



For further information about the methodology used by Chant West, see www.chantwest.com.au



VISSSF 2021 Annual Report

The Victorian Independent Schools Superannuation Fund

ABN 37 024 873 660 RSE Registration Number R1000436

MySuper Authorisation 37024873660599

Trustee: VIS Nominees Pty Limited

ABN 11 006 586 367 AFS Licence Number 235097

RSE Licence Number L0000321

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CHAIRMAN'S MESSAGE

Welcome to the 2021 Annual Report.

The fund year to 31 January 2021 proved to be an exciting one for financial markets with the global coronavirus pandemic ending a decade long bull market, but reversing almost as quickly as it began.

This turnaround led to positive results for the VISSF options with the All Growth option producing a 0.4% return, the Balanced option finishing on 0.9% and the Conservative option delivering 2.2%. These diversified options have higher weightings towards growth assets such as Australian and global shares and continued to outperform their relative benchmarks across target time horizons and longer periods to 31 January 2021.

2020 saw the Federal Government announce a number of temporary measures to provide relief for those experiencing financial hardship. These included early release of super, a reduction in minimum pension drawdown requirements and changes to social security deeming rates. Pleasingly, VISSF provided support to more than 470 members who were able to access close to \$5.3 million.

During the year, we took our face to face educational seminars online and were delighted to see nearly 200 members join the Super Recovery Package and Retiring in a Recession virtual events. These sessions were followed by the release of our Ready, Set, Retire booklet which proved to be very popular amongst members thinking about retirement.

For many, the past year has been a difficult one and has changed our lives forever. But it has also made us reflect on what we have, what we want and where we want to be. And when it comes to super, it certainly pays to keep your eyes on the road if you want to take an active role in managing your journey.

Remember, to make super or retirement decisions with confidence, help and advice is only a phone call away. To the education community, all our members and their families, please stay safe.

Sincerely,

Peter Sharples

FUND MANAGEMENT

Trustee

VIS Nominees Pty Limited

- Manages VISSF and ensures it is run in accordance with any legislative requirements, the Trust Deed and members' best interests.
- The nine directors meet most months and are elected for a two year term, with half retiring each year, except for the Independent Director. They can stand for re-election and, if unopposed, be re-appointed.
- To learn more about who elects directors and how, please visit www.vissf.com.au/publicly-available-information
- The Trustee holds indemnity insurance cover for their role and there were no penalties imposed on responsible persons of the Trustee under the Superannuation Industry (Supervision) Act during the reporting period.

Investment management

Russell Investment Management Limited ABN 53 068 338 974

- Invests in multi-manager funds specialising in particular asset sectors, which are used to form VISSF's four investment options.
- These funds include a number of different independent investment managers, which Russell Investment may change at any time in order to meet VISSF's objectives.

Directors year ended 31 January 2021

Member Representative	Employer Representative
Susan Paice (Deputy Chair) Korowa	Peter Sharples (Chair) Ruyton
Peter Buckingham Tintern	Ian Benskin Mentone Girls'
Anne Saunders Lowther Hall	Christopher Malkin Tintern
Gwendoline Zammit Arcare	Susan Johnston Westbourne
Independent Director	
Shane McMahon	

Policy committee

- Each VISSF school can appoint two representatives – one from the school's governing body and one from members at the school.
- Employer representatives on this committee elect four of their number to act as employer directors on the Trustee board, and member representatives elect four of theirs as member directors.

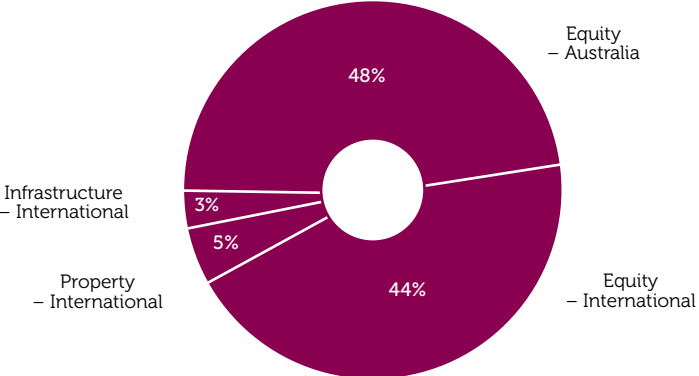
Policy Committee Members year ended 31 January 2021

