

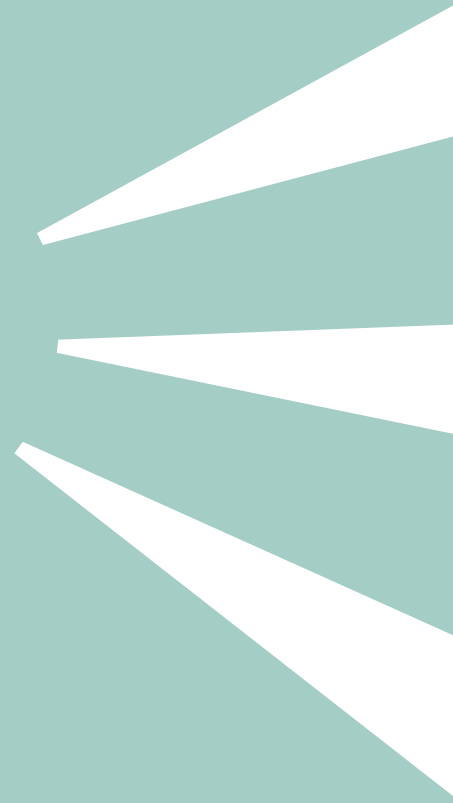


**Spirit
Super**



Audited Financial Report

2023-24



Acknowledgement of Country

Spirit Super acknowledges the Traditional Custodians of the lands on which we work, and their ongoing connections to land, sea and Country. We pay respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples. Our registered office is on the land of the Ngunnawal and Ngambri peoples. Our operations office is on the land of the Muwinina people.

Issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913).

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Directors' Report

The directors of Motor Trades Association of Australia Superannuation Fund Pty Ltd, the Trustee for Spirit Super (the Fund), present their report together with the financial statements of the fund for the year ended 30 June 2024.

Directors

Below are the names of the directors in office of Motor Trades Association of Australia Superannuation Fund Pty Ltd during the financial year and until the date of this report. Unless otherwise stated, directors were in office for the entire period.

Name	Position	Term as Director
Maria Wilton AM	Independent Chair	Full financial year
Andrew Dettmer	Member-Representative Director	Appointed 1 April 2024
Geoffrey Lowe	Employer-Representative Director	Full financial year
Thomas Lynch	Member-Representative Director	Full financial year
John Mazengarb	Employer-Representative Director	Full financial year
Jessica Munday	Member-Representative Director	Full financial year
Anne O'Donnell	Independent Director	Full financial year
Rhonda O'Donnell	Member-Representative Director	Full financial year
Susan Parr	Employer-Representative Director	Full financial year
Peter Savige	Employer-Representative Director	Full financial year
David Smith	Member-Representative Director	Ceased 31 March 2024

General information about operations and activities

The purpose of this section is to:

- provide a review of Spirit Super's operations and results
- outline any significant changes in the state of affairs of the fund
- state Spirit Super's principal activities and any significant changes during the year
- detail any significant events after the end of the year
- refer to likely developments in Spirit Super's operations in future financial years and the expected results
- detail any environmental regulations Spirit Super is subject to and the impact on performance.

Review of operations and results

Fund growth and investment performance

The financial year to 30 June 2024 was a successful year for the Fund, with all of our accumulation and pension investment options generating positive 12-month returns on the back of market strength. Our default Balanced (MySuper) investment option provided a return of 8.8% over this period, outperforming the average MySuper fund over the 10 years to 30 June 2024 (as measured by the ratings agency SuperRatings¹).

We have continued to progress well against our *Strategic and Business Plan* over 2023–24. Positive fund-level metrics, indicating fund sustainability and growth, and strong performance results (strategic KPIs) have supported longer-term strategic objectives and member outcomes. Throughout 2023–24, organic growth initiatives have continued to contribute to our growth and long-term sustainability.

We achieved significant growth in net assets in 2023–24, with an increase of 10.4% for the year ending 30 June 2024. This is the second year of substantial growth, following an increase of 10.6% in 2022–23. Net assets available for member benefits at 30 June 2024 grew from \$27.8 billion to \$30.7 billion during the year. This increase is predominantly because of strong investment performance.

Net account growth of 6.2% for the year ending 30 June 2024 saw the number of member accounts increase to 369,980, following growth of 5.3% in 2022–23. The average account balance was \$82K,

increasing from an average of \$79K in the previous financial year. This is due to positive investment returns and an increase in the government's super guarantee rate of employer contributions to 11.0% (30 June 2023: 10.5%). We retained approximately 88% of existing members as at 30 June 2024, with a pension conversion ratio of 48%, reflecting activities aligned with a key strategic focus on fund sustainability.

Expenditure management

We continue to focus on cost discipline, which is crucial to ensuring the sustainability of our operating model relevant to our size and membership. Annualised cost per member was \$246, which is less than the 2023–24 budget baseline target of \$262. This reduction is because of lower operating and administration expenses and higher member account growth (which means expenses are being shared across a larger member base).

Following the establishment of Spirit Super through the merger of MTAA Super and Tasplan in 2021, we have consistently maintained our management expense ratio (MER). The 2023–24 MER is 0.29% compared to a baseline target of 0.31%. This consistency indicates that operating expenses are not significantly outpacing the movement in net assets.

Strategy execution and member outcomes

Member satisfaction has remained high across 2023–24, with a member satisfaction result of 93.7%. This indicates that our members consistently received exceptional member experience across all channels, including our award-winning contact centre.

¹Awards and ratings are only one factor to be taken into account when deciding how to invest your super. Spirit Super has an agreement with SuperRatings Pty Ltd (SuperRatings) ABN: 95 100 192 283 a Corporate Authorised Representative (CAR No.1309956) of Lonsec Research Pty Ltd ABN 11 151 658 561, AFSL No. 421445 (Lonsec Research) for the provision of research, reporting and marketing services, which permits us to use the SuperRatings logos for marketing purposes. Read about the award methodology at superratings.com.au.

Surveys following interactions with members also indicate we achieved high levels of ease of doing business, with member ease at 93.7% for 2023-24. Employers have also indicated exceptional experience for both employer satisfaction (98%) and employer ease of business (97%).

We have delivered the scope of all planned strategic initiatives to 30 June 2024 while prioritising the CareSuper merger and related supporting activities as a central element to achieving the current Spirit Super scale objectives via inorganic growth.

We conducted the 2022-23 outcomes assessment under the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and the Australian Prudential Regulation Authority's (APRA) *Prudential Standard SPS 515 – Strategic Planning and Member Outcomes*. In February 2024, the Trustee resolved to determine that our products are promoting the financial interests of members and are expected to continue doing so in the future.

To ensure compliance with regulatory requirements, summaries of the outcomes assessment were published on our website by March 2024. Our MySuper product and choice (trustee-directed non-platform) products passed the 2023 APRA performance test, indicating that returns and fees are acceptable relative to similar APRA-regulated superannuation funds and benchmark thresholds. Through prudent management and monitoring, we expect that these products will pass the 2024 performance test.

Risk management

Our risk management strategies will be used to safeguard the financial futures of members. They will also help us navigate emerging risks, such as:

- **Heightened regulatory changes and scrutiny** – government and regulatory bodies are increasingly focused on fund performance, conduct, culture, and member outcomes to protect members' financial interests and ensure integrity of the financial system.
- **Economic conditions** – we will monitor and respond to economic conditions that may influence superannuation contributions and long-term financial plans, such as the cost-of-living crisis.
- **New and emerging technologies** – we will adopt digital technologies in a considered and structured manner to drive innovation and optimise processes. This includes taking advantage of artificial intelligence while providing sufficient safeguards to ensure its appropriate use.
- **Cybersecurity** – we will safeguard members' privacy and financial wellbeing from emerging digital threats.
- **Environmental, Social and Governance (ESG) considerations** – we will integrate ESG considerations into our investment strategy, reporting and disclosures.

Regular, frequent monitoring against the *Strategic and Business Plan* helps us quickly identify and respond to emerging issues. It also allows us to take prompt action where outcomes are not being achieved. In isolation, expected or explainable deviation of performance from the target for scorecard measures quarterly will not trigger a change in strategic objective or the requirement to develop or activate a contingency plan.

However, where there is a failure of one or more key scorecard measures (together with key fund and financial sustainability indicators) in combination or a consistent pattern of underperformance in either absolute or relative terms, it may trigger the development or activation of a contingency plan, consistent with the duty to act in the best interest of members. This includes, but is not limited to:

- cost reduction strategies such as deferral or cancelling of major strategic initiatives
- ceasing business activities or closing off products to new members
- transfer of members to another RSE licensee.

The Trustee has established risk trigger thresholds, which will be monitored in line with regular quarterly reporting.

Based on 2023-24 results, our threshold limits have not been breached, supporting the continued appropriateness of our *Strategic and Business Plan*.

Environmental regulation and performance

Our operations aren't subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Significant changes in the state of affairs

Based on the results of the 2024 *Business Performance Review* and the timing of the CareSuper merger, we made no changes to our overarching *Strategic and Business Plan* for the 2025-27 financial years.

The 2025-27 *Strategic and Business Plan* reflects:

- a) A focus on the prioritisation of the CareSuper merger and related supporting activity as a central element to achieving the current fund scale objectives via inorganic growth.
- b) A short-term roadmap of initiatives and activities to be undertaken to the expected merger date. No new non-essential projects are anticipated prior to the merger.

Design and distribution obligations

Based on the 2022–23 *Member Outcomes Assessment*, together with the annual product reviews and in consideration of the CareSuper merger currently in progress, we made no material changes to our products during 2023–24.

We continue to monitor outcomes and review our products to ensure that members receive products that are likely to be consistent with their likely objectives, financial situation, and needs. We updated triggers in the Target Market Determinations (TMDs) in April and July 2023. This included adding insurance-related triggers in the Super TMD and incorporating the Fund's Risk Management Framework in determining the trigger thresholds for all TMDs. We made no significant changes to TMDs effective 1 July 2024 (as required under the design and distribution obligations in Pt 7.8A of the *Corporations Act 2001 (Corporations Act)*).

Impact of legislation and other external requirements

We operate in a highly regulated environment overseen by bodies such as the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC). We actively monitor, plan, and respond to updated requirements to ensure ongoing compliance and consideration for longer-term strategy development and execution.

Across 2023–24 and beyond, we expect regulators to focus on several key areas, including but not limited to:

- strategic planning and member outcomes
- financial accountability regime
- retirement income strategy
- operational risk management
- recovery and exit planning, and resolution planning
- remuneration
- financial reporting changes and climate-related disclosures
- APRA reporting standards (publishing of expense data)
- annual superannuation performance test
- quality of advice reforms.

