the USD.

In the first quarter of 2023, investor concerns about the inflation outlook continued to ease. A focal point for markets was indications of emerging stress in the banking sector in both Europe and the USA. In the US, a top 20 US bank, Silicon Valley Bank, went into receivership after experiencing a 'run on deposits', as depositors sought to withdraw funds due to solvency concerns. In Europe, regulators stepped in to arrange the sale of Credit Suisse to UBS, following a period of heightened concern about the bank's poor operational performance, a series of reputational issues and weaknesses in its financial reporting. Market sentiment improved gradually in the weeks following as policymakers stepped in to offer support to the sector.

Toward the end of the Financial Year, inflation rates continued to ease across most major economies, whilst economic activity has remained surprisingly resilient, despite the largest and fastest monetary tightening in decades. The US Federal Reserve paused its policy rate rises at the June meeting, to allow time to assess the impact of the tightening to date. Developed Market equities were generally stronger over the quarter.

Global Equities

The MSCI World Index ex-Australia (hedged to AUD) returned 17.2% for the 12 months to 30 June 2022, whilst unhedged exposures returned 23.2%. Resilient economic activity and rapidly falling inflation rates were among the key drivers of this strong performance. Having experienced poor performance in the previous Financial Year, the Information Technology sector was the strongest performer, with the MSCI AC World IT Index (Unhedged) returning 39.2%. Emerging Markets underperformed Developed Markets on an unhedged basis with the MSCI Emerging Markets Index returning 5.6%.

Australian Equities

The S&P/ASX300 Index returned 14.4% over the Financial Year. Australian equities benefitted from stronger risk sentiment in global markets. Unemployment in Australia continues to track at close to 50-year lows and inflation remains high, with headline inflation at 7.0% to March 2023. In response to the tight labour market and high inflation, the Reserve Bank of Australia (RBA) had raised the cash rate to 4.1% by Financial Year-End.

Infrastructure

The S&P Global Infrastructure Index (hedged into AUD) returned +1.8% over the Financial Year, underperforming Unlisted Infrastructure markets. 12-month returns for Listed Infrastructure were impacted by broader equity market volatility and the influence of higher linterest rates on valuations.

Property

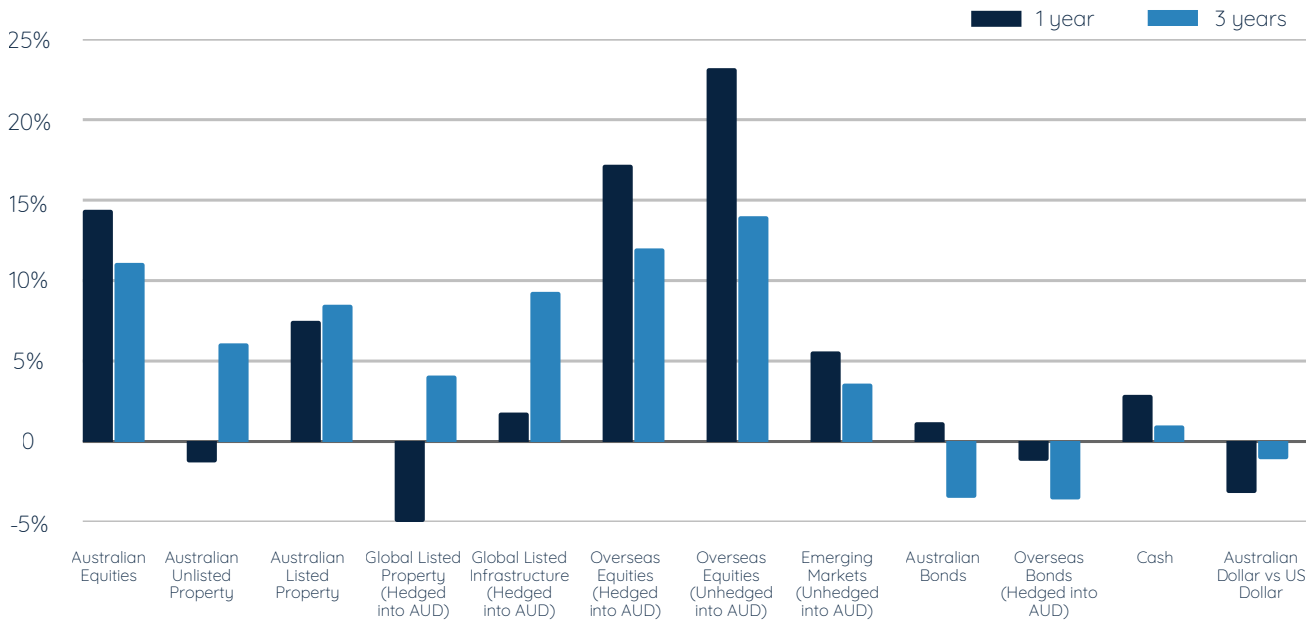
In the property sector, listed Australian Real Estate Investment Trusts (REITs) returned 7.5% and Global REITs returned -5%. Returns for Listed Property have been particularly volatile over the previous 18 months, with concerns about the impact of higher interest rates on valuations, the impact of weakening consumer spending on Retail Property and ongoing sluggishness in demand for Office Property. Australian Unlisted Industrial Property continues to perform well due to solid rental growth supported by ongoing occupier demand; continuing its outperformance over Office and Retail.