VISSF Employer	Employer Representative	Member Representative
Arcare	-	Gwendoline Zammit
Fintona	-	Julie Goldsworthy
Firbank	Scott Feehan	-
Girton	-	Debbie Adams
ISV	Warren Allan	-
Korowa	-	Susan Paice
Lauriston	Sarah Barton	-
Lowther Hall	-	Anne Saunders
Mentone	Ian Benskin	-
MLC	James Berry	-
PLC	Hamish Blair	-
Ruyton	Peter Sharples	-
Shelford	Brenton Smith	-
Tintern	Christopher Malkin	Peter Buckingham
Westbourne	Susan Johnston	Caron Condie

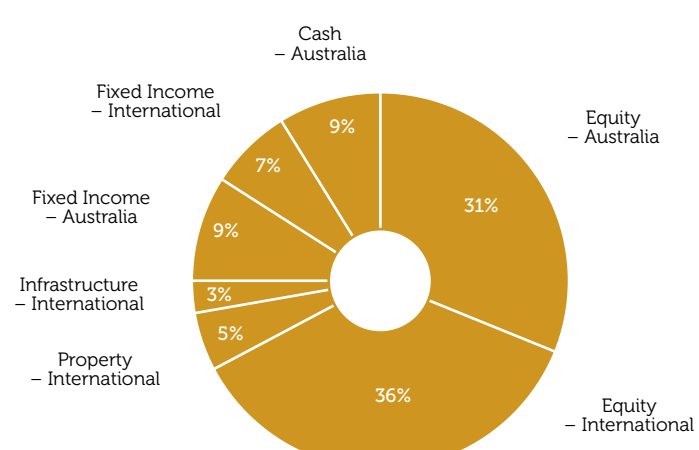
INVESTMENT OPTIONS

VISSF offers four investment options, including a Balanced Option, which is an authorised MySuper product. The other investment options are All Growth, Conservative and Cash. Member’s can choose one option or a combination of different options. If you don’t make a choice, or your choice is unclear, your super will be invested in the Balanced Option.

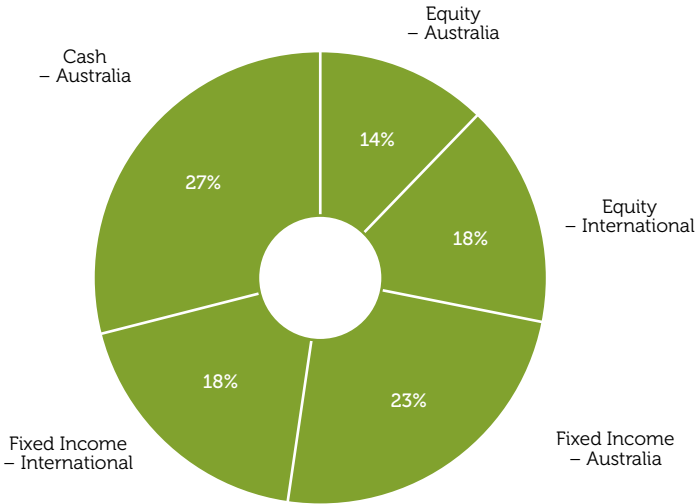
All Growth Option

<p>Description of option and type of investors for whom it is intended to be suitable</p>	<p>In the All Growth Option, 100% of your super is invested in growth assets such as shares and property.</p> <p>Generally an investor in this type of option is likely to be looking for higher investment returns over the long term. They have got the time to ride out investment fluctuations – even watching their benefit go through large ups and downs in performance.</p>																														
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<p>Investment return objectives</p>	<p>The All Growth Option aims to:</p> <ul style="list-style-type: none"> • achieve over rolling seven year periods, a rate of return, after expected tax and fees, in excess of CPI + 3.5%; • achieve over rolling seven year periods, a rate of return in excess of the median of our relevant peers, as measured by a relevant growth fund investment survey; and • maximise the after tax rate of return above inflation, as measured by CPI, over rolling seven year periods, subject to the following constraints: <ul style="list-style-type: none"> • recognising a greater risk of experiencing a negative return in any one year than the Balanced Option; and • maintaining sufficient liquidity to enable VISSF to meet its commitments. 																														
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Balanced Option