Change in custodian

During the year, we appointed a new custodian, JPMORGAN Chase Bank, effective 1 March 2024. The previous provider, NAB Asset Servicing (NAS), is withdrawing from the custodial market, and it was essential to move to a new custodian. The project was delivered on time and budget, with no implementation issues.

Binding agreement to merge with CareSuper

On 30 May 2023, we entered a binding agreement to merge with fellow industry fund CareSuper. This agreement followed an extensive due diligence process that started with a Memorandum of Understanding (MOU) signed on 31 October 2022.

Both funds concluded that the partnership is in the best financial interests of members.

Our carry-forward name will be CareSuper, while Spirit Super will be the successor fund. This means all assets will be transferred to the Spirit Super Trust, the legal entity for the super fund.

The merger will help us continue to pursue our strategic ambition to be a financially sustainable national fund with over 500k active members in 5 years (by 2027).

As a new mid-size fund with a shared vision for the future, we aim to provide sustainability while maintaining the agility to offer a leading member experience that adapts and evolves with our members. In this way, the new mid-size fund can become a genuine and compelling alternative to the mega-funds.

By coming together, we can strengthen each fund's unique proposition and create a competitive value proposition for current and future members.

The merger is well progressed and set to take place on 1 November 2024. Until completion, it will remain a central priority for the Fund.

Principal activities and significant changes

During the financial year, our principal activities continued to be providing superannuation, retirement benefits, and information and advice services to members. We made no significant changes to principal operations during the year.

We are a hybrid fund providing accumulation and defined benefits to members (the defined benefits division is closed to new members). We maintained three legacy defined benefit funds for Quadrant Defined Benefits Fund, Hobart City Council Defined Benefits Fund, and Launceston City Council Defined Benefits Fund. These are internally administered. The defined benefits funds are closed to new members and are fully funded.

Significant events after the end of year

No other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may have a significant effect, on:

- the operations of Spirit Super in future financial years
- the results of those operations in future financial years
- the state of affairs of Spirit Super in future financial years.

Likely developments in our operations and expected results

We will continue to be managed in accordance with the investment objectives and guidelines as set out in the Trustee's *Product disclosure statements* and the provisions of the *Trust Deed*.

The results of our operations leading up to the Successor Fund Transfer (SFT) date will be affected by a number of factors, including the performance of investment markets in which we invest. Investment performance isn't guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns shouldn't be used to predict future returns.

There are no likely developments as at the date of this report.

Non-audit services

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

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

	\$
Assurance services that are required by legislation to be provided by the external auditor	-
Other assurance and agreed-upon-procedures under other legislation or contractual arrangements	-
Other services	208,000



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Auditor's independence declaration to the directors of Motor Trades Association of Australia Superannuation Fund Pty Ltd as trustee of Spirit Super

As lead auditor for the audit of the financial report of Spirit Super for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Spirit Super during the financial year.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Maree Pallisco".

Maree Pallisco
Partner
26 September 2024

Remuneration Report (audited)

1. Report overview

The directors of Motor Trades Association of Australia Superannuation Fund Pty Ltd (the Trustee) present the *Remuneration Report* for the fund for the year ended 30 June 2024. The *Remuneration Report* forms part of the *Directors' Report*. It has been audited in accordance with section 300C of the *Corporations Act 2001*. The *Remuneration Report* details the remuneration arrangements for the Key Management Personnel (KMP) of the fund, which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the fund. For Spirit Super, this includes:

- directors of Motor Trades Association of Australia Superannuation Fund Pty Ltd, the Trustee for the fund
- certain senior executives of Motor Trades Association of Australia Superannuation Fund Pty Ltd who meet the definition of KMP above (collectively the Executive KMP).

Name	Position	Term as KMP
Directors of the Trustee		
Maria Wilton AM	Independent Chair	Full financial year
Andrew Dettmer	Member-Representative Director	Appointed 1 April 2024
Geoffrey Lowe ²	Employer-Representative Director	Full financial year
Thomas Lynch ²	Member-Representative Director	Full financial year
John Mazengarb	Employer-Representative Director	Full financial year
Jessica Munday	Member-Representative Director	Full financial year
Anne O'Donnell	Independent Director	Full financial year
Rhonda O'Donnell ²	Member-Representative Director	Full financial year
Susan Parr ²	Employer-Representative Director	Full financial year
Peter Savige ²	Employer-Representative Director	Full financial year
David Smith ²	Member-Representative Director	Ceased 31 March 2024
Executive KMP		
Jason Murray ²	Chief Executive Officer	Full financial year
Ross Barry ²	Chief Investment Officer	Full financial year
Kathleen Crawford ²	Chief Operations Officer	Full financial year
Robyn Judd ²	Chief People and Culture Officer	Full financial year
May Lim	Acting Chief Finance Officer	Full financial year
Ningning Lyons ²	Chief Strategy Officer	Full financial year
Alex Mehl	Chief Technology Officer	Full financial year
Will Sadler	Chief Risk Officer	Full financial year

²These persons are members of Spirit Super. Their membership terms and conditions are the same as those applied to other members of the Fund.

2. Overview of director and executive remuneration

Elements of remuneration

This section includes a high-level summary explaining how remuneration is managed, consistent with the Trustee's Remuneration and Short-term incentives policies and *Remuneration Framework*.

Director remuneration

Motor Trades Association of Australia Superannuation Fund Pty Ltd directors' fees are based on comparable positions in other superannuation funds, benchmarked annually against the industry median. The fees payable to individual directors consist of a combination of cash and superannuation (subject to minimum super guarantee requirements). Directors receive an additional fee if they hold a chair position in board committees. Directors do not receive performance-related incentives, long service leave, retirement, or termination benefits.

Executive KMP remuneration

Executives in KMP roles are offered a mix of fixed and variable remuneration appropriate to their position, responsibilities, and performance in a way that aligns with the fund's business strategy and performance. Executives receive mainly fixed remuneration and a smaller percentage of variable remuneration consisting of short-term incentives. Executive remuneration levels are reviewed annually by the People & Culture and Remuneration & Nomination Committee of the Trustee with reference to the Fund's *Remuneration Framework* and market movements.

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- the scope of the executive's role and the accountabilities
- the executive's skills, experience, and qualifications.

Fixed remuneration is set and reviewed annually with reference to the median fixed remuneration of comparable roles in the superannuation industry.

Short-term incentives

Short-term incentives recognises and rewards annual performance outcomes. This includes both financial and non-financial measures and covers the business's overall strategic goals, unit performance, and risk culture outcomes. Under the short-term incentives, executive KMPs can earn an annual incentive award up to a maximum percentage based on their end-of-year performance outcomes, which is delivered in cash.

How is it paid?	All Executive KMPs receive an appropriate percentage of short-term incentive based on their performance rating in cash after the assessment of annual performance.
How much can executives earn?	Executives have a maximum short-term incentive opportunity of 15% of fixed remuneration. The level of short-term incentive awarded is determined by level of achievement of key metrics relating to the Fund's performance and business unit performance (including risk culture outcomes), set before the beginning of each year.
How is performance measured?	The payment of any incentive to an executive is always at the discretion of the Board. The Fund's performance component focuses on the overall performance of the Fund as an organisation. It is linked to the following key metrics: strong investment performance, member retention, Fund inflows, employee engagement and cost management. The business unit component involves planning mutually agreed-upon targets for the forthcoming year, monitoring performance, and providing feedback throughout, and conducting a year-end review to assess achievements against established objectives. Both the Fund's performance and the business unit's performance are directly linked to achieving year-on-year outcomes specific to the area of the executive's operation and control, and therefore, such outcomes will vary from year to year, depending on the business plan. There have been no alterations to the terms or conditions of any short-term incentives.
When is it assessed and paid?	The short-term incentive award is determined after the end of the financial year following a review of performance over the year against the short-term incentive performance measures by the Board and by the CEO for all other executives. The Board approves the final short-term incentive award based on this assessment of performance. Full payment is made in cash within three months after the end of the performance period.

3. Performance and executive remuneration outcomes

The following table outlines the proportion of maximum short-term incentives earned for the year ended 30 June 2024:

Executive	Maximum short-term incentive opportunity (% of fixed remuneration)	Amount earned ³ (% of fixed remuneration)
Jason Murray	15%	12.25%
Kathleen Crawford	15%	11.6%
Ningning Lyons	15%	11.6%
Ross Barry	15%	9.8%
Robyn Judd	15%	11.6%
May Lim	15%	11.0%
Alex Mehl	15%	11.6%
Will Sadler	15%	13.5%

³Percentage relates to short-term incentive payments earned in the reporting period and paid the following financial year (2024-25).

4. Remuneration agreements

Executive employment agreements

Remuneration arrangements for executives are formalised in employment agreements. The following outlines the details of contracts that were negotiated during the year between the MTAA Superannuation (Secretariat Co) Pty Ltd⁴ and relevant executives:

- There were no new or amended contracts negotiated during the reporting period.
- There were no termination payments made during the reporting period.

⁴MTAA Superannuation Fund (Secretariat Co.) Pty Ltd ('Secretariat Co.') is wholly owned by the Fund. The Fund utilises Secretariat Co. as a management services company through which it engages staff to provide member administration, investment administration, back office, IT, finance and related support services to the Fund. In addition to director and staff-related costs which includes learning and development costs, Secretariat Co. also incurs occupancy costs associated with Spirit Super's offices, software and IT-related costs. Secretariat Co.'s running costs are reimbursed on a full cost recovery basis from the Fund.

5. Statutory remuneration

5A. Executive KMP remuneration for the year ended 30 June 2024

	Short-term benefits				Long-term benefits	Post-employment benefits	Total remuneration \$
	Cash salary, fees and short-term compensated absences ⁵ \$	Short-term cash sharing and other bonuses ⁶ \$	Termination Payments ⁷ \$	Non-monetary benefits ⁸ \$	Long service leave entitlement paid ⁹ \$	Super ¹⁰ \$	
Jason Murray	653,837	71,162	-	590		79,750	805,339
Ross Barry	537,095	59,400	-	-	-	27,500	623,995
Kathleen Crawford	317,301	31,212	-	3,080		27,399	378,992
Robyn Judd	319,830	34,411	-	3,080	-	27,500	384,821
May Lim	352,147	30,618	-	-	59,530	33,329	475,624
Ningning Lyons	358,361	42,298	-	3,080	22,080	27,500	453,319
Alex Mehl ¹¹	315,002	25,271	-	4,081	-	27,500	371,854
Will Sadler	357,155	19,106	-	609	-	27,500	404,370

⁵Includes all salary sacrifice amounts and paid annual leave. | ⁶Bonus paid relates to short term incentive payments paid during the 2023-24 financial year but earned in the 2022-23 financial year. | ⁷Termination payments are made up of redundancy payments. | ⁸Includes car, car parking, expense and residual fringe benefits. | ⁹Includes long service leave paid in the most recent financial year, not the amount of long-service leave accrued. | ¹⁰Includes super guarantee contributions. | ¹¹Ceased as Spirit Super Chief Technology Officer on 27 August 2024. Simon Reiter commenced in the role on 5 August 2024 and was appointed a Responsible Person on 28 August 2024.

