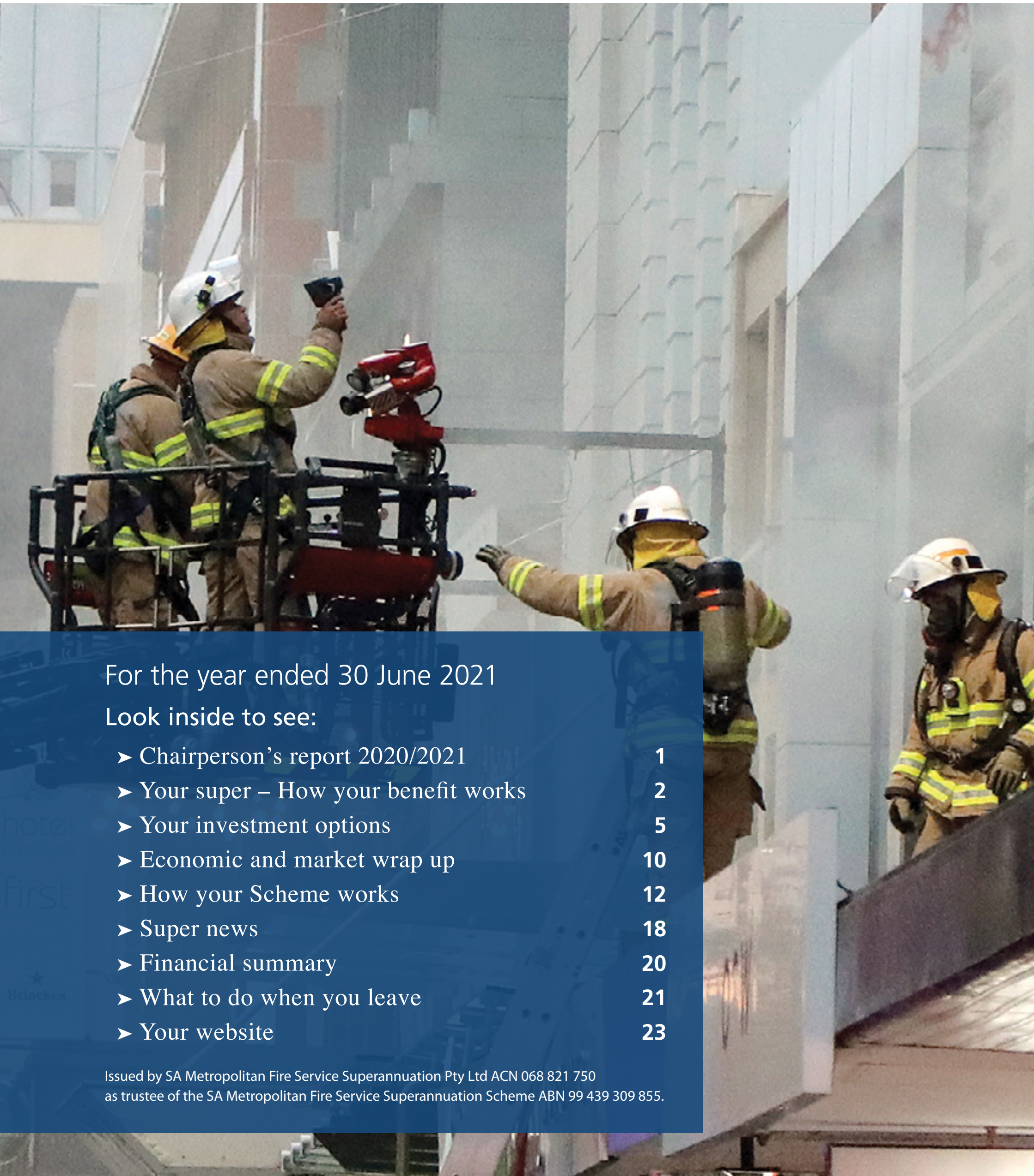
SA Metropolitan Fire Service
Superannuation Scheme

Annual Report

METROPOLITAN FIRE SERVICE SOUTH AUSTRALIA



For the year ended 30 June 2021

Look inside to see:

Issued by SA Metropolitan Fire Service Superannuation Pty Ltd ACN 068 821 750
as trustee of the SA Metropolitan Fire Service Superannuation Scheme ABN 99 439 309 855.

Message from the Chairperson

Welcome to the 2020-2021 Annual Report

This past year was another busy one as the Scheme continued to adapt to legislative developments with insurance and super and introduce new services to address the needs of the membership.

The unprecedented territory of COVID-19 had a significant impact on the Scheme. To ensure the safety of all staff, members and employers in response to the pandemic, we quickly enacted our business continuity plans to effectively operate the Scheme with little or no disruption of service to members. We were proud of our ability to transition to working-from-home and serving our members to the best of our ability whilst being respectful of the patience and understanding shown by members during this time.

Share markets globally continue to move higher, with supportive monetary and fiscal stimulus, vaccine rollouts enabling COVID-19 restrictions to be eased in many places and pent-up demand and excess savings propelling earnings growth. However, inflation and investor concerns on long term growth have been flagged as key risks to the positive outlook.

The Scheme's investment portfolios, as managed by Funds SA, produced exceptional returns which have boosted the medium and long term returns to fund the defined benefit and insurance coverage. Retiring members received fully funded lump sums well in excess of industry averages.

The Board regularly reviews the Scheme's investment strategy and as always, our investment options and strategy focus on the delivery of consistent long-term returns in line with investment objectives. This is particularly important in light of current high valuation ratios being sustained by equity markets.

We continue to support members through easy to use and personalised online experiences like the new interactive website launched during year. The response and engagement with the Scheme's digital solutions, particularly the Member App, which is a popular addition, is very pleasing.

The Board and Management team are committed to providing a high level of personal service and promoting the health and wellbeing of members.

I would like to acknowledge the continuing contributions of my fellow Board members, the Management team in ensuring members continued to receive outstanding service during these unprecedented times and our professional service providers.