<p>Description of option and type of investors for whom it is intended to be suitable</p>	<p>In the Balanced Option, approximately 75% of your super is invested in growth assets such as shares and property and approximately 25% in income assets such as bonds and cash.</p> <p>Generally an investor in this type of option is likely to be looking for high investment returns over the medium to long term. They have still got the time to ride out investment fluctuations.</p>																																								
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Conservative Option

<p>Description of option and type of investors for whom it is intended to be suitable</p>	<p>In the Conservative Option, 32% of your super is invested in growth assets such as shares and property and 68% in income assets such as bonds and cash.</p> <p>Generally an investor in this type of option is likely to be looking for fairly stable investment returns over the medium to long term. They know long term investment returns are likely to be lower than the higher risk options of All Growth and Balanced but they also know there is less chance of reducing the value of their benefit in the short term.</p>																																				
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<p>Investment return objectives</p>	<p>The Conservative Option aims to:</p> <ul style="list-style-type: none"> • achieve over rolling three year periods, a rate of return, after expected tax and fees, in excess of CPI + 1.5%; • achieve on a rolling three year basis, a rate of return in excess of the median of our relevant peers, as measured by a relevant conservative fund investment survey; and • maximise the after tax rate of return above inflation, as measured by CPI, over rolling three year periods, subject to the following constraints: <ul style="list-style-type: none"> • expecting to earn a positive rate of return over most 12 month periods; and • maintaining sufficient liquidity to enable VISSF to meet its commitments. 																																				
<p>Minimum suggested time frame for holding the investment</p>	<p>3 years</p>																																				
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Cash Option

Description of option and type of investors for whom it is intended to be suitable	<p>In the Cash Option, 100% of your super is invested in Australian cash.</p> <p>Generally an investor in this type of option is likely to be looking to protect the capital value of their superannuation and achieve stable returns. They know long term investment returns are likely to be low compared to other options but they are seeking to protect their investment from the chance of any negative returns in the short term.</p>		
Asset class		ALLOWABLE RANGE	ACTUAL ALLOCATION 31.1.21 31.1.20
	Cash - Australia	100%	100% 100%
	Total Income Assets	100%	100% 100%
Investment return objectives	<p>The Cash Option aims to provide exposure to a diversified portfolio of investment grade cash and cash equivalent securities, providing a total return, after costs and tax, in line with the Bloomberg AusBond Bank Bill Index over the short term.</p>		
Minimum suggested time frame for holding the investment	Short Term		
Standard Risk Measure: Risk Band and Label	<p>Risk Band: 1 Risk Label: Very Low</p>		
Estimated number of negative annual returns over any 20 year period	Less than 0.5		

INVESTMENTS

	As at 31 January 2021 \$'000	As at 31 January 2020 \$'000
Russell Managed Investment Funds		
Australian Bond Fund Class A	11,898	11,717
Australian Cash Fund Class A	6,040	3,760
Australian Shares Fund Class A	13,451	15,040
International Bond A\$ Hedged Class A	9,118	9,065
International Shares Fund Class A	6,264	6,980
International Shares A\$ Hedged Class A	7,456	7,865
Australian Opportunities Fund	13,371	14,762
International Property Securities A\$ Hedged	3,243	3,688
Global Opportunities Fund	6,433	7,004
Australian Cash Enhanced Fund Class A	13,019	12,649
Emerging Markets Fund Class A	2,222	2,494
Global Opportunities Fund \$A Hedged Class A	7,686	7,958
Global Listed Infrastructure Fund \$A Hedged Fund Class A	1,972	2,192
Russell Pooled Superannuation Trust		
International Shares Unit	54,272	55,306
International Shares Unit A\$ Hedged	67,244	65,704
Australian Bond Unit	55,641	59,093
International Bond Unit \$A Hedged	42,613	45,669
Australian Cash Unit	21,624	16,691
Australian Opportunities Unit	121,175	122,953
International Property Securities \$A Hedged	30,357	33,458
Global Opportunities Unit	54,936	54,960
Emerging Markets	24,120	23,409
Australian Cash Enhanced Unit	57,671	60,696
Global Opportunities Unit \$A Hedged	67,361	64,381
Global Listed Infrastructure Unit \$A Hedged	17,655	20,723
After Tax Australian Shares Unit PST	121,975	122,175
Total Investments	838,817	850,392