Fixed Interest and Credit

Returns for both Australian and Overseas Bonds (Hedged into AUD) were muted in 2022/23, having experienced significant volatility and poor performance in the 12 months prior. Yields on most Australian and Overseas Developed Market bonds rose over the period, in part reflecting the ongoing series of rate hikes implemented by major Central Banks. The Bloomberg Barclays Global Credit Index (hedged into AUD), was mildly positive, returning 0.63%.

Market performance to 30 June 2023

	1 year	3 years p.a.
Australian Equities	14.4%	11.1%
Australian Unlisted Property	-1.3%	6.1%
Australian Listed Property	7.5%	8.5%
Global Listed Property (Hedged into AUD)	-5.0%	4.1%
Global Listed Infrastructure (Hedged into AUD)	1.8%	9.3%
Overseas Equities (Hedged into AUD)	17.2%	12.0%
Overseas Equities (Unhedged into AUD)	23.2%	14.0%
Emerging Markets (Unhedged into AUD)	5.6%	3.9%
Australian Bonds	1.2%	-3.5%
Overseas Bonds (Hedged into AUD)	-1.2%	-3.6%
Cash	2.9%	1.0%
Australian Dollar vs US Dollar	-3.2%	-1.1%



Investments

Summary

The Board aims to get the best return that it can, within its agreed risk appetite.

The Board sets investment objectives and a strategy with a long-term view in mind. This strategy involves using "growth" assets, like shares and property as well as "defensive" assets, such as fixed interest and cash. The value of investments moves up and down with investment markets. We try to reduce the movements as much as we can, but we sometimes can - and do - get negative returns.

The Board selects professional fund managers to invest the assets of ElectricSuper. Each manager is a specialist in the relevant investment sectors, for example Australian shares, and is selected after taking into account advice received from ElectricSuper's investment adviser.

ElectricSuper believes that sound environmental, social and governance (ESG) practices lead to better investment outcomes. ESG risks are considered in any new manager appointment and an ESG Policy has been implemented.

At 30 June 2023, after fees and tax, the default Balanced Growth option earned 7.55% over a rolling 10-year period, which was ahead of the SuperRatings median fund return of 7.3% over 10 years - a positive outcome for members.

Investment philosophy

Background

It is ultimately the Board's responsibility to make all decisions relating to the investments of ElectricSuper. ElectricSuper has a mix of defined benefit and accumulation liabilities.

For accumulation liabilities, the investment risk is carried by the member. This means that if investment returns are poor, the member's balance is directly affected. ElectricSuper provides a mix of investment options to allow members to choose the risk profile that best suits their circumstances.

However, for defined benefit liabilities, the investment risk is carried by the employers. If returns are poor, then the employers have to contribute more to pay for the benefits. The Board has sought the employers' views on the investment risk profile for the assets backing the defined benefit liabilities and will seek reaffirmation of employer views every 5 years.

The pre-privatisation divisions of ElectricSuper provide a mixture of defined and accumulation benefits, hence the investment risk is shared between the employer and the member.

Currently the majority of the liabilities are defined benefit. The sections of ElectricSuper providing defined benefits are closed to new members, and so the timeframe over which these benefits will be paid is shortening.

Board philosophy - Default and Defined Benefit Investment Pool

In light of its role as custodian for assets supporting benefits for members, the Board considers it appropriate to take an approach to investing ElectricSuper's assets aimed at lowering investment volatility while maintaining an exposure to growth assets.