The Board is committed to our goal of helping members make the very most of their super.

Garry Powell
Chairperson

Your super – How your benefit works

If you are a Defined Benefit member

All permanent employees are Defined Benefit members.

After age 50

After age 50 the benefit will be allocated investment earnings, which may be positive or negative, applicable to your chosen investment option.

Your retirement benefit is 'defined'. This means that your benefit on retirement is based on a calculation that takes into account your years of service and your final average salary (please refer to the Member Benefit Guide for more information about how your benefit is calculated).

Before age 50

As you would be aware, some benefits on leaving service prior to age 50 are related to the Scheme's earnings, i.e. the Immediate Benefit option. The assets for the Defined Benefit section of the Scheme are invested in the Growth option and therefore the investment earnings generated by this option will be allocated to your compulsory contributions to calculate your leaving service benefit options.

Alternatively you may choose the Deferred Benefit option. Under this option the Defined Benefit component of the Deferred Benefit will remain in the Scheme until you request payment after age 50. This component will be indexed annually by the movement in the Consumer Price Index (CPI Adelaide – All Groups) subject to a minimum of zero, from the date you cease employment to your 50th birthday.

If you are an Accumulation member (or you are a Defined Benefit member with an accumulation account)

Your accumulation investment purchases units

The net amount of your superannuation contribution in an accumulation account (i.e. after any fees and/or taxes are deducted) buys what is known as 'units' in the Scheme. The number of units that your net contributions buy depends on the unit price at the relevant time. For example, if your net contributions are $1,000 (i.e. after any fees and/or taxes are deducted) and the unit price is $1.00 at that time, then 1,000 units would be bought on your behalf.

Unit prices are calculated on a weekly basis and fluctuate according to the investment performance of the Scheme (i.e. the unit price for the Scheme will reflect the value of the Scheme's underlying investments after making provision for tax on those investments and investment management fees).

The value of your accumulation account balance at any time is simply the number of units you have multiplied by their unit price at that time.

Net earnings on the Scheme's investments (which may be positive or negative) will be reflected via changes in unit prices. If the net earnings for the Scheme are positive, the unit price will increase. If the net investment earnings are negative (a loss), the unit price will decrease.

The effective rate of net earnings for a given period can therefore be determined by the proportionate increase (if returns are positive) or decrease (if returns are negative) in the unit prices from the start to the end of the period.

Your member statement shows how many units you have and their value as at 30 June 2021.

Your options – Accumulation benefits

Your Scheme offers you a choice of where to invest your super account balance.

Different members have different financial needs and no one investment option will suit everyone. That's why you have a choice of 6 options* in this Scheme. You can choose to split your current account balance between any of the 6 investment options*. You can also allocate your future contributions between any of the 6 investment options.

The rate of return (positive or negative) you can expect from each investment option will vary according to the asset class(es) it is invested in.

Historically, an investment option invested mainly in growth assets (e.g. shares and property) has provided the best returns over the long term (more than 10 years). However, high growth options tend to have the most variation in returns from year to year. On the other hand, with an investment option that is invested mostly in defensive assets, such as fixed interest and cash, you could expect lower returns over the long term but less variation in returns from year to year.

However, you should be aware that past performance should not be relied upon as an indicator of future performance.

If you do not nominate an investment option when you join the Scheme or commence making any additional voluntary contributions, your super will be invested in the default option nominated by the Trustee. The Scheme's default investment option from 1 July 2020 to 1 June 2021 was the Growth option. From 2 June 2021 the Scheme's default investment option is High Growth.

See pages 5 to 9 for a description of each investment option.

* Note, the Growth investment option closed on 2 June 2021.

Investment returns

The table below shows each investment option's effective rate of net earnings (i.e. the actual rate of return net of tax and investment fees) for each of the past 5 financial years. You should refer to each investment option's objectives on pages 5 to 9. For an explanation of the reasons behind this year's investment returns, please turn to page 10. Please note that past performance is not a forecast or guarantee of future performance.

	High Growth	Growth	Balanced	Moderate	Conservative	Capital Defensive	Cash
1 July 2016 to 30 June 2017	12.5%	10.8%	9.5%	7.7%	6.2%	4.2%	1.7%
1 July 2017 to 30 June 2018	10.9%	9.3%	8.1%	6.6%	5.2%	3.6%	1.6%
1 July 2018 to 30 June 2019	7.6%	7.3%	7.0%	6.4%	5.7%	4.8%	1.7%
1 July 2019 to 30 June 2020	-1.1%	-0.6%	-0.4%	-0.4%	0.2%	0.8%	0.8%
1 July 2020 to 30 June 2021	22.9%	20.2%*	19.5%	13.8%	9.6%	5.5%	0.1%
Compound average effective rate of net earnings for period 1 July 2016 to 30 June 2021	10.3%pa	9.3%pa	8.5%pa	6.7%pa	5.3%pa	3.8%pa	1.2%pa

* Investment return for the Growth option is from 1/7/2020 to investment option closure 2/6/2021

Defined Benefits assets

Defined Benefit assets for permanent employees under age 60 are invested in the Growth option.

Since 1 July 2013, Defined Benefit assets for permanent employees over age 60 have been invested in the Conservative option.

See the table on page 3 for the 5-year compound returns to 30 June 2021, after fees and taxes.

Changing your investment choice

Once you have made your investment choice, it will continue to apply until you inform the Scheme of a new choice. You are able to switch your investment choice once a week. Forms received by the Trustee by 5pm Thursday will be processed at the next declared unit price, generally on the following Monday.

Call the Manager on (08) 8204 3826 for details on how to make a change.

We recommend that you seek professional financial advice before making any financial decisions.

Is there a fee involved?

The first investment switch you make each financial year is free. For any subsequent switches you make during that year, a fee of $30.00 is deducted from your account balance.

Planning to leave?

For Accumulation benefits, the investment earnings (positive or negative) that apply to your chosen investment option are calculated up to the day you leave the Scheme and applied to your benefit.

