

# Communiqué

SuperRatings awards  
Platinum to legalsuper

Gold winner Money  
Best of the Best

Best value insurance in  
Rainmaker awards

## From the Chief Executive

ANDREW PROEBSTL

2019 has continued to see considerable attention paid to Australia's superannuation industry.

At the time of settling this communicate, legalsuper was awarded a Platinum rating by SuperRatings placing it in the top 25 per cent of Australia's super funds and named gold winner of the Money Magazine Best of the Best 2019 awards in the category of Best-Value Insurance in Superannuation.

On 1 February 2019 Kenneth Hayne QC delivered his final report for the Financial Services Royal Commission, which along with the Productivity Commission's review into Superannuation, highlighted important matters for our industry to address.

In addition, a raft of reforms by the



Commonwealth Government took effect from 30 June 2018 and more are proposed in policy statements by both major parties as changes to Australia's superannuation system continues to be commonplace.

While 2017/18 produced strong returns for most investors, the first half of 2018/19 saw higher volatility and lower investment returns.

This biannual report outlines legalsuper's performance to 31 December 2018 and covers pertinent recent and upcoming developments.

## We specialise in serving Australia's legal profession

legalsuper's client service model is designed for the particular needs of the legal profession and expectations of our members.

Our highly personal approach means we can best understand our members and also provide optimum service and information.

In the six months to 31 December 2018 we conducted 1,004 face-to-face member meetings, 658 employer

meetings and 22 workplace seminars.

We were awarded the best value insurance offering in the Rainmaker SelectingSuper awards and paid \$7.9million in insured benefits to members in the six months to 31 December 2018.

Our Board includes experienced legal practitioners and we return all profits to our members.

## Key statistics

AT 31 DECEMBER 2018

**\$3.67billion**  
total assets

**44,453**  
total members

**9,740**  
total employers

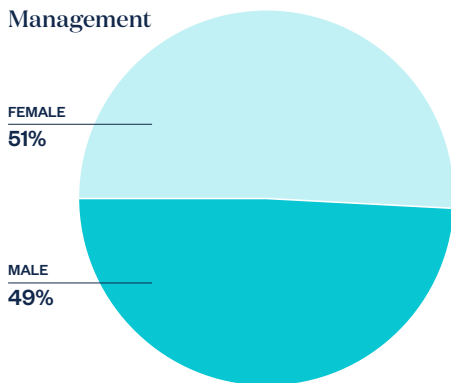
**6.5%p.a.**  
investment return<sup>1</sup>, for  
MySuper balanced, 3 years  
ended 31 December 2018

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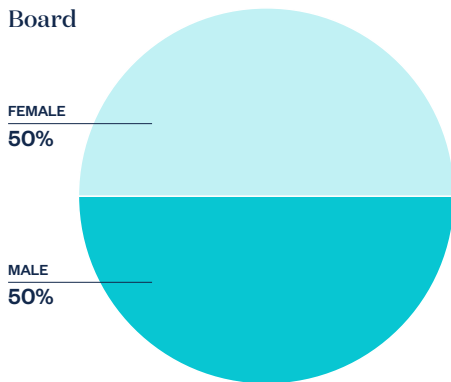
## Our people

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### Management



### Board



Kirsten Mander commenced as Chair of our Board on 15 December 2017. Seven additional client service appointments were made, further expanding the reach of our client service team.

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## legalsuper's business model

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Our Board and management team are supported by more than 30 specialist out-sourced advisers and providers including fund administration, legal advice, audit, investment management, insurance, research, asset consulting and custody.

We benefit from the collective best-in-class expertise of the external expert providers with which we choose to partner.

We continually review and evaluate the performance of every external partner and apply rigorous monitoring and oversight procedures.



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## Pertinent superannuation changes

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Important reforms<sup>3</sup> which applied from 1 July 2018 include:

- Pre-tax contribution cap: \$25,000 p.a. for everyone
- After-tax contribution cap: \$100,000 p.a.
- Retirement phase: \$1.6m transfer balance cap on the amount you can transfer from your accumulation super account to a retirement phase account
- Transition to retirement income streams: taxed at 15%, formerly was exempt from tax

## Supporting the legal community

legalsuper supports the professional development programs of every Law Society across Australia and we are a Corporate Partner of the Australian Legal Practice Management Association.

We are working with SANE Australia to support mental health in the legal community.



## Asset allocation of all funds under management

The overall asset allocation for the whole fund at 31 December 2018 was as follows:

Cash and short term deposits	9%
Australian fixed interest securities	11%
International fixed interest securities	7%
Australian equities	30%
International equities	25%
Alternative assets	7%
Property	10%

## Top 10 stock holdings as at 31 December 2018

	Australian shares	%	International shares	%	Property	
1	Commonwealth Bank of Australia	5.97%	Alphabet Inc.	2.34%	Westfield Miranda, Sydney	3.93%
2	CSL Limited	5.69%	Microsoft Corp	2.13%	Gateway, 1 Macquarie Place, Sydney	3.92%
3	Macquarie Group Limited	5.45%	Unitedhealth Group Inc.	1.85%	Westfield Carindale, QLD	3.68%
4	Westpac Banking Corporation	5.19%	Apple Inc.	1.23%	Westfield Marion, SA	3.10%
5	Seek Limited	4.42%	Amazon.com Inc.	0.91%	Sunshine Plaza, QLD	2.87%
6	BHP Group Limited	4.14%	Taiwan Semiconductor Manufacturing Ads Each Cnv Into 5 Ord	0.86%	International Towers Sydney - Tower One	2.71%
7	National Australia Bank	2.35%	Mastercard Inc.	0.80%	Macarthur Square, NSW	2.55%
8	Australia and New Zealand Banking Group	2.23%	Procter & Gamble Com Npv	0.79%	Lakeside Joondalup, WA	2.48%
9	Atlas Arteria	2.15%	Abbott Lab Com	0.78%	Darling Park 2, Sydney	2.35%
10	Carsales.Com Limited	2.06%	Pfizer Inc.	0.78%	Erina Fair, NSW	2.33%

## Future outlook

Over the coming year we will continue to focus on delivering strong investment returns, further enhancing members services and keeping fees low.

Our new website is now live, providing enhanced content and substantially improved navigation. We are transitioning to daily unit pricing from our weekly pricing approach thereby providing increased transparency and immediacy for account updates. Our direct investment option, whereby members can invest their balance into individual securities of their choosing will be transitioned to a new platform (operated by UBS) with increased functionality and flexibility.

Yours sincerely

**Andrew Proebstl**  
Chief Executive

- 1 Returns are net of investment fees and taxes, gross of administration fees.
- 2 Past performance is not necessarily an indication of future performance.
- 3 Not all changes to Australia's superannuation system are shown.



More information

Call us on: [1800 060 312](tel:1800060312)

email us: [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)

Level 37

140 William Street

Melbourne VIC 3000

This information is of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements and read the legalsuper Product Disclosure Statement (PDS) before making any decision in relation to legalsuper. The PDS can be obtained at [legalsuper.com.au](http://legalsuper.com.au). Past performance is not necessarily an indicator of future performance. Issued by Legal Super Pty Ltd ABN 37 004 455 789 ASFL 246315 as the Trustee for legalsuper ABN 60 346 078 879