5B. Director remuneration for the year ended 30 June 2024

	Short-term benefits			Post-employment benefits	Total remuneration \$
	Cash salary, fees and short-term compensated absences ¹² \$	Short-term cash sharing and other bonuses \$	Non-monetary benefits ¹³ \$	Super ¹⁴ \$	
Maria Wilton AM	184,844	-	-	20,333	205,177
Andrew Dettmer ¹⁵	17,456	-	-	1,920	19,376
Geoffrey Lowe	76,924	-	-	8,462	85,386
Thomas Lynch	76,924	-	-	8,462	85,386
John Mazengarb	91,075	-	-	10,018	101,093
Jessica Munday	86,917	-	-	9,561	96,478
Anne O'Donnell	91,075	-	-	10,018	101,093
Rhonda O'Donnell	87,506	-	-	9,626	97,132
Susan Parr	76,924	-	-	8,462	85,386
Peter Savige	76,924	-	-	8,462	85,386
David Smith ¹⁶	59,468	-	585 ¹⁷	6,542	66,595

¹²Includes all salary sacrifice amounts. | ¹³Includes car, car parking, expense and residual fringe benefits. | ¹⁴Includes super guarantee contributions. | ¹⁵Appointed as Spirit Super Member-Representative Director on 1 April 2024. | ¹⁶Ceased as Spirit Super Member-Representative Director on 31 March 2024. | ¹⁷Retirement gift.

Financial Statements



SPIRIT SUPER
ABN 74 559 365 913

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

**SPIRIT SUPER
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SPIRIT SUPER
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash	14	133,888	131,115
Receivables		3,135	564
Other assets		2,101	3,286
Investments	3-4		
Cash and cash equivalents		3,647,368	3,566,012
Fixed interest		3,578,230	2,802,263
Australian equities		7,481,918	6,593,017
International equities		9,477,962	8,551,387
Global floating rate credit		-	15
Credit		426,347	473,721
Other investment assets		270,257	241,473
Property		1,988,027	2,157,733
Infrastructure		3,029,242	2,817,204
Private equity		1,199,987	923,482
Derivative assets		152,041	126,924
Income tax receivable		-	36,514
Property, plant and equipment		1,618	2,435
Intangible assets		225	201
Deferred tax assets	13	1,586	5,713
Total assets		31,393,932	28,433,059
Liabilities			
Payables		(41,341)	(40,735)
Income tax payable		(107,201)	-
Derivative liabilities		(48,937)	(214,744)
Deferred tax liabilities	13	(538,133)	(404,026)
Total liabilities excluding member benefits		(735,612)	(659,505)
Net assets available for member benefits		30,658,320	27,773,554
Defined contribution (DC) member liabilities	7a	(30,367,292)	(27,340,271)
Defined benefit (DB) member liabilities	7b	(87,632)	(95,867)
Unallocated contributions		(130)	(121)
Liability for member benefits		(30,455,054)	(27,436,259)
Total net assets		203,266	337,295
Equity			
Operational risk reserve	9	(85,786)	(76,566)
General reserve	9	(99,480)	(243,452)
Defined benefits that are (over)/under funded		(18,000)	(17,277)
Total equity		(203,266)	(337,295)

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

SPIRIT SUPER
Income Statement
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Superannuation activities			
Interest		274,990	137,085
Dividend revenue		639,798	742,283
Changes in fair value of investments	5	1,745,987	1,724,222
Other investment income		9,093	13,324
Other income		1,151	416
Total superannuation activities income		2,671,019	2,617,330
Investment expenses	11	(79,069)	(103,001)
Operating expenses	10	(99,211)	(77,645)
Total expenses		(178,280)	(180,646)
Results from superannuation activities before income tax expense		2,492,739	2,436,684
Income tax expense	13	(173,119)	(138,153)
Results from superannuation activities after income tax expense		2,319,620	2,298,531
Net benefits allocated to defined contribution members		(2,444,646)	(2,307,789)
Net change in defined benefit member benefits		(9,080)	(7,577)
Operating result after income tax		(134,106)	(16,835)

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

SPIRIT SUPER

**Statement of Changes in Member Benefits
For the year ended 30 June 2024**

	Note	Defined contribution \$'000	Defined benefit \$'000	Total \$'000
For the year ended 30 June 2024				
Opening balance of member benefits		27,340,271	95,867	27,436,138
Contributions:				
Employer		1,848,044	2,510	1,850,554
Member		337,262	547	337,809
Transfers from other superannuation funds		393,899	-	393,899
Government co-contributions		1,469	-	1,469
Income tax on contributions		(286,161)	(543)	(286,704)
Net after tax contributions		2,294,513	2,514	2,297,027
Benefit payments to members or beneficiaries		(1,699,501)	(1,366)	(1,700,867)
Transfers from defined benefit to defined contribution		18,349	(18,349)	-
Insurance premiums charged to member's accounts		(92,207)	(121)	(92,328)
Death and disability insurance benefits paid to members or beneficiaries		61,221	7	61,228
Benefits allocated to members' accounts, comprising:				
Net investment income		2,505,800	-	2,505,800
Administration fees		(61,154)	-	(61,154)
Net change in defined benefit member accrued benefits		-	9,080	9,080
Closing balance of member benefits		30,367,292	87,632	30,454,924
For the period ended 30 June 2023				
Opening balance of member benefits		24,653,043	100,044	24,753,087
Contributions:				
Employer		1,600,702	2,805	1,603,507
Member		264,208	613	264,821
Transfers from other superannuation funds		355,340	518	355,858
Government co-contributions		1,721	-	1,721
Income tax on contributions		(245,709)	(608)	(246,317)
Net after tax contributions		1,976,262	3,328	1,979,590
Benefits to members or beneficiaries		(1,573,104)	(3,027)	(1,576,131)
Transfers from defined benefit to defined contribution		12,026	(12,026)	-
Insurance premiums charged to members' accounts		(100,341)	(133)	(100,474)
Death and disability insurance benefits paid to members or beneficiaries		64,596	104	64,700
Benefits allocated to members' accounts, comprising:				
Net investment income		2,362,741	-	2,362,741
Administration fees		(54,952)	-	(54,952)
Net change in defined benefit member accrued benefits		-	7,577	7,577
Closing balance of member benefits		27,340,271	95,867	27,436,138

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

SPIRIT SUPER
Statement of Changes in Equity/Reserves
For the year ended 30 June 2024

	Note	Operational risk reserve \$'000	General reserve \$'000	DB over/ (under) funded \$'000	Total equity \$'000
Opening balance as at 1 July 2023		76,566	243,452	17,277	337,295
Net transfers to/(from) reserves		6,000	(5,923)		77
Transfers into reserves affecting net assets available to pay members' benefits		-	-	-	-
Operating result		3,220	(138,049)	723	(134,106)
Closing balance as at 30 June 2024	9	85,786	99,480	18,000	203,266
		Operational risk reserve \$'000	General reserve \$'000	DB over/ (under) funded \$'000	Total equity \$'000
Opening balance as at 1 July 2022		74,295	261,134	17,562	352,991
Net transfers to/(from) reserves		-	1,139		1,139
Transfers into reserves affecting net assets available to pay members' benefits		-	-	-	-
Operating result		2,271	(18,821)	(285)	(16,835)
Closing balance as at 30 June 2023	9	76,566	243,452	17,277	337,295

The above Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes; in particular refer to Note 9 for further descriptions on Reserves.

SPIRIT SUPER
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Interest received		7,080	3,849
Insurance proceeds		63,101	64,286
Other income		694	347
Other general administration expenses		(94,665)	(67,723)
Purchase of fixed assets		(12)	(126)
Proceeds on disposal of fixed assets		14	-
Insurance premiums paid		(78,175)	(86,647)
Income tax refund		108,831	85,979
Net cash inflows/(outflows) from operating activities	14	6,868	(35)
Cash flows from investing activities			
Purchase of investments		(4,361,395)	(7,114,642)
Proceeds from sale of investment		3,795,713	6,785,903
Investment expenses		(19,028)	(18,191)
Net cash outflows from investing activities		(584,710)	(346,930)
Cash flows from financing activities			
Contributions received from:			
Employers		1,849,159	1,603,549
Members		337,809	264,821
Government		1,469	1,721
Transfers from other superannuation funds received		393,899	355,858
Benefits paid to members		(1,701,163)	(1,572,963)
Income tax paid on contributions received		(300,558)	(261,390)
Net cash inflows from financing activities		580,615	391,596
Net cash inflows		2,773	44,631
Cash at the beginning of the financial year		131,115	86,484
Cash at the end of the financial year	14	133,888	131,115

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

**SPIRIT SUPER
NOTES TO THE FINANCIAL STATEMENTS**

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SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

1. Operation of the Fund

Spirit Super is a superannuation fund domiciled in Australia. The Fund is a profit-for-members industry super fund, welcoming members from all industries, jobs and life stages.

The Fund is a hybrid fund which comprises defined benefits, defined contributions and account based pension divisions as constituted by the Trust Deed dated 23 February 2021 (as amended). The defined benefits division of the Fund is closed to new members. Any new members will join the defined contributions or account based pension divisions of the Fund.

The defined contribution sections of the Fund accepts contributions from employers and the members which are made in accordance with the terms of the Fund's Trust Deed. Members of the Fund are either those employees of Australian based employers who have selected the Fund as the default fund for their employees or those members who have voluntarily selected the Fund.

The Trustee of the Fund is Motor Trades Association of Australia Superannuation Fund Pty. Limited and it is the holder of a public offer class Registrable Superannuation Entity Licence (licence no. L0001069). Its registered office is Level 3, 39 Brisbane Ave, Barton, ACT 2600.

On 30 May 2023, Spirit Super entered into a binding agreement to merge with CareSuper. This comes after an extensive due diligence process, with the merger expected to take effect on 1 November 2024, and for the fund to be called CareSuper.

The financial statements were approved by the Board of Directors of the Trustee on 26 September 2024.

2. Summary of material accounting policies

(a) Basis of preparation

The financial statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, including *AASB 1056 Superannuation Entities*, the Superannuation Industry (*Supervision*) *Act 1993* and Regulations and the provisions of the Trust Deed.

The principal accounting policies applied in the preparation of these financial statements are set out below, unless covered in other notes in the financial statements.

(b) New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior or current periods or that will affect future periods.

Changes to financial reporting requirements

The Fund is a registrable superannuation entity that is subject to amendments made to the *Corporations Act 2001* by the *Treasury Laws Amendment (2002 Measures No.4) Act 2022*. These amendments are effective for financial years beginning on or after 1 July 2023 and bring registrable superannuation entities such as the Fund into the financial reporting provisions of the *Corporations Act 2001*.