For Permanent employees, the Defined Benefit portion of your benefit will be invested in the Growth investment option effective from the date of your leaving service (if under age 50 and you choose the Immediate Benefit option) or in the Cash investment option effective from the date of your leaving service (if over age 50). Any Accumulation derived benefit will continue to be invested in your chosen investment option/s.

If you are a Permanent employee under age 50 and choose the Deferred Benefit option, the Defined Benefit component of the Deferred Benefit will remain in the Scheme until you request payment after age 50. This component will be indexed annually by the movement in the Consumer Price Index (CPI Adelaide – All Groups) subject to a minimum of zero, from the date you cease employment to your 50th birthday. After age 50 the benefit will be allocated investment earnings applicable to your chosen investment option which may be positive or negative.

Indexation rate for Deferred members

Members that have elected to defer their benefits in the Scheme on ceasing employment prior to age 50 have their benefits indexed each year. The rate that applies depends on when a member elected to defer their benefit. For members who ceased employment prior to 23 June 2003 the annual indexation rate is based on the increase in Consumer Price Index (CPI) plus 3%, whilst for members deferring benefits after 23 June 2003 the annual indexation rate is CPI.

The rates applicable for the year ending 30 June 2021 are as follows:

Members electing to defer prior to 23 June 2003	4.2%
Members electing to defer after 23 June 2003	1.2%

Your investment options

Choosing and monitoring investment managers

The Scheme's investments are managed by Funds SA. Funds SA invests and manages over $41 billion on behalf of South Australian public sector superannuation funds and other approved authorities. Funds SA create and deliver multi sector investment products by engaging specialist investment managers and advisers to enable superannuation funds like the Scheme to have access to efficient and well structured investment facilities.

Funds SA determines the allocations of investments in each of the Scheme's investment options, including which managers are used to invest the assets. Funds SA critically assesses the selection of investment managers, manages investment manager appointments and replacements, and reviews and reports on performance against investment objectives.

Each investment option has guidelines for investing

For each investment option there is an investment policy that sets an investment strategy and objectives that determine how and where your money will be invested. While having an objective and strategy are required by law, having a strategy helps your Scheme aim to maximise investment returns while maintaining an acceptable level of risk. **Please note that the objectives are not a forecast or guarantee of future performance**.

Each investment option's performance is monitored regularly against objectives and strategy and changes are made where necessary. A copy of your Scheme's investment policy statement is available on request. There are different levels of investment risk associated with each of the Scheme's investment options. For example, Standard Risk Measures, developed by the Association of Superannuation Funds Australia (ASFA) and the Financial Services Council (FSC) based on industry guidance, measures the risk of negative returns over a 20 year period. The Standard Risk Measure is not a complete assessment of all forms of risk; for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may need to meet their objectives. Further, it does not take into account the impact of administration fees and tax or the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment options.

Please refer to the Scheme's Member Benefit Guide for more information. You can obtain a copy of the Scheme's Member Benefit Guide by calling (08) 8204 3826 or visiting **www.sametrofiresuper.com.au**.

The Scheme's investment approach

The Trustee aims to manage investment risk by offering members a range of investment options for Accumulation benefits that provide diversification by accessing different asset classes.

High Growth option (default option)

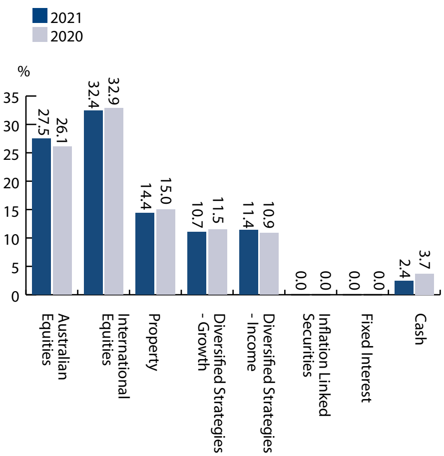
Objectives/Risk

The High Growth investment option is structured for investors with an investment time horizon of at least 10 years. Over this period it aims to earn a return averaging 4.5% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'high' (Risk band 6) meaning that a negative annual return may occur between 4 to 6 years over a 20 year period.

Strategy

The option is invested 70% -100% in growth assets with the balance in income assets.

Where the assets were invested as at 30 June 2021



Note that due to rounding, the sum of the individual numbers within the graphs may not add up to 100%.

Balanced option

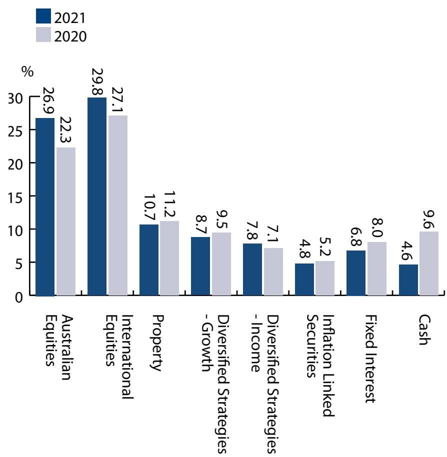
Objectives/Risk

The Balanced investment option is structured for investors with an investment time horizon of at least 10 years. Over this period it aims to earn a return averaging 3.5% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'high' (Risk band 6) meaning that a negative annual return may occur between 4 to 6 years over a 20 year period.

Strategy

The option is invested 60% - 90% in growth assets with the balance in income assets.

Where the assets were invested as at 30 June 2021

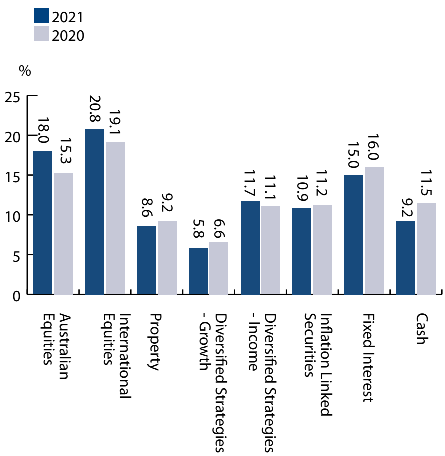


Moderate option

Objectives/Risk
The Moderate investment option is structured for investors with an investment time horizon of at least 6 years. Over this period it aims to earn a return averaging 3% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'medium to high' (Risk band 5) meaning that a negative annual return may occur between 3 to 4 years over a 20 year period.