The Board will diversify investments, both across asset classes and managers, within any constraints imposed by the asset size of ElectricSuper.

Manager configuration

The Board has no deliberate bias towards any style of investment management, but will select managers on their perceived ability to add investment value. Manager configuration is determined within, rather than across, asset classes having regard to:

- any decision reached on active vs passive management
- the merits of using a particular manager
- the need for adequate manager diversification
- the managers' particular skills in the asset class in question
- the ability to monitor managers effectively and efficiently

Use of derivatives

The Board uses foreign exchange instruments to manage the risk of fluctuations in the Australian dollar for ElectricSuper's overseas investments. In addition, investment managers employed by ElectricSuper are permitted to use futures, options and other derivative instruments in accordance with their particular Risk Management Statements. The Board expects that over the longer term the use of these instruments will enhance the returns and/or reduce the risk of ElectricSuper.

Use of gearing

The Board may invest in funds that use gearing and leverage where appropriate.

Asset Allocation - Balanced Growth

ElectricSuper sets a Strategic Asset Allocation focussing on the long term expectations of asset class returns but also uses a Tactical Asset Allocation (TAA) process to cater for short- to medium-term variations in asset class expectations.

There were a number of changes to the Tactical Asset Allocation (TAA) during the year as ElectricSuper responded to the continuing volatility in investment markets.

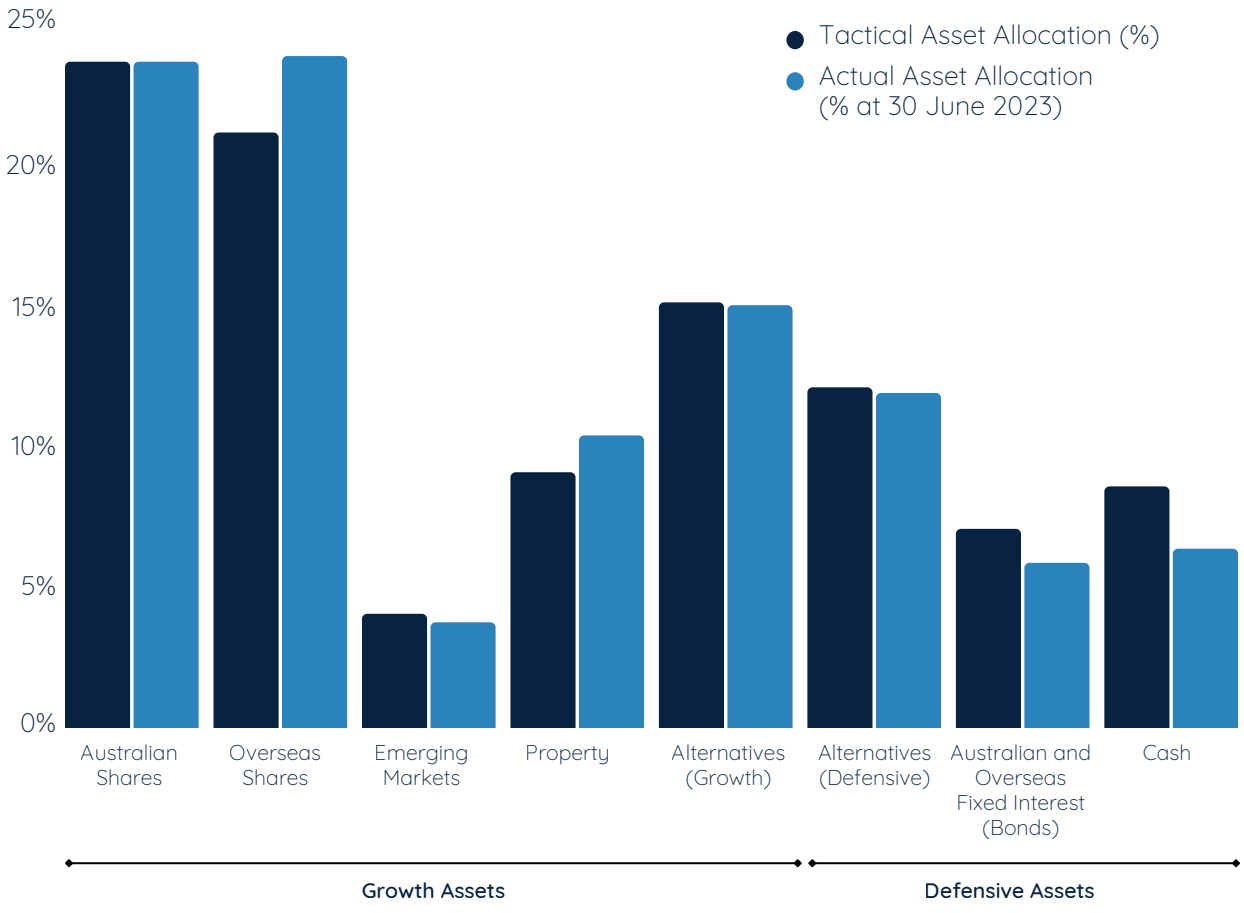
In August 2022, the TAA for Defensive Alternatives was reduced by 1% to 14% and the TAA for Diversified Bonds was increased by 1% to 5%.