Accordingly, for the Fund's income year ending 30 June 2024, the Fund has prepared an annual report, consisting of a financial report (including financial statements, notes and a directors' declaration), a directors' report (including a remuneration report) and an attached auditor's report and auditor's independence declaration. There will be no impacts to the recognition and measurement requirements utilised in the preparation of the financial report of the Fund as a result of these changes.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

For many of the Fund's financial instruments, quoted market prices are readily available. However, certain unlisted financial instruments, such as, infrastructure, property, private equity and credit are fair valued using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to Note 4 for details.

The significant accounting policies detailed here and throughout the notes have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(d) Financial Instruments

(i) Classification

The Fund classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial instruments held for trading

These instruments are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Fund do not meet the hedge accounting criteria as defined by AASB 9. Consequently, hedge accounting is not applied by the Fund.

Financial instruments designated at fair value through Income Statement upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These investments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes short term receivables in this category.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through the Income Statement. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

(ii) Recognition/derecognition

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

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(iii) Measurement

The Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the Income Statement.

Subsequent to initial recognition, all financial assets and liabilities at fair value through the income statement are measured at fair value. Gains and losses are presented in the income statement in the year it occurs as changes in fair value of investments.

(e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to Note 4a.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(f) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above and which do not form part of cash and cash equivalents to meet the Fund's investment strategy.

(g) Revenue recognition

Changes in fair value

Changes in the fair value of investments and derivatives are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement. Refer to Note 4 for further information in regards to measurement of fair value.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and is recognised in the Income Statement.

Dividends and distributions

Dividend and distribution revenue is recognised when the Fund's right to receive payment is established. Revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the Income Statement.

(h) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the *Income Tax Assessment Act 1997*. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income.

Income tax in the Income Statement for the year comprises current and deferred tax.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(i) Goods and services tax (GST)

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

(j) Foreign currency

The functional and presentation currency of the Fund is Australian Dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the income statement in the period in which they arise.

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

(k) Receivables and payables

Receivables are carried at nominal amounts due which approximate fair value. Receivables are normally settled within 30 days. Collectability of trade receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

Payables are carried at nominal amounts which approximate fair value. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid as at the end of the reporting period. Payables are normally settled on 30 day terms.

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using diminishing value or the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Furniture and fittings	3 - 20 years
- Motor vehicles	8 years

The low value pool rules are used to depreciate assets costing less than \$1,000. Assets costing less than \$100 are expensed in the year of purchase.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(m) Intangible assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years. The amortisation of the intangible assets are included in operating expenses on the Income Statement.

(n) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3. Financial risk management

The Fund's overall objective is to maximise each member's returns during their working and retirement life while protecting their accumulated retirement savings from large fluctuations during the economic cycle. It aims to deliver solid returns with an acceptable level of risk.

The Trustee's Investment Strategy is to build a diversified portfolio of assets that balances investment returns and risks. This is achieved by investing in a combination of growth investments (such as equity, infrastructure and property), which are expected to provide growth in the capital value of the investments over time, and defensive investments (such as cash and fixed interest) to generate stable and predictable cash flows with a relatively low level of risk.

The Fund has an Investment Governance Framework (IGF) established by the Trustee. The IGF sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Fund.

The Fund's investment options have various exposures to assets traded frequently in domestic and international markets, as well as to unlisted assets which are less frequently traded. Unlisted assets such as property and infrastructure, can have long term leases and provide income streams to the Fund. These assets are not directly linked to share markets, so they are expected to provide a buffer against the short term fluctuations of such markets. As there is no quoted trading or redemption value for some of these assets the Trustee has established a valuation policy to ensure that independent valuations are regularly undertaken for those assets. Refer to Note 4 for further information.

The Trustee continuously monitors risk events that have the potential to affect the value of the portfolio, each asset class and investment option. It also conducts regular stress testing focussed on the Fund's ability to withstand external shocks under potential investment environment scenarios and liquidity stress scenarios. The impacts of these scenarios are considered through the regular review of the Investment Strategy and assist the Trustee in setting the strategic asset allocations for each investment option.

The Fund's activities expose it to a variety of financial and non-financial risks including market risk (such as price risk, foreign exchange risk and interest rate risk), credit risk, ESG and liquidity risk. The Fund manages these risks as part of its overall risk management framework.

The Trustee has assessed the risks and benefit arrangements relating to different categories of members and is of the view that the member base of the Fund is subject to materially the same risks and benefits. Hence, the Fund has not disclosed separately further disaggregated information in this regard.

(a) Market risk

(i) Price risk

Price risk is the risk that the total value of investments will fluctuate as a result of a change in market prices, whether caused by factors specific to an individual investment, its issuer or a factor affecting all instruments traded in the market, both listed and unlisted.

The Trustee mitigates this price risk through diversification across asset classes, countries and investment managers. The Trustee regularly monitors compliance with the IGF, mandates and supporting investment guidelines.

The sensitivity analysis is performed below.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

3. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of assets denominated in other currencies fluctuate due to changes in exchange rates. The table below outlines the net currency exposure of the Fund comprising both monetary and non-monetary assets.

The Trustee employs currency managers to manage its foreign currency exposures arising from the Fund's International investments. The Fund's foreign currency exposure is managed in two pools. One covers its overseas investments in shares with the other covering its foreign investments in the infrastructure, property, private equity and credit asset classes, with separate benchmark hedge ratios for each pool as determined by the Trustee. These benchmark hedge ratios are determined considering absolute, business and liquidity risk.

The table below summarises the Fund's asset and liabilities that are denominated in a currency other than the Australian dollar. The information in the table below is consistent with the information provided to the Trustee by the currency manager.

2024	US Dollar A\$'000	GB Pound A\$'000	Japanese Yen A\$'000	Euro A\$'000	Other A\$'000	Total A\$'000
Monetary assets						
Foreign exchange contracts *	(3,897,925)	(260,400)	(158,829)	(710,468)	(354,998)	(5,382,620)
Net monetary asset currency	(3,897,925)	(260,400)	(158,829)	(710,468)	(354,998)	(5,382,620)
Non monetary assets	7,472,346	495,630	335,260	1,304,084	779,508	10,386,828
Net currency exposure	3,574,421	235,230	176,431	593,616	424,510	5,004,208

2023	US Dollar A\$'000	GB Pound A\$'000	Japanese Yen A\$'000	Euro A\$'000	Other A\$'000	Total A\$'000
Monetary assets						
Foreign exchange contracts *	(2,762,098)	(207,374)	(151,620)	(421,315)	(450,484)	(3,992,891)
Net monetary asset currency	(2,762,098)	(207,374)	(151,620)	(421,315)	(450,484)	(3,992,891)
Non monetary assets	6,227,460	481,337	308,234	1,137,512	897,061	9,051,604
Net currency exposure	3,465,362	273,963	156,614	716,197	446,577	5,058,713

* Foreign Exchange Contracts are the value of the exchange exposure (rather than the market value of the hedged instruments).

The sensitivity analysis is performed below in Note 3(b).

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cashflows. The risk is measured using sensitivity analysis. The Trustee monitors its fixed interest exposure on a monthly basis. The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes.

The Fund's exposure to interest rate movement on those investments at 30 June 2024 and 30 June 2023 were as follows:

2024	Floating Interest Rate \$'000	Fixed Interest Rate \$'000	Total \$'000
Financial assets			
Cash and cash equivalents held for investing	167,082	3,064,843	3,231,925
Fixed interest	63,549	22,237	85,786
Global floating rate credit	-	-	-
Credit	25	2	27
			-
Total financial assets	230,656	3,087,082	3,317,738

2023	Floating Interest Rate \$'000	Fixed Interest Rate \$'000	Total \$'000
Financial assets			
Cash and cash equivalents held for investing*	-	3,235,567	3,235,567
Fixed interest	-	76,566	76,566
Global floating rate credit	15	-	15
Credit	49,246	-	49,246
Total financial assets	49,261	3,312,133	3,361,394

*Cash at bank and Cash and cash equivalents held for investing were reported as Floating interest rate as at 30 June 2023, have been restated to Fixed interest rate or not exposed to Interest rate risk. Accordingly for the year ended 30 June 2023, Cash at bank has been removed as it is not exposed to Interest rate risk and for Cash and cash equivalents, \$3,235,567 has been restated to Fixed interest rate and \$330,445 was not exposed to Interest rate risk.

The sensitivity analysis is performed below in Note 3(b).

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's net assets available to pay benefits and net revenue to price risk, foreign exchange risk and interest rate risk. The reasonably possible movements in the risk variables have been based on the Trustee's best estimate coming from the annual strategic review process, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historical variations in risk variables should not be used to predict future variations in the risk variables.

A positive movement in the variable would result in an increase in the net assets and net revenue of the Fund; a negative movement would have the opposite effect.

		Foreign exchange risk					
	Change in variable	US Dollar A\$'000	GB Pound A\$'000	Japanese Yen A\$'000	Euro A\$'000	Other A\$'000	Total A\$'000
2024	+/- 10%	357,442	23,523	17,643	59,362	42,451	500,421
2023	+/- 10%	346,536	27,396	15,661	71,620	44,658	505,871

		Interest rate risk	Price risk				
	Change in variable (%)	Total Fund	Fixed interest	Australian equities	International equities	Other assets	Total
2024	Effect on net assets and net revenue (\$'000)	1%	4%	16%	15%	9%	
		33,177	104,773	1,271,926	1,232,135	622,245	3,231,079
2023	Change in variable (%)	1%	4%	16%	15%	9%	
	Effect on net assets and net revenue (\$'000)	33,614	109,028	1,054,883	1,282,702	590,793	3,037,406

*Cash at bank and Cash and cash equivalents held for investing that were reported as Floating interest rate as at 30 June 2023, have been restated to Fixed interest rate or not exposed to Interest rate risk. Accordingly for the year ended 30 June 2023, the interest rate risk for the Fund has been reduced by \$3,304,000 as a result of the change in the amounts that are now not exposed to Interest rate risk.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

3. Financial risk management (continued)

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, or the borrowers chance of default has increased, giving rise to a financial loss to the Fund. The Trustee manages this risk through its use of drawdown limits for individual investments, asset class ranges, extensive due diligence analysis of all prospective investments and ongoing performance monitoring of existing investments. These controls are aimed at preventing a significant exposure to any individual counterparty or industry. These controls ensure the Fund is not subject to any concentration of credit risk.