Strategy
The option is invested 40% - 70% in growth assets with the balance in income assets.

Where the assets were invested as at 30 June 2021



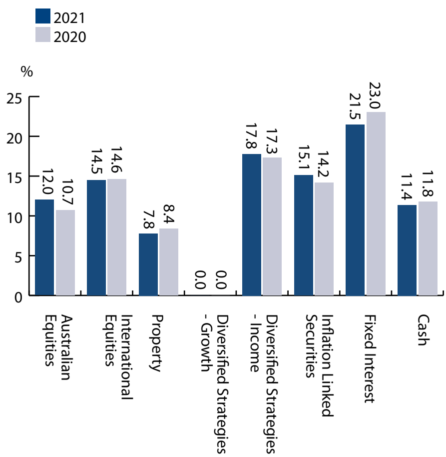
Note that due to rounding, the sum of the individual numbers within the graphs may not add up to 100%.

Conservative option

Objectives/Risk
The Conservative investment option is structured for investors with an investment time horizon of at least 4 years. Over this period it aims to earn a return averaging 2% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'medium' (Risk band 4) meaning that a negative annual return may occur between 2 to 3 years over a 20 year period.

Strategy
The option is invested 25% - 55% in growth assets with the balance in income assets.

Where the assets were invested as at 30 June 2021



Capital Defensive option

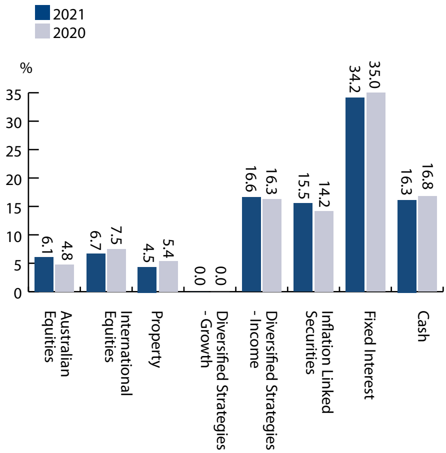
Objectives/Risk

The Capital Defensive investment option is structured for investors with an investment time horizon of at least 2 years. Over this period it aims to earn a return averaging 1.5% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'low' (Risk band 2) meaning that a negative annual return may occur between 0.5 to 1 year over a 20 year period.

Strategy

The option is invested 10% - 40% in growth assets with the balance in income assets.

Where the assets were invested as at 30 June 2021



Note that due to rounding, the sum of the individual numbers within the graphs may not add up to 100%.

Cash option

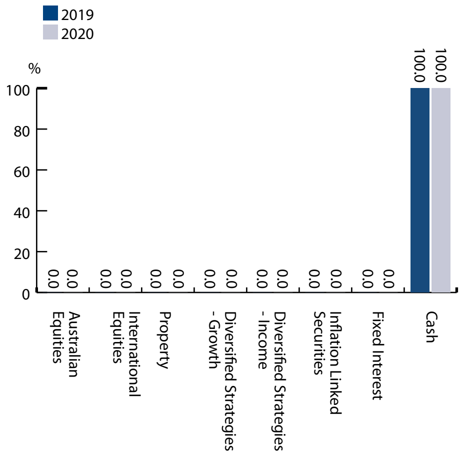
Objectives/Risk

The Cash investment option has a target of maintaining the value of capital. Using the Standard Risk Measure developed by ASFA and the FSC, its risk level is classified as 'very low' (Risk band 1) meaning that a negative annual return may occur less than 0.5 years over a 20 year period.

Strategy

The option is invested 100% in income assets.

Where the assets were invested as at 30 June 2021



Keeping an eye on risk

External investment managers used by Funds SA are required to take steps to ensure that risk is kept at a reasonable level.

The Trustee does not undertake day-to-day management of derivative instruments. Derivatives can be defined as investment products whose value depends on or is derived from separate assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

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

Environmental, social and ethical considerations

Decisions to invest in or realise investments are based on key financial and managerial criteria. The Trustee does not separately consider social, environmental or ethical factors or labour standards to make these decisions.

Economic and market wrap up

Source: Mercer Investments

The 2020-2021 financial year in review

Stock markets finished the past financial year at record highs, defying the economic disruption caused by COVID-19, lockdowns and a delayed vaccine rollout by delivering members with the strongest returns in nearly a quarter century.

Both the local and global economies are recovering and broad sustained growth is continuing in most parts of the developed world. The past year tested investment philosophies and highlighted the benefits of staying a diversified super fund.

Super funds enjoyed their highest median returns in 24 years with both balanced and growth options delivering nearly 18% for the year to 30 June 2021, according to superannuation research houses Chant West and SuperRatings.

Economies continue to bounce back from COVID-19

Despite the uncertainty and ongoing threat of COVID-19, the past financial year witnessed a rapid and sustained economic recovery from the downturn and large share market losses in the first half of 2020.

Consumer confidence soared on the back of COVID-19 vaccine development in November 2020, which signalled the potential end to lockdowns and a return to something like normal life.

Low unemployment, a strong housing market, increased business activity and government spending have all contributed to the economic recovery seen in Australia.

The future is still bright

The Delta variant of the coronavirus and the ever-changing landscape continued to challenge the economic momentum into the second half of the year.

We believe we are in the early stages of a strong recovery, leading to strong earnings growth over the next couple of years, which should benefit shares and other risk assets.

Global growth is set to strengthen as economies continue to re-open, with governments and central banks committed to supporting jobs and economic activity.

The medium term outlook continues to be for strong economic growth and investment managers can leverage portfolios to capitalise on the changing landscape.