PERFORMANCE

The amount of earnings, whether positive or negative, applied to your VISSF Super or Pension Account depends on the investment option/s you are in and how underlying investments perform. Investment fees, indirect costs and any applicable taxes are deducted from the investment earnings when calculating the crediting rates.

Past performance is not a reliable indicator of future performance. There is no guarantee of the performance of any of VISSF's investment options and your account balance may rise or fall with movements in investment markets.

Accumulation Section crediting rates for the years ended 31 January

	2017 %	2018 %	2019 %	2020 %	2021 %	Compound average % per annum	
						5 year	10 year
All Growth	16.6	16.3	-1.2	17.8	0.4	9.6	8.4
Balanced	12.7	12.9	-0.2	14.5	0.9	8.0	7.5
Conservative	7.4	7.1	1.3	9.4	2.2	5.4	5.7
Cash	1.4	1.1	1.2	0.8	0.0	0.9	1.7
Defined Benefit	13.0	13.2	0.1	14.8	1.3	8.3	7.7
Inflation CPI	1.5	1.9	1.8	1.8	0.9	1.6	1.9

Defined benefit members

The Trustee aims to keep the value of assets in the defined benefit sub-plans exceeding the value of vested benefits in each plan. Each defined benefit employer has agreed to contribute at the rate of contributions recommended by VISSF's independent actuary.

Minimum benefit members' crediting rates, are set out in their annual statement.

Pension Section crediting rates for the years ended 30 June

	2016 %	2017 %	2018 %	2019 %	2020 %	Compound average % per annum	
						5 year	10 year
All Growth	0.0	17.7	13.4	8.0	-5.6	6.3	9.5
Balanced	1.4	13.4	10.4	7.6	-2.5	5.9	8.7
Conservative	3.4	7.2	6.2	6.7	1.6	5.0	6.9
Cash	2.0	1.6	1.6	1.7	0.8	1.6	2.5
Inflation CPI	1.0	1.9	2.1	1.6	-0.3	1.3	1.8

Transition to Retirement Pension crediting rates for the years ended 30 June

	2016 %	2017 %	2018 %	2019 %	2020 %	Compound average % per annum	
						5 year	10 year
All Growth	0.0	17.7	11.6	6.7	-4.5	6.0	9.3
Balanced	1.4	13.4	9.1	6.4	-2.4	5.4	8.4
Conservative	3.4	7.2	5.4	5.7	1.5	4.6	6.7
Cash	2.0	1.6	1.4	1.5	0.6	1.4	2.4
Inflation CPI	1.0	1.9	2.1	1.6	-0.3	1.3	1.8

Applying earnings

Your Member Account is updated with earnings:

- at 31 January (30 June for pensions) each year;
- when all or part of your benefit is paid from VISSF;
- when you make an investment switch; or
- when all or part of your benefit is transferred to or from the Pension Section.

Generally, the Trustee determines crediting rates each week. Earnings are applied to transactions in your Member Account based on the number of days invested.

Crediting rates are applied to:

- your opening account balance at the start of the year;
- contributions, transfers or rollovers received; (where applicable) and
- adjustments for any amounts, such as surcharge assessments paid to the ATO, Family Law Splits, administration fees, insurance premiums and taxes, that are deducted from your account.