In October 2022, the TAA for Bonds was increased by 1% to 6% and the TAA for Defensive Alternatives was reduced by 1% to 13%.

In February 2023, the TAA for Defensive Alternatives was further reduced to 12% (another 1% reduction) and the TAA for Bonds was further increased by 1%, taking it to 7%.

In May 2023, further changes were made to the TAA for many asset classes. The TAA for Australian Equities was reduced by 1.5%, the TAA for Overseas Equities was reduced by 1%, the TAA for Cash was reduced by 2.5% and the TAA for Property was reduced by 1%. The TAA for Growth Alternatives was increased by 1%.

The Tactical Asset Allocations for the Balanced Growth option (which is also where the assets supporting the defined benefits are invested) at 30 June 2021 were:



Investment managers

ElectricSuper uses Australian and international investment managers. Each investment manager is responsible for a specified amount of the fund's assets. They are managed in accordance with a mandate as agreed between the manager and the Trustee in consultation with the fund's asset consultant.

ElectricSuper has no direct investments with related parties. The Board monitors the performance of each investment manager closely throughout the year and compares it with industry benchmarks.

Selection of fund managers is a responsibility of the Board, with assistance from the Investment Committee and the fund's asset consultant.

The tables below provide a breakdown of ElectricSuper's total investments by investment manager and investment class. The amounts shown are the percentage of total fund assets invested with each manager at 30 June.

Australian Shares 23.2%	2023	2022
Cooper Investors	6.4%	8.0%
Optar	5.0%	8.0%
Solaris	4.5%	4.9%
Alphinity	3.1%	3.0%
Tribeca Investment Partners	2.5%	2.6%
Lanyon Asset Management	1.7%	1.3%

Overseas Shares 27.0%	2023	2022
JANA	27.0%	23.8%

Cash 7.4%	2023	2022
Antares	4.7%	4.5%
Janus Henderson	2.7%	2.4%

Direct Property 10.2%	2023	2022
Dexus	7.6%	6.8%
AMP	-	2.1%
Lend Lease	1.2%	1.3%
KACORE	1.3%	1.3%

Alternatives - Defensive 12.1%	2023	2022
IFM	4.3%	4.3%
Ardea	1.8%	2.5%
Blackrock	1.2%	1.9%
PIMCO	1.4%	1.7%
Janus Henderson	1.5%	1.7%
Revolution	1.4%	1.4%
Macquarie	0.4%	1.3%

Alternatives - Growth 14.2%	2023	2022
Bentham	4.8%	5.2%
UTA	2.1%	2.1%
Harbourvest	3.0%	2.7%
LGT	0.8%	1.2%
Partners Group	0.4%	0.7%
Resolution Life	1.1%	1.2%
Macquarie	1.1%	1.7%
Siguler Guff	1.0%	0.4%

Australian & Overseas Bonds 5.8%	2023	2022
JANA	5.8%	3.7%

Recent investment returns - Balanced Growth vs Inflation

	ElectricSuper Balanced Growth option (after tax)	Inflation
18/19	5.6%	1.4%
19/20	-0.2%	0.8%
20/21	18.8%	2.9%
21/22	-1.3%	6.4%
22/23	9.5%	6.9%
Over last 10 years	7.55%	2.73%

The returns from the fund over a longer 10-year term look good compared to inflation. The investment earnings that are allocated to each member's account will depend on the division of the fund that the member is in, different accounts within each membership and, in some cases, when the member joined ElectricSuper. This is because each division has different rules about what is deducted from the declared rates in terms of administration fees and tax. The declared rates that apply are shown on member statements.