The Fund's maximum exposure to credit risk at 30 June 2024 is the carrying amount of the Fund's financial assets, as reported in the Statement of Financial Position. This exposure is outlined in the following table:

Financial assets	2024	2023
	\$'000	\$'000
Investments		
Cash and cash equivalents	3,647,368	3,566,012
Fixed interest*	3,578,230	2,802,263
Australian equities	7,481,918	6,593,017
International equities*	9,477,962	8,551,387
Global floating rate credit	-	15
Credit*	426,347	473,721
Property	1,988,027	2,157,733
Infrastructure	3,029,242	2,817,204
Private equity	1,199,987	923,482
Other investment assets*	270,257	241,473
Other assets		
Cash at bank	133,888	131,115
Other receivables	5,236	3,850
Total financial assets	31,238,462	28,261,272

*Some investments in the Fixed interest, Other investment assets and International equities asset classes that were reported as Investments at 30 June 2023, have been restated to Credit, Derivative assets and liabilities. Accordingly for the year ended 30 June 2023, (\$256,803,000) has been restated, represented by a movement in Credit of \$265,259,000, Derivative assets of \$100,624,000 and Derivative liabilities of (\$109,080,000).

The Fund is also exposed to credit risk through investments in fixed interest securities which are rated by Standard and Poors. For unrated securities the Trustee assesses credit risk using an approach similar to that used by rating agencies. An analysis of fixed interest securities by credit rating is as follows.

Rating	2024	2023
	\$'000	\$'000
AAA	776,118	703,413
AA+	726,087	458,013
AA	290,124	211,087
AA-	115,915	12,130
A+	273,153	187,784
A	36,465	31,440
A-	142,348	90,640
A-1+	5,979	-
B- to CCC+	389,806	320,778
Not rated*	822,235	786,978
	3,578,230	2,802,263

*Some investments in the Fixed interest asset class that were reported as Investments at 30 June 2023, have been restated to Derivative assets and liabilities. Accordingly for the year ended 30 June 2023, (\$8,414,000) has been restated, resulting in a change to the not rated securities.

(d) Liquidity risk

The Fund utilises a number of liquidity management tools. These include liquidity ratios, which monitor changes in the Fund's liquidity position over time; outlook charts, which describe the Fund's forecast allocation to illiquid assets; and liquidity stress testing, which is undertaken to test the Fund's resilience to liquidity shocks. In addition the Trustee closely monitors the sources and uses of liquidity, including member contributions, switching and benefit payment patterns. This monitoring program allows the Fund to manage liquidity to ensure the Fund can meet liabilities as and when they fall due.

The Fund's market listed investments are considered to be readily realisable. The Trustee recognises and accepts that, in general, unlisted assets will not be as liquid. The Fund's allocation to unlisted assets aims to improve returns as a result of the Fund's ability to invest in less liquid assets; however, there is a risk that the Fund may not be able to liquidate all of these assets at their net market value in order to meet its liquidity requirements. The Trustee has considered the risk of a critical liquidity event and has developed a framework and processes within its Liquidity Policy for dealing with such a scenario.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

3. Financial risk management (continued)

(d) Liquidity risk (continued)

The following tables summarise the contractual maturities of the Fund's financial liabilities, based on the remaining period to the contractual maturity date at the year end and represent the earliest date on which the Fund could be required to pay.

30 June 2024	1 year or less A\$'000	1 to 5 years A\$'000	> 5 years A\$'000	Total A\$'000
Financial liabilities				
Accounts payable	41,341	-	-	41,341
Member liabilities	30,367,292	-	-	30,367,292
Derivatives				
Inflows	9,718,639	-	-	9,718,639
(Outflows)	(9,615,535)	-	-	(9,615,535)
Net derivatives	103,104	-	-	103,104

30 June 2023	1 year or less A\$'000	1 to 5 years A\$'000	> 5 years A\$'000	Total A\$'000
Financial liabilities				
Accounts payable	40,735	-	-	40,735
Member liabilities	27,340,271	-	-	27,340,271
Derivatives				
Inflows*	7,039,578	-	-	7,039,578
(Outflows)*	(7,127,398)	-	-	(7,127,398)
Net derivatives	(87,820)	-	-	(87,820)

Member liabilities (refer Note 7) has been included in the less than one year column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however members may not necessarily call upon amounts vested to them during this time.

Derivatives have been disclosed on a gross settlement basis and are based on the remaining period to the contractual maturity date at the year end.

*Some investments in the Fixed interest and International equities asset classes that were reported as Investments at 30 June 2023, have been restated to Derivative assets and liabilities. Accordingly for the year ended 30 June 2023, \$2,314,084,000 has been restated, resulting in a movement in Derivative inflows and (\$2,322,540,000) as Derivative outflows.

(e) Environmental, social and governance (ESG) risk

The Fund's goal is to grow and protect members' retirement savings over the long-term. Environmental, social and governance (ESG) risks and opportunities can have a material impact on investment outcomes. How a company is managed, how it operates, and how it impacts the environment and society all affect a company's likelihood of long-term and sustainable success.

The Fund's approach to ESG is detailed in its ESG Policy and available on the Fund's website and forms the basis of the Fund's ESG procedures and activities. Key ESG priorities for the fund involve supporting the transition to a low carbon economy and supporting Australian small and medium businesses and strengthening communities.

ESG integration involves considering a broad range of ESG risks and processes within our investment risk management framework.

This is achieved through the following:

- ESG risks are integrated in the investment due diligence process for new and existing managers and assets.
- ESG analysis is undertaken prior to making investments and throughout ownership of the investment, taking into consideration risk impacts on the portfolio.
- Engagement with companies the Fund invests in to improve their operations;
- Voting at shareholder meetings to influence company governance; and
- Collaborating with industry groups on responsible investment practices.

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Notes to the Financial Statements
For the year ended 30 June 2024

3. Financial risk management (continued)

(f) Derivative financial instruments

The use of derivatives is an essential part of the Trustee's investment management. Derivatives are not managed in isolation. The Trustee enters into derivative contracts to hedge its foreign currency and its interest rate exposure within its fixed income mandates. In the prior year, the Fund also entered into futures contracts to hedge against equity movements. Derivatives are not used to leverage any investments of the Fund. The following table outlines the risk exposures relating to derivatives held by the Fund as well as the market values of those contracts as at balance date.

	Notional Effective Exposure \$'000	Net Market Value \$'000
2024		
Forward foreign exchange contracts	(9,611,206)	107,433
Futures contracts	(4,329)	(4,329)
Total	(9,615,535)	103,104
2023		
Forward foreign exchange contracts*	(7,123,594)	(84,016)
Futures contracts*	(3,804)	(3,804)
Total	(7,127,398)	(87,820)

*Some investments in the Fixed interest and International equities asset classes that were reported as Investments at 30 June 2023, have been restated to Derivative assets and liabilities. Accordingly for the year ended 30 June 2023, (\$2,318,736,000) and (\$4,651,000) have been restated as Forward foreign exchange contracts and (\$3,804,000) has been restated as Futures contracts.

4. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When assessing fair value of the Fund's unlisted assets, valuers have used the following valuation methodologies across the private equity, infrastructure, and property portfolios, and in some instances have used all three to provide a comparison against each approach:

- capitalisation approach - the annual net rental income is capitalised at an appropriate market yield to arrive at the property's market value. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.
- discounted cash flow approach - this approach incorporates the estimation of future annual cash flows over a period of time by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate to derive a net present value for the property.
- direct comparison approach - this approach identifies comparable sales on a dollar per square metre of lettable area basis and compares the equivalent rates to the property being valued to determine the property's market value.

The fair value assessment of the Fund's investments as at the reporting date includes the best estimate of the impacts of the applicable economic conditions and information available at the time of preparation of the financial statements and includes forward looking assumptions. Investment assets have been listed in order of liquidity.

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Notes to the Financial Statements
For the year ended 30 June 2024

4. Fair value measurements (continued)

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Fund commits to purchase the asset.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(a) Fair value hierarchy

AASB 7 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources. As noted above, market analyses were performed weekly with all Level 1 valuations using the year end strike price for valuation purposes.
- 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). These inputs must be observable for substantially the full term of the financial instrument. As noted above, market analyses were performed weekly with unit prices obtained at or close to 30 June 2024 to ensure accurate and valid fair values were adopted.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). This includes any instrument that is not categorised in Level 1 or Level 2 and includes assets that are subject to various valuations methodologies to determine their fair value. Refer to Note 4b for discussions on the additional steps taken by the Fund to ensure Level 3 assets were valued appropriately.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. 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 asset or liability.

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023. The Fund engages independent accredited valuers to provide an estimate of the market value for directly held investments on an annual or more frequent basis. The Investment Committee with its knowledge of the investment and relevant factors and with advice from its asset consultants, will determine the most appropriate value for the investment within a provided range as advised by the independent accredited valuers. An analysis of the valuation ranges for these assets is provided in Note 4(b). There were no transfers between Level 1 and 2 in the period. The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

2024	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,725,340	1,922,028	-	3,647,368
Fixed interest	85,786	3,492,444	-	3,578,230
Australian shares	7,403,485	78,433	-	7,481,918
International shares	8,512,175	965,787	-	9,477,962
Global floating rate credit	-	-	-	-
Credit	-	426,347	-	426,347
Other investment assets	-	270,257	-	270,257
Property	126	-	1,987,901	1,988,027
Infrastructure	-	-	3,029,242	3,029,242
Private equity	-	-	1,199,987	1,199,987
Derivatives assets	-	152,041	-	152,041
Total	17,726,912	7,307,337	6,217,130	31,251,379
Derivative liabilities	-	48,937	-	48,937
Total financial assets/liabilities	17,726,912	7,258,400	6,217,130	31,202,442

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Notes to the Financial Statements
For the year ended 30 June 2024

4. Fair value measurements (continued)

2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	3,566,012	-	-	3,566,012
Fixed interest*	812,868	1,989,395	-	2,802,263
Australian equities	6,593,017	-	-	6,593,017
International equities*	6,462,513	2,088,874	-	8,551,387
Global floating rate credit	-	15	-	15
Credit*	-	424,475	49,246	473,721
Other investment assets*	-	241,473	-	241,473
Property	-	-	2,157,733	2,157,733
Infrastructure	-	-	2,817,204	2,817,204
Private equity	-	-	923,482	923,482
Derivatives assets*	-	126,924	-	126,924
Total	17,434,410	4,871,156	5,947,665	28,253,231
Derivative liabilities*	-	214,744	-	214,744
Total financial assets/liabilities	17,434,410	4,656,412	5,947,665	28,038,487

*Some investments in the Fixed interest, Other investment assets and International equities asset classes that were reported as Investments at 30 June 2023, have been restated to Credit, Derivative assets and liabilities. Accordingly for the year ended 30 June 2023, (\$256,803,000) has been restated, represented by a movement in Credit of \$265,259,000, Derivative assets of \$100,624,000 and Derivative liabilities of (\$109,080,000).