What the 2020-2021 financial year means for your super

The superannuation industry delivered strong returns over the 2020/2021 financial year, with the default option MySuper fund median performance at 17.9%, and the balanced option at 17.6%.

Superannuation is well-diversified by design, invested across a range of asset classes including property, infrastructure, fixed assets, bonds and cash, to help reduce the risk of investing and smooth returns.

It is important to remember superannuation is a long-term investment designed to weather the storm. The COVID-19 pandemic has reinforced the importance of setting up your super to ensure you are on track to meet your retirement goals.

While changes in the market may prompt you to reconsider how your super is invested, it is important to remember that volatility is always just around the corner and a long-term strategy is the best way of riding it out. We always recommend you speak with a financial adviser before taking action.

Some investment terms explained

Consumer Price Index (CPI) — is used to measure the rate of increase in inflation. In Australia, it is based on the change in prices of a selection of household goods and services.

Average Weekly Ordinary Time Earnings (AWOTE) — is used to measure the rate of increase in average wages in Australia.

Asset class — type of investment such as Australian shares, property securities or Australian fixed interest.

Asset allocation — the range of assets held in the various asset classes such as Australian shares, overseas shares, and property.

Growth assets — assets expected to grow in value over time (although their value may rise and fall in the short term), such as shares and property.

Stable assets — assets held to generate an income rather than for long-term growth. They are sometimes referred to as 'debt' or 'defensive' assets. Examples are fixed interest and cash.

ASFA — Association of Superannuation Funds of Australia

FSC — Financial Services Council

How your Scheme works

Your Scheme is run by a trustee company, SA Metropolitan Fire Service Superannuation Pty Ltd ACN 068 821 750 according to its governing legal document, the trust deed, and superannuation law.

There are 7 Directors of the trustee company, 4 Employer Representatives that are appointed by the Employer and 3 Member Representatives.

The Member Representatives are appointed and elected from 2 separate groups. The United Fire Fighters Union Inc (UFU) nominates 3 Directors and Scheme members who are not eligible to join the UFU elect one Director. The period of office for a Member Representative Director is up to 3 years (or longer if the Trustee determines there are special circumstances). Subject to being renominated and being willing to accept the position, the Member Representative Director can be reappointed or re-elected for a further term.

Directors who are either Employer or UFU nominated Member Representatives, will cease to hold office if the nomination by the relevant organisation is withdrawn or the Director becomes ineligible under relevant legislation.

For the Director elected by the Scheme members who are not eligible to join the UFU, he or she will cease to hold office if written notice to that effect is given to the Trustee by a majority of the relevant Scheme members, or the Director becomes ineligible under relevant legislation.

A formal set of rules governing the appointment and removal of Member Directors has been established and is available on request from the Manager (see page 22 for the Manager's details).

The Directors of SA Metropolitan Fire Service Superannuation Pty Ltd during the period from 1 July 2020 to 30 June 2021 were:

Employer Representatives
Garry Powell
Glenn Benham
Roy Thompson
Michael Morgan

Alternate Directors:
Paul Fletcher
Peter Mason

Member Representatives
Nominated by the UFU:
Max Adlam
Greg Chivers
Matt Watherston

Alternate Directors
Jesse Virgo

Elected by Scheme members who are not eligible to join the UFU:
Louise Gardner

Annual benefit statements delivered electronically

If you have provided your email address to the Scheme, your annual benefit statement is delivered via email as an e-statement. Your statement is available through your secure member online account at **www.sametrofiresuper.com.au**

If we don't hold an email address for you on record, we will mail your annual benefit statement to you. To change your annual benefit statement delivery method, please log into your secure member online account at **www.sametrofiresuper.com.au**

Advice about your super

While the Trustee and the Manager can give you information about your benefit in the Scheme, neither the Trustee, the Manager nor your employer can provide you with any financial advice taking into account your personal circumstances, needs and objectives.

If you require any personal advice about superannuation, you should consult an appropriately licensed financial adviser.

You can also access up-to-date information about your benefit in the Scheme by visiting the Scheme website at **www.sametrofiresuper.com.au** The website allows you to:

- view your account balance;
- update your contact details;
- update your beneficiaries;
- change your investment option(s); and
- view your contribution history, account deductions or surcharge details.

Your Scheme's advisers

These people provide assistance to the Trustee:

Accounting and tax services

Sharyn Long Chartered Accountants
Level 6, 216 Georges Tce
Perth WA 6000

Superannuation consulting

Mercer Consulting (Australia) Pty Ltd
Level 6, 70 Franklin Street
Adelaide SA 5000

Administration

Mercer (Australia) Pty Ltd
One International Towers Sydney
100 Barangaroo Avenue
Sydney NSW 200

Death and disablement insurance

Hannover Life Re of Australasia Ltd
Tower 1, Level 33
100 Barangaroo Avenue
Sydney NSW 2000

Auditing services

PricewaterhouseCoopers
Level 11, 70 Franklin Street
Adelaide SA 5000

Actuary

Mercer Consulting (Australia) Pty Ltd
727 Collins Street
Melbourne VIC 3000

Legal

DMAW Lawyers
Level 3, 80 King William Street
Adelaide SA 5000

Mercer Legal Pty Ltd
727 Collins Street
Melbourne VIC 3008

Investment manager

Funds SA
Level 20, 25 Grenfell Street
Adelaide SA 5000

Insurance protection

The Scheme pays for insurance to protect the Trustee, its Directors and the Scheme against the financial effects of any 'honest mistake' that might occur in running the Scheme.

Special tax treatment

Super is one of the most effective ways to save because it is taxed at a lower rate than many other forms of income. To get this tax advantage, your Scheme must operate according to a strict set of laws.

The Trustee is unaware of any event that occurred during the year that would affect this special tax treatment.

Fees and costs

The costs of running the Scheme are managed carefully.

This section shows fees and other costs you may be charged. These fees and costs may be deducted from your account, from the returns on your investment, or from the Scheme assets as a whole. You need to take into account the impact of tax as well.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Please refer to the Scheme's Member Benefit Guide for more information.