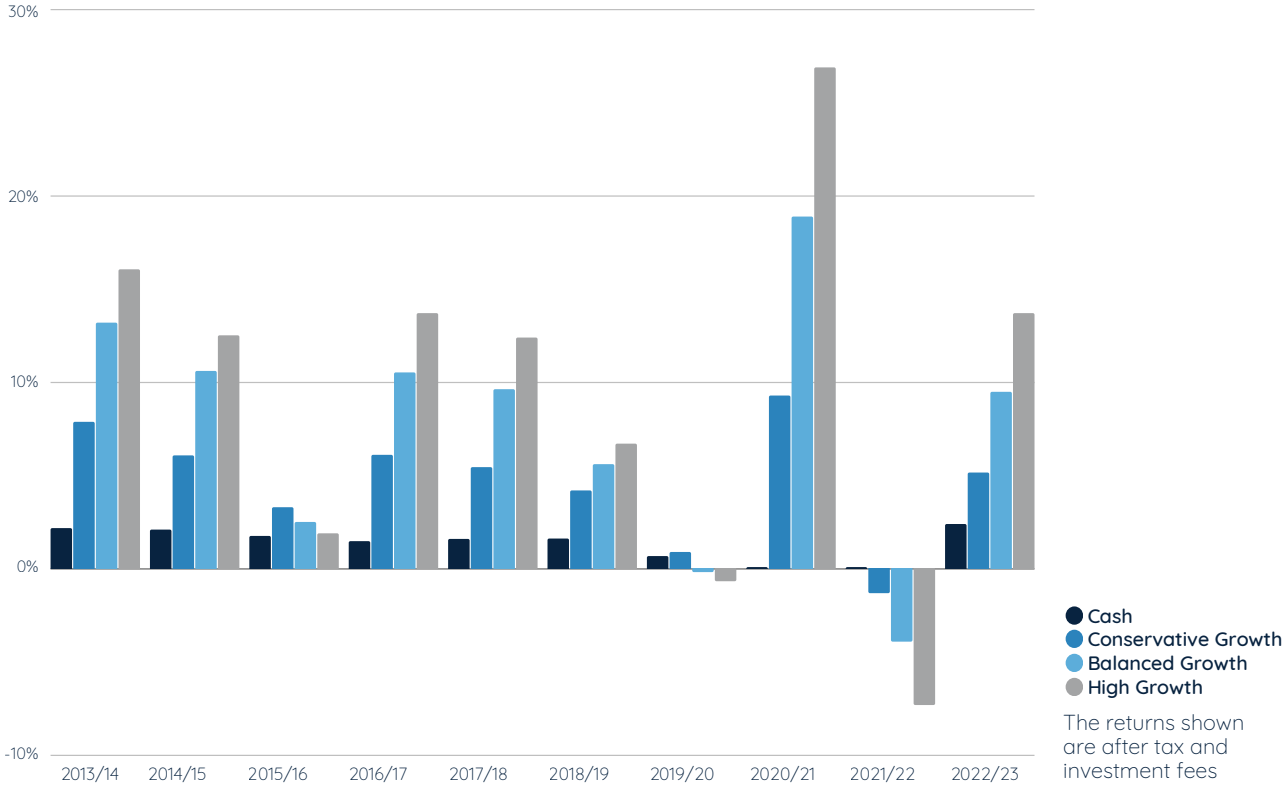
Investment objectives - Balanced Growth

The investment strategy has 2 objectives against which the Balanced Growth Portfolio's investment performance is measured. The objectives and the results for 2022/23 are shown to the right, as is whether the objectives were met in the past 10 financial years.

ElectricSuper met both of its objectives in the period to 30 June 2023.