Reconciliation of Level 3 fair value measurements of financial assets:

2024	Opening balance	Transfers out of level 3	Changes in fair value	Total purchases	Total Sales	Closing balance	Unrealised gains/(losses) in profit or loss
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Credit	49,246	-	2,666	115	(52,027)	-	-
Property	2,157,733	(128)	(203,358)	95,320	(61,666)	1,987,901	(272,950)
Infrastructure	2,817,204	-	219,216	87,549	(94,727)	3,029,242	164,516
Private equity	923,482	-	73,275	232,773	(29,543)	1,199,987	49,221
Total	5,947,665	(128)	91,799	415,757	(237,963)	6,217,130	(59,213)

2023	Opening balance	Transfers out of level 3	Changes in fair value	Total purchases	Total Sales	Closing balance	Unrealised gains/(losses) in profit or loss
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Credit	272,402	-	6,136	381	(229,673)	49,246	3,245
Property	2,531,989	-	(37,114)	4,912	(342,054)	2,157,733	(88,293)
Infrastructure	2,344,117	-	279,252	252,980	(59,145)	2,817,204	234,144
Private equity	731,841	-	43,004	364,223	(215,586)	923,482	(1,046)
Total	5,880,349	-	291,278	622,496	(846,458)	5,947,665	148,050

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**Notes to the Financial Statements
For the year ended 30 June 2024**

4. Fair value measurements (continued)

(i) Private equity

As at 30 June 2024 the Fund has private equity of \$1,200.0m (2023: \$923.5m) categorised as level 3, which include unlisted unit trusts, partnerships and unlisted managed funds. These investments are recorded at the redemption value at balance date, as provided by the external investment manager or general partner.

(ii) Property and Infrastructure

The income approach is applied where there is not a liquid market and where the asset/enterprise independent valuer valuing the underlying assets from the projected cashflows on a Net Present Value (NPV) or Discounted Cashflow (DCF) basis. With regards to properties, independent valuers may also use the capitalisation and/or direct comparison methodologies.

Significant unobservable input	Fair value impact from significant increase in input	Fair value impact from significant decrease in input
Capitalisation rate	Decrease	Increase
Discount rate	Decrease	Increase

30 June 2024

Asset class	Key unobservable input	Fair value \$'000	Range of inputs	Relationship of unobservable to fair value
Credit - Unlisted unit trusts	Manager unit prices	-	10%	A 10% movement in the unit price will result in movement in fair value of \$0m.
Infrastructure - Directly held	Discount rate	1,645,756	7.5% - 10.25%	Increase/(decrease) by 50 bps would (decrease)/increase fair value by \$108.6m.
Infrastructure - Unlisted unit trusts	Manager unit prices	1,383,486	10%	A 10% movement in the unit price will result in movement in fair value of \$138.3m.
Private Equity - Unlisted Unit Trusts	Manager unit prices	1,199,987	10%	A 10% movement in the unit price will result in movement in fair value of \$120m.
Property - Directly held	Discount rate	52,643	7.4-18%	Increase/(decrease) by 50 bps would (decrease)/increase fair value by \$6.3m.
Property - Unlisted unit trusts	Manager unit prices	1,935,258	10%	A 10% movement in the unit price will result in movement in fair value of \$193.5m.

30 June 2023

Asset class	Key unobservable input	Fair value	Range of inputs	Relationship of unobservable to fair value
Credit - Unlisted unit trusts	Manager unit prices	49,246	10%	A 10% movement in the unit price will result in movement in fair value of \$4.9m.
Infrastructure - Directly held	Discount rate	1,550,316	8.25% - 10.5%	Increase/(decrease) by 50 bps would (decrease)/increase fair value by \$94.7m.
Infrastructure - Unlisted unit trusts	Manager unit prices	1,266,888	10%	A 10% movement in the unit price will result in movement in fair value of \$126.7m.
Private Equity - Unlisted Unit Trusts	Manager unit prices	923,482	10%	A 10% movement in the unit price will result in movement in fair value of \$92.3m.
Property - Directly held	Capitalisation rate	1,332,148	4.5% - 5.63%	Increase/(decrease) by 50 bps would (decrease)/increase fair value by \$126.3m - \$146.9m.
	Discount rate	18,575	8.25%	Increase/(decrease) by 50 bps would (decrease)/increase fair value by \$1.6m.
Property - Unlisted unit trusts	Manager unit prices	807,010	10%	A 10% movement in the unit price will result in movement in fair value of \$80.7m.

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Notes to the Financial Statements
For the year ended 30 June 2024

5. Changes in fair value of investments

	2024	2023
	\$'000	\$'000
Investments held at balance date		
Level 1 and 2 instruments		
Cash and cash equivalents	85	16,367
Fixed interest*	39,929	(2,306)
Australian equities	439,902	476,981
International equities*	1,110,382	1,197,795
Credit*	28,471	10,567
Global floating rate credit	-	1
Other investment assets*	(10,065)	15,405
Derivatives	78,103	(80,686)
Level 3 instruments		
Credit	-	3,245
Property	(272,950)	(88,293)
Infrastructure	164,516	234,144
Private equity	49,221	(1,046)
	1,627,594	1,782,174

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

Investments realised during the year

Level 1 and 2 instruments		
Cash and cash equivalents	(1)	40,648
Fixed interest	(42,867)	(58,449)
Australian equities	31,241	131,350
International equities	133,164	2,263
Credit*	(61)	(553)
Global floating rate credit	-	1,177
Other investment assets*	38,849	(474)
Derivatives	(42,727)	(97,761)
Level 3 instruments		
Credit	0	287
Property	(42)	(1,461)
Infrastructure	49	(385)
Private equity	788	(74,594)
	118,393	(57,952)
Change in fair value of investments	1,745,987	1,724,222

*Some investments reported as Fixed interest, Other investment assets and International equities asset classes at 30 June 2023, have been restated to Credit and Derivatives. Accordingly for the year ended 30 June 2023, \$8,756,000 in unrealised gains/(losses) has been restated, represented by a movement in Credit of \$10,077,000 and Derivatives (\$1,321,000). (\$553,000) in realised gains/(losses) has been restated, represented by a movement in Credit of (\$553,000).

Level 3 property investments

Level 3 Property investments included a number of wholly owned property trusts of which JGS Private Capital Pty Ltd (JGS), not a related party, was appointed Trustee (within the 2023 financial year). Underlying each of these properties is a Syndicated Facility Agreement (SFA), this facility was executed, and available to draw down from 28 July 2023 with a limit of \$554,000,000. This SFA is between Spirit Super Direct Investment Fund (also a wholly owned entity of Spirit Super, with JGS as Trustee), CBA and NAB. The facility is in place for 3 years and interest is charged at the 3 month BBSY rate with a fixed margin of 1.55%.

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Notes to the Financial Statements
For the year ended 30 June 2024

6. Structured and controlled entities

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes ('MIS') to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and/or earning investment income.

The objectives of the investee MIS are to achieve medium to long term capital growth. The investee MIS invest in a number of different financial instruments, including equities, debt instruments and non-financial assets, including property. The investee MIS finance their operations by issuing either redeemable units which are puttable at the holder's option or units which are redeemable only at the discretion of the issuer. These units entitle the holder to a proportional stake in the respective MIS's net assets.

The Fund seeks to hold redeemable shares in each of the MIS it invests in wherever possible.

The exposure to investments in investee MIS at fair value, by investment strategy, is disclosed below:

	Fair value of investment	Fair value of investment
	2024	2023
	\$'000	\$'000
Fixed interest	258,605	252,322
International equities	2,020,831	1,647,002
Credit	132,516	159,217
Property	1,207,049	1,218,512
Infrastructure	850,373	858,738
Private equity	69,638	60,081
Other investment assets	293,804	265,259
	4,832,816	4,461,131

The fair value of financial assets (30 June 2024: \$4,832,816,000, 30 June 2023: \$4,461,131,000) is included in financial investments in the balance sheet.

The Fund's maximum exposure to loss from its interests in investee MIS's is equal to the total fair value of its investments in the investee funds.

During the year ended 30 June 2024, total gains on investments in investee MIS's were \$209,899,000 (total gains for the year ended 30 June 2023: \$140,239,000).

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

Controlled entities

The Fund has multiple investments, listed below, which it controls. However, the Fund has determined that each investment meets the requirements of the investment entity definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

1. The Fund obtains funds from members for the purpose of providing those members with investment management services;
2. The Fund commits to its members that its business purpose is to invest solely for returns from capital appreciation, investment income, or both; and
3. The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

Control is achieved when the Fund:

* has power over the investee

* is exposed, or has rights, to variable returns from its involvement with the investee; and

* has the ability to use its power to affect its returns.

Entity	Principle place of business	Proportion of ownership held by investment entity
Go Victoria Trust	New South Wales	100%
Roc Private Opportunities Fund	New South Wales	100%
Adams Street MTAA PE Fund	New South Wales	99.9%
Adams Street MTAA PE Fund II	New South Wales	99.9%
Parliament Square Hotel Trust	Tasmania	100%
Parliament Square Property Trust	Tasmania	100%
MTAA Superannuation Fund (40 Market St) Property Trust	Victoria	100%
MTAA Superannuation Fund (Chapel Street) Property Trust	Victoria	100%
MTAA Superannuation Fund Property (Ferntree Business Park) Property Trust	Victoria	100%
MTAA Superannuation Fund Property (RG Casey Building) Property Trust	Australian Capital Territory	100%
MTAA Superannuation Fund (100 Broadway) Property Trust	New South Wales	100%

Notes to the Financial Statements
For the year ended 30 June 2024

7. Liability for member benefits

(a) Defined contribution member liabilities

Defined contribution member liabilities are measured at the amount of accrued benefits. Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date. The Trustee's management of the investment market risks is as disclosed within Note 3.

Member account balances are determined by unit prices that are determined based on the underlying investment movements.

Members bear the investment risk relating to the underlying assets and unit prices used to measure the members liabilities. Unit prices are updated daily for movements in investment markets.

At 30 June 2024 \$130,152 (2023: \$121,090) have not been allocated to members' accounts. The amount not yet allocated to members' accounts consists of contributions received by the Fund that have not been able to be allocated to members as at balance date.

Member liabilities vest 100% to members.

	2024	2023
	\$'000	\$'000
Members liability at end of the financial year	<u>30,367,292</u>	<u>27,340,271</u>
Reserves	185,266	320,018
Unallocated contributions	130	121
Net assets available to pay benefits	<u>30,552,688</u>	<u>27,660,410</u>

(b) Defined benefit member liabilities

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due. The amount of accrued benefits has been determined on the basis of the present value of the expected future payments which arise from membership of the Fund up to the measurement date. The figure reported has been determined by reference to the expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions. The valuation of the defined benefit member liabilities is performed by the Fund's appointed Actuary on an annual basis for each of its defined benefit sub funds.