You do not pay GST on any of the fees and charges set out below.

If you are a Defined Benefit member then fees and costs will not generally impact your defined benefit.

Fees and other costs table

Type of fee	Amount	How and when paid
Investment fee	Nil	The applicable investment fees and costs incurred in the Scheme's underlying investments are included in the indirect cost ratio below.
Administration fee	Permanent Employees: Nil Deferred members: Nil Parked and Spouse members: $4.88 per week Retained fire-fighters: $1.35 per week	This fee is deducted monthly.
Buy-sell spread	Nil	
Switching fee	1 free switch per year; subsequent switches are $30 each	The switch fee is deducted from your accumulation benefit at the time you switch investments.
Exit fee/Withdrawal fee	Nil	
Advice fees relating to all members investing in a particular product or investment option	Nil	

Other fees and costs[1]

Type of fee	Amount	How and when paid
Indirect cost ratio (ICR)	Ranges from 0.05% to 1.24%. The ICR is different for each investment option.	The ICR is calculated and applied in determining the weekly unit price for each investment option.

[1] Other fees and costs which may apply to you are: family law fees and activity fees. Please refer to the Additional Explanation of fees and costs on page 16 for details.

Additional explanation of fees and costs

This section provides further information on fees and costs.

Family Law: fees for information and for splitting your super – charged to members and/or their former spouses for various services

Where fees apply	Fee	Who pays the fee
Application for information – in the format specified under the Family Law Act		Payable by the person requesting the valuation.
– For Defined Benefit valuation	$250	
– No valuation required	Nil	
Splitting a benefit	$385	Shared equally by both parties and will be deducted from each super benefit at the time the benefit is split.
Flagging a benefit	Nil	N/A

For more information about Family Law and how it may affect you, please call or write to the Manager.

Indirect cost ratio

The indirect cost ratio (ICR) shown includes fees and costs that are not deducted directly from your account that impact on your investment returns. This includes the fees and costs of managing your investments by specialist investment manager, Funds SA. The ICR shown includes any performance-related fees and costs and any transactional and operational costs.

The investment management fee that Funds SA deducts before they declare returns covers costs such as fund manager fees (including performance-related fees), asset consulting fees, custodian fees, investment-related legal advisory fees, and an administration fee that covers expenses incurred by Funds SA in managing the funds as well as transactional and operational costs associated with the investments.

Investment option	ICR year to 30 June 2021 (%p.a.)
Cash	0.05
Capital Defensive	0.45
Conservative	0.50
Moderate	0.75
Balanced	0.85
Growth**	1.00
High Growth	1.05

* Estimated investment-related expenses associated with the Scheme's investments in pooled investment products are included as indirect costs. Investment fees and indirect costs are taken into account in calculating the investment returns (positive or negative) to your account. These amounts can vary and cannot be calculated precisely in advance. The table above shows estimated indirect costs incurred which are estimated based on information for the 12 month period ended 30 June 2021. Actual amounts may vary.

** ICR for the Growth option is from 1/7/2020 to investment option closure on 2/6/2021.

Performance-related fees (RG97)

Some of the managers of pooled investment vehicles managed by Funds SA are entitled to a performance-related fees if they outperform certain benchmarks. The estimated performance-related fees (if any) for each of the investment options for the year ending 30 June 2021 are set out in the table below:

Estimated performance-related fees for year to 30/6/2021	
Investment option	**Fees (%)**
High Growth	0.41
Growth	0.40
Balanced	0.33
Moderate	0.23
Conservative	0.03
Capital Defensive	0.02
Cash	0.00

Performance related fees are included in the indirect cost ratios shown for each option.

Surcharge tax

Prior to 20 June 2005, an additional 'surcharge tax' was charged on the super accounts of some higher income earners. This tax only applied to certain contributions and to some termination payments made by your employer.

Although this tax was abolished from 1 July 2005, it still applies to some contributions and termination payments that were made before 20 June 2005. In these cases, the Australian Tax Office (ATO) will issue surcharge tax assessments or amended surcharge assessments in respect of those contributions and termination payments.

If the Scheme is required to pay surcharge tax in relation to you, the tax payable is deducted from your super account in the Scheme. If you roll your super into the Scheme from another fund, any surcharge tax liability may be transferred to the Scheme.

If you leave the Scheme and we receive a surcharge assessment or an amended surcharge assessment for your account, we will return it to the ATO. The ATO will either forward it to your new fund or to you.

Insurance costs

For Defined Benefit members, insurance premiums are currently paid from the Scheme and factored into the contributions you and your employer make. If this arrangement were to change in the future you would be appropriately advised.

For Retained firefighters the insurance premiums are paid by your employer.

Any additional voluntary insurance premiums are deducted from your accumulation account.

There is no insurance cover for Parked, Spouse or Deferred members.

Indexation of fees

The administration fees for Parked and Spouse members set out in the 'Fees and other costs' table may be indexed annually each 1 April to AWOTE, with the next indexation occurring at 1 April 2022.

Fee increases (other than indexation)

The Trustee has the right to increase fees at any time. You will receive at least 30 days' notice of any increase in fees.

No-TFN tax refund fee

If we don't receive your Tax File Number (TFN) then additional tax is payable in respect of your concessional contributions (see the section 'You'll pay extra tax if the trustee does not have your TFN' in the Tax & super section of the Member Benefit Guide, available on the website, for more details). If you leave the Scheme and your super payout is paid from the Scheme before we receive your TFN, an allowance for this additional tax will be deducted from your super payout. A charge of $800 will apply if you subsequently provide your TFN and request that this additional tax be refunded and paid to you or rolled over to your new super fund from the Scheme. This fee is additional to the fees shown in the "Fees and other costs table".

Your 2021 super update

Super guarantee (SG) rate increase

The SG rate at which employers are required to make superannuation contributions for most employees increased from 9.5% to 10% from 1 July 2021.