Investment objective 1	Exceed the Consumer Price Index by 3% p.a. over rolling 10-year periods	**2022/23** Balanced Growth portfolio return: **7.55%**	**2022/23** Objective return: **5.73%**
	Objective met:	13/14 ✓ 14/15 ✓ 15/16 ✓ 16/17 ✓ 17/18 ✓ 18/19 ✓ 19/20 ✓ 20/21 ✓ 21/22 ✓ 22/23 ✓	
Investment objective 2	Exceed median return in the SuperRatings survey over rolling 10-year periods	**2022/23** Balanced Growth portfolio return: **7.55%**	**2022/23** Objective return: **7.3%**
	Objective met:	13/14 ✓ 14/15 ✓ 15/16 ✓ 16/17 ✓ 17/18 ✓ 18/19 ✓ 19/20 ✓ 20/21 ✓ 21/22 ✓ 22/23 ✓	

Investment options performance 2022/23

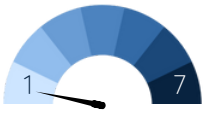


The returns shown are after tax and investment fees

Investment options

ElectricSuper has 4 investment options available to members. Accumulation Scheme members can invest all of their balance in any one of these options (or a combination of the 4 options).

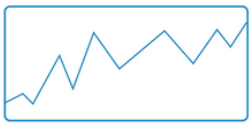
Members in the defined benefit divisions can invest their additional voluntary contributions and roll-overs in any one of these options (or a combination of these options).

	Cash	Conservative Growth
Volatility/return	Very low volatility, lowest rate of growth in long term	Low volatility, expected stable but low returns
Return profile		
Volatility scale		
Most suited to	Members seeking to minimise their investment risk over the short term	Members who prefer stable but moderate returns over the short to medium term
Investment time frame	No minimum	3 years
Likelihood of negative return	Not likely to have a negative return	1 negative year in 20, returns not expected to show large swings
Objective	Match the Bloomberg AusBond Bank Bill Index before tax and fees over rolling annual periods	To achieve investment returns after tax and fees exceeding the Consumer Price Index by 1.5% p.a. over rolling 10 year periods
Management fees* at 30 June 2023	0.15% (deducted from the returns credited to your account)	0.54% (deducted from the returns credited to your account)
Strategy	Fully invested in short term fixed interest investments and has a very conservative investment risk profile	Around 30% invested in growth investments, and hence has a moderately conservative investment risk profile

Asset allocation at 30 June 2023	**Actual allocation**	**Strategic allocation**	**Actual allocation**	**Strategic allocation**
Australian Shares	-	-	10%	10%
Overseas Shares	-	-	12%	12%
Property	-	-	10%	10%
Alternatives - Growth	-	-	11%	11%
Alternatives - Defensive	-	-	27%	23%
Fixed Interest	-	-	8%	12%
Cash	100%	100%	22%	22%

*includes JANA and Board costs, plus investment management fees. Defined benefit members incur an additional 0.07% fee for administration expenses.

Investment options (continued)

	Balanced Growth (default)	High Growth
Volatility/return	High volatility, medium growth	Highest volatility, expected higher long term returns
Return profile		
Volatility scale		
Most suited to	Members who want reasonable medium term returns and can put up with large variations in the short term	Members who want higher returns in the long term and can put up with large variations in the short term
Investment time frame	10 years minimum	10 years (or more)
Likelihood of negative return	3-4 years in 20, returns may show large swings in the short term	4-5 years in 20, returns may show large swings in the short term
Objective	To achieve investment returns after tax and fees exceeding 1) the Consumer Price Index by 3% p.a. over rolling 10 year periods and 2) the median return in the SuperRatings survey of Balanced options over rolling 10 year periods	To achieve investment returns after tax and fees exceeding the increase in the Consumer Price Index by 4% p.a. over rolling 10 year periods
Management fees* at 30 June 2023	0.65% (deducted from the returns credited to your account)	0.69% (deducted from the returns credited to your account)
Strategy	Around 70% invested in growth assets and hence has a moderately aggressive investment risk profile	Fully invested in growth investments, and has a very aggressive investment risk profile

Asset allocation at 30 June 2023	**Actual allocation**	**Strategic allocation**	**Actual allocation**	**Strategic allocation**
Australian Shares	23.5%	23.0%	35%	35%
Overseas Shares	27.4%	28.0%	40%	40%
Property	10.3%	10.0%	10%	10%
Alternatives - Growth	14.9%	14.0%	12%	12%
Alternatives - Defensive	11.8%	11.0%	3%	3%
Fixed Interest	5.8%	8.0%	-	-
Cash	6.3%	6.0%	-	-

*includes JANA and Board costs, plus investment management fees. Defined benefit members incur an additional 0.07% fee for administration expenses.

Governance

Background

Electricity Industry Superannuation Scheme (ElectricSuper) is a superannuation scheme covering members employed in the electricity supply industry in South Australia. ElectricSuper was created in 2000 following the privatisation of ETSA.