The actuarial value of the defined benefit member liability reflects an actuarial assessment of benefits accrued up to the date of calculation and payable to members on resignation, retirement, death and disablement. This assessment may result in an employer being required to make additional contributions to the sub fund. Each sub fund is quarantined from the others and the other assets of the Fund. In the event that the assets of a particular sub fund is not adequate to meet the member's liabilities and that there are insufficient employer contributions, the defined benefit member liabilities are limited to the assets of the particular sub fund.

The main assumptions used to determine the values of the accrued benefits for each of the Fund's sub funds were:

- Future rate of investment return of investments forecasted for each defined benefit sub fund 4.5% per annum
- Future rate of salary increase forecasted at 3.5% per annum

The Fund's Actuary considers the following movements in the main assumptions used to determine the values of the accrued benefits are reasonably possible for the 2023-24 reporting period:

- Future rate of investment return +/- 1%
- Future rate of salary increase +/- 1%

The impact of the reasonably possible changes in these key assumptions are shown below:

Reasonable possible change in key assumptions	Increase/(decrease) in DB member liabilities \$'000
Increase / (decrease) in future rate of investment return +/- 1% and no change in future rate of salary increase	2024: 114,966 / (115,854) 2023: 123,950 / (124,594)
Increase / (decrease) in future rate of salary increase by +/- 1% and no change in future rate of investment returns	2024: 115,854 / (114,960) 2023: 124,598 / (123,943)
Increase / (decrease) in future rate of investment return +/- 1% and increase / (decrease) in future rate of salary increase by +/- 1%	2024: 230,820 / (230,814) 2023: 248,548 / (248,537)

The amount of the vested benefits attributable to defined benefit members as at 30 June 2024 is \$112,047,956.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

7. Liability for member benefits (continued)

(b) Defined benefit member liabilities (continued)

The following table summarises the financial condition of the sub-funds:

	Effective date of last actuarial review (valuation date)	Actuarial value of accrued benefits for defined benefit members at valuation date	Actuarial value of accrued benefits for defined contribution members at valuation date	Vested benefits for defined benefit members at valuation date	Net assets for defined benefit member at valuation date	Over funded
2024						
Quadrant	30/06/2024	27,558,031	5,472,792	32,599,407	41,804,041	8,773,218
Hobart City Council	30/06/2024	26,326,255	3,011,511	27,256,130	35,186,851	5,849,085
Launceston City Council	30/06/2024	33,747,462	19,185,625	52,192,418	56,311,124	3,378,037
Total		87,631,748	27,669,928	112,047,955	133,302,016	18,000,340
2023						
Quadrant	30/06/2023	33,424,634	6,693,828	39,789,021	48,442,054	8,323,592
Hobart City Council	30/06/2023	27,904,756	2,838,959	29,566,411	36,696,024	5,952,309
Launceston City Council	30/06/2023	34,537,584	20,122,986	54,412,766	57,661,339	3,000,769
Total		95,866,974	29,655,773	123,768,198	142,799,417	17,276,670

*In the Actuary's opinion all the sub funds at valuation date were in a satisfactory financial condition

8. Funding arrangements

Employers provided contributions with respect of defined contribution members at a rate of 11% (2023: 10.5%) of the gross salaries of the employees. Members contributions were made in accordance with the requirements of the Trust Deed pursuant to applications contained in the product disclosure statements and supplements on issue by the Trustee during the year.

The funding policy adopted in respect of the Fund is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. As such, in framing employer contribution rates for the defined benefit funds, the Actuary has considered long-term trends in such factors as Fund membership, the surplus position, salary growth and average market value of Fund assets.

The employers contributing to the defined benefit funds contribute at the rates recommended by the Actuary.

9. Reserves

The Fund maintains an Operational Risk Reserve, in accordance with the requirements established by APRA under Prudential Standard SPS 114 Operational Risk Financial Requirement, and also holds Administration and Direct investment reserves.

The purpose of the Operational Risk Reserve is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The use of the Operational Risk Reserve is governed by the requirements of SPS 114, which is applicable to all APRA-regulated funds. The current Operational Risk Reserve represents approximately 0.28% (2023: 0.28%) of the net assets of the Fund. The Trustee has an Operational Financial Risk Requirement target of 27.5 basis points. During the current and previous financial year, there were no drawdowns made against the Operational Risk Reserve related to an operational risk event.

The General Reserve represents that pool of funds required to meet the general operating and administration costs of the Fund and any unexpected or otherwise unforeseeable operating costs that may arise. Administration levies are deducted from members' accounts to fund the Reserve. It also receives and distributes net investment earnings, (that is, income and capital gains from investments less tax and other relevant deductions). Investment related expenses, including investment related tax expenses, are met from this reserve.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

10. Operating expenses

	Note	2024 \$'000	2023 \$'000
Advertising and sponsorships		13,291	6,314
Internal and external audit fees		819	946
Consulting fees		646	1,771
Depreciation and amortisation		767	878
IT expenses		4,646	3,649
Regulatory fees		2,226	2,176
Secretariat Co expenses (non-investment)	18(c)	53,254	43,966
Trustee expenses		5,121	5,502
Merger-related expenses		9,477	1,213
Other operating expenses		8,964	11,230
Total operating expenses		99,211	77,645

Under section 56 in the *Superannuation Industry (Supervision) Act 1993* (SIS Act), the Trustees may be held liable for breaches of Commonwealth law which can include administrative penalties. To ensure the Trustee can continue to operate the Fund, the Trustees will increase the capital held to ensure it remains solvent in the event of any liabilities imposed after 1 January 2022. The Trust deed has been amended to allow for a Trustee fee to be levied on member accounts.

Trustee expenses includes \$4.9m Trustee fee to allow the Trustee to generate Trustee capital.

11. Investment expenses

	2024 \$'000	2023 \$'000
Investment management and performance fees	60,041	84,810
Investment consulting fees	276	431
Secretariat Co expenses (investment related)	11,604	8,535
Other investment expenses	7,148	9,225
Total investment expenses	79,069	103,001

Included in Investment consulting fees are expenses paid to the Fund's asset consultants to manage some of its unlisted assets.

12. Insurance

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

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members accounts and reinsurance recoveries allocated are recognised in the Statement of Changes in Members Benefits.

13. Income Tax

	2024 \$'000	2023 \$'000
(a) Major components of income tax expenses:		
Income Statements		
<i>Current tax expenses:</i>		
- Current tax charge	28,606	(55,337)
- Adjustments in respect of current income tax of previous years	6,278	(8,654)
<i>Deferred tax:</i>		
- Relating to the originating and reversal of temporary differences	140,216	213,377
- Adjustments in respect of current income tax of previous years	(1,981)	(11,233)
Income tax expense as reported in the income statement	173,119	138,153

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

13. Income Tax (continued)

	2024	2023
	\$'000	\$'000
(b) Reconciliation between income tax expenses and the accounting profit before income tax		
Profit/(loss) from operating activities	2,492,739	2,436,684
Income tax at 15%	373,911	365,503
Imputation credits and other tax credits	(92,844)	(116,270)
Non-assessable investment income	(89,221)	(68,775)
(Over)/under provision in prior years	4,297	(19,887)
Exempt pension income	(23,029)	(22,412)
Other	5	(6)
	173,119	138,153

The above income tax expense is separate to the \$286.7m (2023:\$246.3m) tax on members' contributions disclosed on the Statement of Changes in Member Benefits

(c) Deferred tax

	2024		
	Opening balance	Charged to income	Closing balance
	\$'000	\$'000	\$'000
Deferred tax assets			
Other	5,713	(4,127)	1,586
	5,713	(4,127)	1,586
Deferred tax liabilities			
Unrealised gains in investments subject to CGT	404,026	134,107	538,133
	404,026	134,107	538,133
	2023		
	Opening balance	Charged to income	Closing balance
	\$'000	\$'000	\$'000
Deferred tax assets			
Other	2,969	2,744	5,713
	2,969	2,744	5,713
Deferred tax liabilities			
Unrealised gains in investments subject to CGT	199,138	204,888	404,026
	199,138	204,888	404,026

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

14. Cash flow statement reconciliation

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2024	2023
	\$'000	\$'000
Reconciliation of cash		
The figure shown for cash in the Statement of Cash Flows consists of:		
Cash and cash equivalents	<u>133,888</u>	<u>131,115</u>
Reconciliation of net profit after income tax to net cash from operating activities		
Operating result after tax	(134,106)	(16,835)
Adjusted for:		
Increase in assets measured in fair value	(2,583,719)	(2,510,064)
Decrease/(increase) in fixed assets*	2	(126)
Depreciation and impairment	791	878
Increase in insurance	(15,074)	(22,361)
Decrease/(Increase) in receivables	100	(486)
Increase in payables	3,198	9,461
Increase in income tax payables	281,950	224,132
Allocation to member's accounts	2,453,726	2,315,366
Net cash (outflow) from operating activities	<u>6,868</u>	<u>(35)</u>

*Increase in fixed assets was reported as investment activities at 30 June 2023, and have been restated as operating activities.

15. Commitments

As at 30 June 2024, the Fund had commitments of \$476.2m (2023: \$465.1m) in respect of uncalled elements of its investments. The uncalled commitment relate to the Fund's private equity investments, property and infrastructure investments. Time bands cannot be placed on those commitments, as it is difficult to predict the exact timing and pace of capital calls for any commitment based investment.

16. Contingent assets and liabilities

There were no material contingent assets or liabilities at the reporting date (2023: \$Nil).

17. Significant events after balance date

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operation of the Fund, the result of those operations, or the state of affairs of the Fund in future financial years.

SPiRiT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

18. Related parties

(a) Trustee and key management personnel

The Trustee of the Fund throughout the year was Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628). The following directors of the Trustee were key management personnel during all or part of the reporting period up to the signing date:

Independent Chair

M. Wilton

Independent Directors

A. O'Donnell

Employer Nominated Directors

P. Savige*

G. Lowe*

J. Mazengarb

S. Parr*

Member Representative Directors

R. O'Donnell*

D. Smith* (Ceased - 31 March 2024)

A. Dettmer (Appointed - 1 April 2024)

J. Munday

T. Lynch*

The following executive officers were key management personnel during all or part of the reporting period up to the signing date:

Executives

J. Murray* (Chief Executive Officer)

S.M. Lim (Acting Chief Finance Officer)

R. Judd* (Chief of People and Culture)

K. Crawford* (Chief Operating Officer)

N. Lyons* (Chief Strategy Officer)

R. Barry* (Chief Investment Officer)

A. Meh** (Chief Technology Officer)

W. Sadler (Chief Risk Officer)

* These persons are members of Spirit Super. Their membership terms and conditions are the same as those applied to other members of the Fund

** Ceased as Spirit Super Chief Technology Officer on 27 August 2024. Simon Reiter commenced in the role on 5 August 2024

(b) Compensation of key management personnel

The Trustee directors are remunerated for their services to the Trustee and the Fund. Directors are paid an annual fixed amount.