Increase in super pension and contribution caps

A number of superannuation rates and thresholds were increased from 1 July 2021, including the:

- general transfer balance cap indexed up to $1.7 million from $1.6 million
- base concessional contribution cap to from $25,000 to $27,500
- annual non-concessional contribution (NCC) cap from $100,000 to $110,000

More flexible contribution rules for over 64s

Effective from 1 July 2020:

- the age at which the Work Test begins to apply for voluntary super contributions has increased from 65 to 67
- the age limit for spouse contributions has increased from 69 to 74
- the period in which a member may be eligible to use the 3-year non-concessional contribution bring forward rule has been extended to the end of the financial year in which the member turns 67 (previously 65)

COVID-19 – Temporary reduction in minimum pension drawdown requirements

The Government's COVID-19 relief package included a 50% reduction in the minimum drawdown requirements for account-based pensions and similar products. The reduction, which originally applied for the financial years 2019/20 and 2020/21 and has been extended to to apply to the financial year 2021/22.

Super co-contribution scheme threshold changes

Where your total income during the 2021/22 financial year is between $41,112 (increased from $39,837) and $56,112 (increased from $54,837), and you make an after-tax contribution to your super fund, the federal government will pay you 50 cents for each dollar you contribute to your super fund, up to a maximum. The maximum co-contribution is $500 if you earn less than $41,112 and reduces as your total income increases. If you earn more than $56,112, you will not get a co-contribution.

Eligibility conditions include that you will need to:

- not have contributed more than your non-concessional contributions cap;
- be under age 71 at the end of the financial year in which you are making the contribution; and
- have a total super balance of less than $1.7 million at 30 June 2021.

For more information, including the other eligibility criteria, head to the ATO website.

Coronavirus early release ‘recontributions’

Individuals who utilised the Coronavirus early release of super initiative can make ‘recontributions’, between 1 July 2021 and 30 June 2030, that do not count toward their non-concessional contributions cap.

Proposed changes yet to be legislated

The following measures, generally proposed to take effect from 1 July 2022, were announced in the 2021 Federal Budget but have not yet been legislated at the time of preparing this report:

removing the Work Test that those aged 67 to 74 must currently meet in order to make voluntary super contributions (the Work Test would still have to be met to claim a tax deduction) removing the current $450 per month minimum earnings threshold, under which employees do not have to be paid the Super Guarantee by their employer increasing the maximum amount of voluntary contributions that can be released under the First Home Super Saver Scheme (FHSSS) from $30,000 to $50,000 reducing the minimum eligibility age to make downsizing contributions into super from 65 to 60 years of age.

Financial summary

This is a summary of the Scheme's audited accounts for the year ended 30 June 2021. You can request a copy of the audited accounts and the auditors report from the Manager.

Statement of the change in financial position	
Scheme assets at 30 June 2020	**$427,672,679**
plus	
Net investment revenue	$87,247,051
Employer and salary sacrifice contributions	$23,292,683
Member contributions	$1,703,770
Transfers from other funds	$2,124,706
Insurance proceeds	$702,065
Total revenue	**$115,070,275**
less	
Benefits paid	$21,841,966
General administration expenses	$546,006
Other operating expenses	$637,426
Insurance premiums	$933,406
Income tax expense	$12,178,073
Total expenses	**$36,136,877**
Net assets as at 30 June 2021	**$506,606,076**

Financing the Defined Benefits

Under the financing arrangements for permanent employees' benefits, the Employer pays a contribution of the Superannuation Guarantee amount plus 4% of members' superannuation salaries.

Statement of financial position 30 June 2021	
Investment by facility	
Investments	$522,710,882
Cash at bank	$1,262,060
Other assets	$55,047
Receivables	$13,458
Total assets	**$524,041,447**
Liabilities	
Benefits payable	$0
Provisions for tax	$17,272,472
Other liabilities	$162,899
Total liabilities	**$17,435,371**
Net assets as at 30 June 2021	**$506,606,076**

These accounts were prepared by Sharyn Long Chartered Accountants.

Superannuation salary is based on the salary at 1 April each year and changes for Scheme purposes at each 1 July.

Members are required to pay the relevant contribution rate based on their age at the date joining the Scheme.

Each year, the Scheme's actuary conducts a review of the Scheme's financial position to determine if the contributions being made are sufficient to meet the ongoing financial requirements of benefits to members.

What to do when you leave

Permanent employees

Following your termination of employment with a participating employer, you have 90 days from when you receive your termination letter from the Scheme to make arrangements for your super. If you don't advise the Trustee of where your benefit is to be paid you will remain in the Scheme as a Parked member effective from the date of your termination of employment.

If you are under age 50 and you don't provide the Trustee with any instructions regarding your benefit, the amount of your benefit will be based on the amount payable for the Immediate benefit as detailed in the Scheme's Member Benefit Guide and you will no longer have the option to select the Deferred benefit.

If you are aged 50 or more, and you don't provide the Trustee with any instructions regarding your benefit, the amount of your benefit will be based on the amount payable for the Retirement Benefit.

It is important to note that your Defined Benefit derived portion will be invested in the High Growth investment option if under age 50 (and you choose the Immediate Benefit option) or in the Cash investment option if over age 50, effective from the date of your leaving service, and will accumulate with investment earnings which may be positive or negative. Any Accumulation derived benefit will be invested in your chosen investment option/s and will accumulate with investment earnings which may be positive or negative.

If you are a Permanent employee under age 50 and choose the Deferred Benefit option, the Defined Benefit component of the Deferred Benefit will remain in the Scheme until you request payment after age 50. This component will be indexed annually by the movement in the Consumer Price Index (CPI Adelaide – All Groups) subject to a minimum of zero, from the date you cease service to your 50th birthday. After age 50 the benefit will be allocated investment earnings applicable to your chosen investment option which may be positive or negative.

Retained fire-fighters

If you are about to leave work and take your super, make sure you respond promptly to letters from the Trustee about your benefit payment.