ElectricSuper is established under the Electricity Corporations Act 1994 and is overseen by the Electricity Industry Superannuation Board ("the Board") made up of employer and union appointees and member elected representatives. The Board is served by a Trustee office.

As ElectricSuper was established under an Act of Parliament, the scheme is classified as an exempt public sector scheme in Schedule 1AA of the Superannuation Industry (Supervision) Regulations. Accordingly, ElectricSuper is not regulated by APRA and is not required to operate under SIS legislation.

Both defined and accumulation benefits are provided. The defined benefit sections are closed, with the accumulation section open to new members.

Compliance with the fund Rules

During the year ended 30 June 2023, the Board has, to the best of its knowledge, met all of its commitments as required by the Rules governing the fund.

Main drivers

The main factors that affect the work of the Board include the following:

Legal

The Board is required to comply with the Electricity Corporations Act and the Rules of ElectricSuper. This requires that the Board seeks employer consent for any rule change that increases employer liabilities, and seeks member consent before winding up ElectricSuper.

Fiduciary

The Board has a fiduciary duty to members. This requires that any exercise of Board discretion be in the best interest of members. The Board is also required to act prudently when managing the fund.

Demographics

The majority of liabilities are defined benefit and the average age of defined benefit members is over 50. Therefore a significant proportion of ElectricSuper's liabilities is in respect of members who are approaching retirement over the next 5-10 years.

Expectations of members

ElectricSuper operates within the Australian superannuation industry and complies with industry norms as much as practicable. Pre-privatisation members were given a government promise that their superannuation would not be adversely affected by privatisation.

Strategic Plan 2023

Areas of focus	What it means for you	KPIs
Members are well informed	You'll have lots of opportunities to find out about your super and have your questions answered. You'll understand what's needed to obtain your desired financial outcomes.	All members will have an opportunity for a face-to-face meeting with ElectricSuper staff at least once every 3 years. All members will be contacted: • 4 months after joining the fund • When they turn 50 • When a financial authority is received on their behalf All member queries will be responded to within 2 working days.
Investment returns	Returns on your super will be competitive	The Balanced Growth option investment returns will exceed CPI plus 3% over rolling 10 year periods. The High Growth option investment returns will exceed CPI plus 4% over rolling 10 year periods. The Conservative Growth option investment returns will exceed CPI plus 1.5% over rolling 10 year periods. The Cash option investment returns will match the Bloomberg AusBond bank Bill index over rolling 1 year periods. The Balanced Growth option will return above the median SuperRatings balanced fund over rolling 10 year periods.
Member Service excellence	ElectricSuper will be a good option for your super, both before and after retirement. You will be provided with competitive products and services.	ElectricSuper will exceed the median superannuation fund for each of the APRA heatmap metrics.
Maintaining scale	Your super won't be affected by the fund having to sell assets. Administration and investment costs on your super will remain competitive.	The fund will retain 75% by assets of members on retirement and 60% by assets of other members. Funds under management will be maintained at $1b or higher. Management Expense Ratio will remain below the industry average.
Governance	Your super will be in a fund that is well run. Risks will be well managed.	Internal audit will return "Substantially Effective" findings. External audit will issue an unqualified audit report. The Board will average 16 hours of relevant training per Board member per year.

Further information

Employer funding

Employers must fund their liabilities in advance, in particular, each employer must contribute:

- amounts sufficient to keep the part of ElectricSuper related to the employer fully funded.
- in respect of each Voluntary Separation Package (VSP) benefit paid to a Pension Scheme member, an amount equal to the difference between the level of that benefit and actuarial reserve for that member.

The actuary has specified the levels of employer contributions and these have been duly paid by the private sector employers. The total employer contributions paid in respect of 2022/23 was $26.6m.

Separate accounts are operated for each of the active participating employers and an amalgamated account is operated for the withdrawn employers.

Employer contributions by Participating Employers are set by the Board after receiving advice on the amounts required to pay for the benefits. Employers are required to pay contributions under the Rules of ElectricSuper. These contributions are monitored by an independent actuary who projects the likely benefit payments, salary growth and investment returns to estimate employer contributions and reviews this annually or as required.

What insurance does ElectricSuper have?

The Board takes out insurance against the death and invalidity of ElectricSuper members to protect the fund against those risks. Also ElectricSuper pays for insurance to protect the Board and the fund against the financial effects of any "honest mistakes" that might occur in the running of the fund.