ADDITIONAL INFORMATION

Eligible Rollover Fund

VISSF reserves the right to transfer any 'inactive' member with a benefit less than \$200 in the Retained Benefits Section to the appointed Eligible Rollover Fund (ERF). A member is deemed to be 'inactive' where no contributions or transfers have been paid into their account in the previous financial year. Where possible, VISSF will give you 30 days' notice before any such transfer. The ERF used by VISSF is:

SuperTrace ERF
 Locked Bag 5429 Parramatta NSW 2124
 Telephone: 1300 788 750
 Website: www.supertrace.com.au

If your benefit is transferred to the ERF you will no longer be a member of VISSF and therefore will have no further entitlements in VISSF. It is important you note the ERF will not provide any insured benefits and the level of fees and number and types of investment options may be quite different from VISSF. The Trustee reserves the right to change the nominated ERF. If this happens, members will be advised of the change. The Trustee did not transfer any members to the ERF during the year.

Derivatives policy

The Trustee does not undertake day to day management of derivative instruments. However, VISSF may be exposed to derivative instruments through its investment in the underlying funds. The main objective of derivatives is to more efficiently manage the assets of the underlying funds.

RESERVES

VISSF maintains three reserves:

- The **benefit and expense reserve**, invested in the Balanced option, is used to meet unexpected expenses and timing differences between deductions and payments. It may help contribute to the minimum benefit reserve and/or the operational risk reserve as determined by the Trustee.
- The **minimum benefit reserve**, invested in the Balanced option, is mainly funded through a reduction in earnings attributable to minimum benefit members. This reserve is used to help meet any minimum benefit payment owing to a minimum benefit member, that is not covered by their own account balance.
- The **operational risk reserve**, invested in the Balanced option, is required by legislation. The Trustee must maintain adequate financial resources to address losses arising from operational risks that may affect its business operations.

Where a reserve arises in VISSF's defined benefit section, the reserve applicable to each defined benefit school, as determined by the actuary, is applied to manage the funding of benefits by that employer.

Super Surcharge

While the surcharge does not apply to contributions paid on or after 1 July 2005, assessments in respect of contributions and payments for the year ended 30 June 2005 and prior years may continue to be issued by the Australian Taxation Office and remain payable. If VISSF is required to pay surcharge tax in respect of contributions made for you, the tax will be deducted from your Member Account or final benefit. Your annual member statement will disclose any surcharge tax that has been deducted.

Privacy

Australian Privacy Principles in the Privacy Act regulate the way VISSF collects, uses, discloses, secures and gives members access to their personal information.

Information collected in administering your account will only be used for the purpose for which it was supplied and will not be disclosed to a third party unless required by law or authorised by you. If you want another party such as your spouse or financial adviser to access information regarding your benefits, you need to give VISSF written authority to release it.

To obtain a copy of VISSF's Privacy Policy visit www.vissf.com.au/privacy-policy

FINANCIAL REPORT

Abridged financial information	Year ended 31 January 2021 \$'000	Year ended 31 January 2020 \$'000
Statement of Financial Position		
Assets		
Cash and cash equivalents	1,921	4,692
Receivables and other assets	125	102
Investments	838,817	850,392
Deferred tax assets	9	10
Total assets	840,872	855,196
Liabilities		
Payables	(373)	(358)
Income tax payable	(1,128)	(1,072)
Total liabilities excluding member benefits	(1,501)	(1,430)
Net assets available for member benefits	839,371	853,766
Member benefits		
Member liabilities	(815,159)	(827,129)
Unallocated to members	(1)	(12)
Total member liabilities	(815,160)	(827,141)
Net assets	24,211	26,625
Equity		
Benefit and expense reserve	4,054	4,068
Minimum benefit reserve	4,286	5,139
Operational risk reserve	2,764	2,738
Defined benefits that are over or (under) funded	13,107	14,680
Total equity	24,211	26,625
Income Statement		
Superannuation activities		
Interest and other income	104	36
Investment income	4,707	111,858
Total superannuation activities income	4,811	111,894
Administration, operating and other expenses	(2,803)	(2,868)
Net results from superannuation activities	2,008	109,026
Net change in benefits allocated to member accounts and member liabilities	(5,033)	(107,805)
Profit/(loss) before income tax	(3,025)	1,221
Income tax benefit	(611)	(621)
Profit after income tax	(2,414)	1,842

If you would like a copy of VISSF's audited financial accounts and auditor's report, available after 30 April 2021, please telephone 1300 660 027. Members can visit www.vissf.com.au/publicly-available-information to obtain copies of other documents such as the Trust Deed and Rules, procedures for appointment and removal of Directors, and VISSF's actuarial report.