Compensation of the Trustee's directors and the executives as listed in 16(a) was:

	2024	2023
	\$	\$
Short-term employer benefits	4,465,348	4,132,317
Post-employment benefits	379,844	359,661
Long-term benefits	81,610	91,797
	<u>4,926,802</u>	<u>4,583,775</u>

All key management personnel are also reimbursed for reasonable expenses incurred in carrying out their duties for the Trustee.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

18. Related parties (continued)

(c) Related party transactions

Motor Trades Association of Australia Superannuation Fund Pty Limited

Motor Trades Association of Australia Superannuation Fund Pty Limited, the Trustee, is fully reimbursed from the Fund for all expenditure incurred on its behalf.

MTAA Superannuation Fund (Secretariat Co.) Pty Ltd

MTAA Superannuation Fund (Secretariat Co.) Pty Ltd ("Secretariat Co.") is wholly owned by the Fund. The Fund utilises Secretariat Co. as a management services company through which it engages staff to provide member administration, investment administration, back office, IT, finance and related support services to the Fund. In addition to director and staff-related costs which includes learning and development costs, Secretariat Co. also incurs occupancy costs associated with Spirit Super's offices, software and IT-related costs.

Secretariat Co.'s running costs are reimbursed on a full cost recovery basis from the Fund. This amounts to \$69,247,024 for the 2024 year (2023: \$55,846,924).

M. Wilton, A. O'Donnell and the Fund's CEO, J. Murray are the directors of Secretariat Co.
There are no directors' fees paid or payable to director of Secretariat Co for these positions.

Quadrant First Pty Ltd

MTAA Superannuation Fund (Secretariat Co.) Pty Limited holds 100% of the shares in Quadrant First Pty Ltd (QFPL).

At 30 June 2024, \$Nil was receivable from QFPL. The Fund paid QFPL \$1,036,727 for the provision of financial planning services including the provision of authorisations to authorised representatives of the Fund. At 30 June 2024 \$96,479 was payable to QFPL. The Fund's General Manager, Partnerships and Business Development, Alan Thuaux and Chief Operations Officer, Kathleen Crawford are the directors of QFPL as at balance date. There are no directors' fees paid payable to directors of QFPL for these positions.

Tasplan Pty Ltd

Tasplan Pty Ltd remains registered but is not operational. It will remain registered for a period of 7 years following the successor fund transfer to Motor Trades Association of Australia Superannuation Fund Pty Ltd, for the purpose of maintaining insurance, access to records and potential claims.

At 30 June 2024, John Mazengarb is the sole shareholder for Tasplan Pty Ltd. Both John Mazengarb and Tom Lynch are directors of Tasplan Pty Ltd. There are no directors' fees paid or payable to directors of Tasplan Pty Ltd for the period 1 July 2023 to 30 June 2024.

Industry Super Holdings

Spirit Super has a 5.16% holding in Industry Super Holdings Pty Ltd (ISH) (2023: 5.16%), which through the following subsidiaries provides services to the Fund as follows:

IFS Insurance Solutions Pty Ltd (IFSIS) provides insurance broking and insurance consulting services to Spirit Super. These services are provided under normal commercial terms and conditions. Fees for services provided during the year amounted to \$Nil (2023: \$52,520).

Industry Fund Credit Control Pty Ltd (IFCC) provides debt collection services to Spirit Super. These services are provided under normal commercial terms and conditions. There were no services acquired from or payments to IFCC in the current reporting period \$Nil (2023: \$Nil).

Industry Fund Financial Planning (IFFP) provides financial planning services to the Spirit Super for the Fund's members. These services are provided under normal commercial terms and conditions. Fees for services provided during the year amounted to \$Nil (2023: \$Nil).

Industry Super Australia (ISA) provides marketing, research and policy information services. Spirit Super jointly funds the marketing campaign of ISA and contributes funding for policy development and research. Fees for services provided during the year amounted to \$1,485,582 (2023: \$1,693,263).

J.Murray is a director of ISA. There was no remuneration paid for this directorship.

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

18. Related parties (continued)

(d) Controlled entities related parties

The Fund has multiple investments which it controls. However, the Fund has determined that it is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

1. The Fund obtains funds from members for the purpose of providing those members with investment management services;
2. The Fund commits to its members that its business purpose is to invest solely for returns from capital appreciation, investment income, or both; and
3. The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund has established a number of investment vehicles known as special purpose entities (SPE's) for trading, investment, investment administration and support services. Control is achieved when the Fund:

- * has power over the investee
- * is exposed, or has rights, to variable returns from its involvement with the investee; and
- * has the ability to use its power to affect its returns.

The Fund has concluded that of the controlled SPE's, MTAA Superannuation Fund (Secretariat Co.) Pty Ltd is a service entity that provides administration and support services to the Fund. The Fund has deemed them to be immaterial for consolidation purposes.

All other controlled SPE's are deemed to be Investment Entities as they have been established for the purpose of holding investments. The Fund measures and evaluates the performance of the investments on a fair value basis. As such, these entities have not been consolidated and are accounted for at fair value.

Each SPE's principal place of business is 39 Brisbane Avenue, Barton, ACT 2600. The following table is a list of all active SPE's during the reporting period, the relevant asset class and the Fund's ownership interest in each. Dormant entities have not been listed.

	Ownership Interest %	
	2024	2023
Property		
MTAA Superannuation Fund (121 Marcus Clarke Street - Parking) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (121 Marcus Clarke Street) - Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (40 Market Street) Property Pty Ltd	100%	100%
MTAA Superannuation Fund (Alkimos) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Chapel Street) Property Pty Ltd	100%	100%
MTAA Superannuation Fund (Ferntree Business Park) Property Pty Ltd	100%	100%
MTAA Superannuation Fund (Flagstone Creek and Spring Mountain Park) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Flinders Ports Storage) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Flinders Ports Storage No. 1) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Flinders Ports Storage No. 2) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Flinders Ports Stores) Property Pty Ltd*	100%	100%
MTAA Superannuation Fund (Flinders Ports) Utilities Pty Ltd*	100%	100%
MTAA Superannuation Fund (R. G. Casey Building) Property Pty Ltd	100%	100%
MTAA Superannuation Fund (100 Broadway) Property Pty Ltd	100%	100%
Parliament Square Hotel Pty Ltd	100%	100%
Parliament Square Property Pty Ltd	100%	100%
Spirit Super Direct Property Investment Fund	100%	100%
Infrastructure		
MTAA Superannuation Fund (Air-Serv International Holding) Utilities Pty Ltd*	100%	100%
MTAA Superannuation Fund (Latin Power) Utilities Pty Ltd*	100%	100%
MTAA Superannuation Fund (MIP) Infrastructure Pty Ltd*	100%	100%
MTAA Superannuation Fund (NTL Broadcast) Utilities Pty Ltd*	100%	100%
MTAA Superannuation Fund (TransACT) Utilities Trust	100%	100%
MTAA Superannuation Fund (MIPV) Infrastructure Trust	100%	100%
MTAA Superannuation Fund (Carrix) Utilities Trust	100%	100%

SPIRIT SUPER
Notes to the Financial Statements
For the year ended 30 June 2024

18. Related parties (continued)

(d) Controlled entities (continued)

Private Equity

MTAA Superannuation Fund (Companion Funds) Private Equity Investments Pty Ltd*	100%	100%
MTAA Superannuation Fund (Icon Parking Services) Utilities No. 1 Pty Ltd*	100%	100%
MTAA Superannuation Fund (Icon Parking Services) Utilities No. 2 Pty Ltd*	100%	100%
MTAA Superannuation Fund (MGOP) Private Equity Investments Pty Ltd*	100%	100%
MTAA Superannuation Fund (SALSA) General Partner Pty Ltd*	100%	100%
MTAA Superannuation Funds (SALSA) Research and Development Pty Ltd*	100%	100%

Service Entities

MTAA Superannuation Fund (Secretariat Co.) Pty Ltd	100%	100%
Quadrant First Pty Ltd	100%	100%

Other related parties

R Barry is a director of all of the above SPE's marked with an *. There was no remuneration paid for these directorships.

ANU MTAA Super Venture Capital Partnership L.P., is a venture capital limited partnership (VCLP), between the Fund and the Australian National University (ANU), established for the purposes of investing in the commercialisation of research and in early stage venture capital projects.

Shaun O'Malley is a director of ANU MTAA Super Venture Capital Pty Ltd (the 'General Partner' of the VCLP) and ANU Connect Ventures Pty Ltd (the "Investment Manager" for the VCLP). No director's fees are paid for the directorships.

There are no directors' fees paid or payable to Directors for these positions.

19. Segment Information

The Fund operates in one reportable business segment, being the provision of benefits to members. The Fund also operates from one reportable geographic segment, being Australia, from where its activities are managed. Whilst the Fund operates from Australia only, the Fund has investment exposures in different countries and across different industries. Revenue is derived from interest, dividends, gains on sales of investments and unrealised changes in values of investments.

20. Auditors' remuneration

	2024	2023
	\$'000	\$'000
Amount paid to Ernst & Young		
Audit Services provided by Fund auditor		
Audit of financial statements and regulatory requirements of various entities within the Fund	466	416
Other services provided by the Fund auditor		
Website support services	44	95
Independent audit of information security - APRA CPS 234 Tripartite	-	165
Operational risk profile review	-	77
Taxation services	34	8
Unit pricing review	69	-
Other services	61	-
	674	761


SPIRIT SUPER
Trustee Declaration
For the year ended 30 June 2024

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

- (a) the accompanying financial statements and notes set out on pages 1 to 34 are in accordance with the Corporations Act 2001 (cth) including:
Australian Accounting
(ii) give a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date,
- (b) the Fund's financial statements have been prepared in accordance with its constituent Trust Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations; the requirements under section 13 of the Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2024, and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Motor Trades Association of Australia Superannuation Fund Pty Limited (ABN 14 008 650 628) as Trustee for Spirit Super.

Director: 

Director: 

26 September 2024

Independent auditor's report to the members of Spirit Super

Opinion

We have audited the financial report of Spirit Super (the RSE), which comprises the statement of financial position as at 30 June 2024, the income statement, statement of changes in member benefits, statement of cash flows and statement of changes in equity/reserves for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

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

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

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

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

Responsibilities of the directors for the financial report

The directors of Spirit Super (the Trustee) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on the audit of the Remuneration Report

Page 3

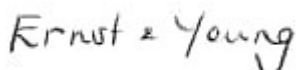
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

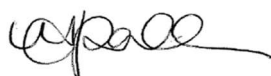
In our opinion, the Remuneration Report of Spirit Super for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

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



Ernst & Young



Maree Pallisco
Partner
Sydney

26 September 2024