Privacy and compliance

During the year, there were no breaches reported to the Privacy Commissioner about ElectricSuper.

ElectricSuper has not been subject to any fines or other penalties for failure to comply with laws or regulations.

ElectricSuper's privacy policy is available at www.electricsuper.au/privacypolicy.

When we will transfer your account to the ATO

As an exempt public sector scheme, ElectricSuper is not required by law to transfer accounts to the ATO when they meet certain conditions but may decide to voluntarily do so when it is in the best interest of members.

The conditions that may result in such a transfer to the ATO may include that:

- you are a lost member and, after several attempts we have not been able to reach you, or
- your account balance is under $6,000 and you have not made any contact with us (such as making an investment switch, updating your details, updating your beneficiary details or notifying us in writing that your account is not an "inactive" account) and your account has not received any contributions for at least 16 months.

We may also transfer your account to the ATO if we are advised by the ATO to do so because you are a former temporary Australian resident who has left the country.

We may transfer your account to the ATO in some other specific situations. Please speak to us for more information.

Complaints

ElectricSuper members who wish to lodge a complaint can contact the Complaints Officer at Level 1, 89 Pirie Street, Adelaide SA 5000.

If the complaint cannot be resolved within 45 days (or 90 days for a death benefit complaint) or if you are not satisfied with the outcome, you have the option to refer your complaint to the Australian Financial Complaints Authority (AFCA). The AFCA website provides information about the timeframes and conditions that apply to lodging a complaint with them.

AFCA can be contacted at:

Web: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Post: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC 3001

Financial details

Simplified Financial Report

The tables below show a summary of the draft accounts for ElectricSuper which shows how the finances of ElectricSuper have changed over the last 2 years. For more detailed information, please refer to the full financial statements on the ElectricSuper website.

During the year, what amounts did we receive?	2022/23 (this year) $m	2021/22 (last year) $m
What investment return did we earn?	130.8	-51.8
What contributions were received?		
• from employers	26.6	22.7
• from members by salary sacrifice	10.2	10.1
• from members after tax	5.8	8.6
What benefits were rolled in from other funds?	10.0	10.8
What other income did we receive?	1.1	1.7
Total income into the fund	**184.5**	**2.1**

During the year, what amounts were paid out?	2022/23 (this year) $m	2021/22 (last year) $m
What benefits were paid to members?	80.9	68.7
What did it cost to run the fund?	3.4	3.1
What were insurance premiums for death and disability benefits?	1.1	1.2
What tax was paid on contributions and investment return?	2.4	1.0
Total amounts paid from the fund	**87.8**	**74.0**

At the end of the year	2022/23 (this year) $m	2021/22 (last year) $m
How much money did the fund have?	1.580	1.487
What benefits did the fund owe to members if they had all left?	1.485	1.487

***Please refer to the attached note for subsequent corrections to some of the numbers shown above in this Annual Report.

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Electricity Industry Superannuation Board ("the Board") ABN 57 923 283 236 as Trustee of the Electricity Industry Superannuation Scheme.

Disclaimer: This report is for the purpose of providing you with information about the products available for ElectricSuper. The information is subject to change from time to time. The ElectricSuper Rules (the "Rules") are the final authority should there be a discrepancy between this report and the Rules. The Board recommends that if you intend to act in connection with any information contained in this report you should first consult a licensed or appropriately authorised financial consultant.

Financial details

Corrections

The following errors were identified in a review of previous Annual Reports.

The information below shows the incorrect (in red) and correct (in black) figures across the financial years 2021/22-2023/24.

No errors were identified in the audited and signed Financial Statements.

During the year, what amounts did we receive?	2023/24 $m
What other income did we receive?	~~8.4~~ 0.8
Total income into the fund	~~231.1~~ **223.5**

At the end of the year	2023/24 $m	2022/23 $m	2021/22 $m
How much money did the fund have?	~~1,703~~ 1,703	~~1,580~~ 1,580	~~1,487~~ 1,487
What benefits did the fund owe to members if they had all left?	~~1,703~~ 1,551	~~1,485~~ 1,441	~~1,487~~ 1,378

Note: The information shown in the 2021/22 Annual Report for the previous year (2020/21) is correct. No update is required to the data shown for 2020/21.

Date of publication of corrections: 4 December 2025