	Year ended 31 January 2021 \$'000	Year ended 31 January 2020 \$'000
Statement of Changes in Member Benefits		
Opening balance as at 1 February	827,141	753,237
Contributions	35,676	40,223
Transfer from other superannuation plans	8,624	12,627
Government contributions	229	271
Income tax on contributions	(4,422)	(4,737)
Net after tax contributions	40,107	48,384
Benefits paid	(55,638)	(81,523)
Insurance premiums charged to members' accounts	(1,944)	(1,852)
Death and disability insurance benefits credited to members' accounts	460	1,089
Benefits allocated to members' accounts	3,461	109,050
Net change in defined benefit member benefits	1,573	(1,244)
Closing balance as at 31 January	815,160	827,141

	Year ended 31 January 2021 \$'000	Year ended 31 January 2020 \$'000	Year ended 31 January 2019 \$'000
Statement of Changes in Reserves			
Benefit and Expense Reserve			
Opening Balance	4,068	4,081	4,497
Transfer (to)/from member accounts	-	-	-
Transfers between reserves	-	-	-
Profit/(loss)	(14)	(13)	(416)
Closing Balance	4,054	4,068	4,081
Minimum Benefit Reserve			
Opening Balance	5,139	4,883	5,280
Transfer (to)/from member accounts	(991)	(301)	(398)
Transfers between reserves	-	-	-
Profit/(loss)	138	557	1
Closing Balance	4,286	5,139	4,883
Operational Risk Reserve Reserve			
Opening Balance	2,738	2,383	2,387
Transfer (to)/from member accounts	-	-	-
Transfers between reserves	-	-	-
Profit/(loss)	26	355	(4)
Closing Balance	2,764	2,738	2,383
Over/(under) funding of defined benefits			
Opening Balance	14,680	13,436	15,716
Transfer (to)/from member accounts	-	-	-
Transfers between reserves	-	-	-
Profit/(loss)	(1,573)	1,244	(2,280)
Closing Balance	13,107	14,680	13,436



The Victorian Independent Schools Superannuation Fund

Phone 1300 660 027

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Web www.vissf.com.au

The Trustee provides this annual report to give you all the information you would reasonably need for the purpose of understanding the management, financial condition and investment performance of The Victorian Independent Schools Superannuation Fund (VISSF) for the year ended 31 January 2021.

This Annual Report is a summary of significant information and contains a number of references to important information. You should consider information contained in the Product Disclosure Statement (PDS) before making a decision about investing in VISSF.

The information provided in this Annual Report is general information only and does not take into account your personal financial situation or needs. You should consider obtaining advice that is tailored to suit your personal circumstances.

You can obtain a copy of this and previous Annual Reports, the PDS and any of the reference documents, including the Member Guide and Insurance Guide, free of charge from our website www.vissf.com.au/pds-documents or by telephoning us on 1300 660 027. When requesting by telephone, the Trustee is required to provide the information to you within 8 business days.

The information contained in this Annual Report is up-to-date at its preparation. However, some of the information can change from time to time. If there is a material change, inaccurate statement or omission, the Trustee will inform you as required or provide updated information on its website. If there is any disagreement between the Trust Deed and this report, the Trust Deed will be the final authority.

This Annual Report is issued on 30 April 2021 by the Trustee of The Victorian Independent Schools Superannuation Fund (ABN 37 024 873 660, RSE Registration number R1000436, MySuper Authorisation 37024873660599) VIS Nominees Pty Ltd (ABN 11 006 586 367, AFS Licence number 235097, RSE Licence number L0000321).