If you have reached age 65 and have not told your Scheme how and where to pay your benefit, and you cannot be contacted, then your benefit will be considered unclaimed money. It will then be placed with the ATO or relevant State or Territory authority. You will then need to contact the ATO or State or Territory authority to find out how to claim your benefit.

Prior to 1 May 2021, if your super account balance in the Retained Benefits section was less than $2,000 for a period of 12 months and no contributions were received for you during this period, your benefit would have been transferred to the Scheme's Eligible Rollover Fund (ERF) on your behalf. From 1 May 2021, these funds will be transferred directly to the ATO.

By 30 June 2021, the trustee of an ERF must transfer ERF low-balance accounts (less than $6000 as at 1 June 2021) to the ATO. By 31 January 2022, all remaining accounts held by the ERF must be transferred to the ATO. The ATO will proactively consolidate the ERF amounts it receives into an active super account for each individual. The purpose of this change is to reduce duplicate accounts and associated fees.

Members will have the ability to claim any benefits transferred to the ERF by contacting them directly prior to 31 January 2022. After that, members will be able to claim these benefits from the ATO. The ERF used by the Trustee was Australian Eligible Retirement Fund.

Like to know more?

As a member of the SA Metropolitan Fire Service Superannuation Scheme, you already have access to a Member Benefit Guide containing information about your benefits and rules governing the Scheme. You also receive an annual Benefit Statement containing important personal information about your benefits in the Scheme. All of these documents and more are available at **www.sametrofiresuper.com.au**

Other documents relating to the Scheme that are available for you to look at are:

- the trust deed and rules,
- the investment policy statement,
- the enquiries and complaints procedure, and
- the Privacy Policy.

If you have a question about your benefits in the Scheme, please contact the Manager. Please note that neither the Trustee, its directors nor the Manager are able to give any financial advice relating to your own personal circumstances.

If you need personal financial advice, you should speak to a licensed financial adviser.

The Manager is:
Mr Alan Kent
Manager
SA Metropolitan Fire Service Superannuation Scheme
99 Wakefield Street
Adelaide SA 5000
Phone: (08) 8204 3826
Email: alan.kent@sa.gov.au

Your website

At the SA Metropolitan Fire Service Superannuation Scheme, we're keen to ensure you have fast and easy access to information about your super, presented in a way that is easy to understand.

The website is divided into 2 parts – a public area and a secure member area.

The public area of the website

The public homepage provides information about the Scheme, the latest Annual Report, and includes the Scheme's documents and forms. It also includes a range of planning tools and an article library which has special interest and education articles on a range of financial topics, not just super.

The secure member area of the website

To access the secure member area, go to the 'Sign in' section in the top right hand side of the homepage (see below for sign in information). This area allows you to:

- check your current account balance,
- view your preferred dependant details and update them if required,
- download your annual Benefit Statements since 30 June 2007,
- download documents & forms,
- view a year-to-date statement of your account (Accumulation members only),
- view a history of transactions for your account ,
- change your PIN/password,
- see how your super is invested and make changes to your investment strategy online,
- stay on top of your contributions, including how you're tracking against the annual contribution limits,
- monitor taxes and any fees deducted from your account, and
- view a summary of administration workflow related to your super.

Sign-in today to manage your account online

Sign-in to your member account at **www.sametrofiresuper.com.au** and get up-to-date information about your account at any time.

You'll need your member number (your Personal ID as shown on your latest Benefit Statement) and your PIN/password to access your personal account online.

Forgotten your PIN/password?

Call the Mercer Helpline on 1300 132 573 and one of their friendly consultants will assist you.

Mobile website

You can also login using our mobile website – your super on the go!

The mobile friendly version of the site allows you to see your:

- super balance,
- transaction history,
- personal details,
- investments, and
- contributions.

You can also update your PIN/password and, if you have any website related questions, there is a click through capability to call the Helpline or the Manager for information regarding the Scheme.

To access the mobile site, simply enter **www.sametrofiresuper.com.au** into your smartphone browser and get your super on the go! Alternatively you can scan the QR code above using the QR reader in your smartphone and it will take you directly the mobile site.

Enquiries and complaints

Most queries can be sorted out over the phone, but if we are unable to help you immediately, you can make a complaint over the phone or by writing to:

Enquiries and Complaints Officer
SA Metropolitan Fire Service Superannuation Scheme
GPO Box 98
ADELAIDE SA 5001

The Complaints Officer will generally reply to your enquiry as soon as possible. By law your complaint should be resolved within 45 days (or within 90 days if your complaint is about a superannuation death benefit distribution). Sometimes further time is required for complicated matters. If more time is needed you will be advised.

If you have a complaint and you are not satisfied with the response, or the matter can't be resolved, you may be able to refer the matter to The Australian Financial Complaints Authority (AFCA). AFCA is an independent body which is set up to help resolve disputes between super funds and their members.

AFCA can be contacted at

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Protecting your privacy

Your Scheme holds personal information about you, such as your name, address, date of birth, salary and tax file number in order to provide your super benefits. This personal information may be disclosed as necessary to the Scheme's administrator and professional advisers, insurers, Government bodies, employers, and other parties.

The Scheme has a privacy policy that sets out in more detail the way your personal information is handled. If you would like a copy of the Scheme's privacy policy, please contact the Scheme's Privacy Officer Mr Alan Kent on (08) 8204 3826.

Disclaimer

This annual report has been prepared by the Trustee to meet its legislative obligations. The information contained in this annual report includes information and general advice, which does not take account of the specific needs, personal or financial circumstances of any persons. Readers should obtain personal advice from a licensed financial adviser before making any changes to their own superannuation arrangements or investments. You should also read carefully the Scheme's Member Benefit Guide.

The terms of your membership in the Scheme are set out in the Scheme's trust deed and, should there be any inconsistency between this annual report and the Scheme's trust deed, the terms of the Scheme's trust deed prevail. While all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors and omissions.

All statements of law or matters affecting superannuation policy are up-to-date as at 30 June 2021.

This document contains general information about investments and investment performance. Please remember that past performance is not necessarily a guide to future performance.

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