

This Annual Fund Update provides information about your super fund during the 2020/21 financial year. You can find more information at gesb.wa.gov.au or by calling your Member Services Centre on 13 43 72.

Investment information

Net investment plan performance ending 30 June 2021 (%)

	GESB Super ¹			West State Super ²		
	1YR	5YRS	10YRS	1YR	5YRS	10YRS
READYMADE PLANS						
Growth	20.51	8.80	8.65	20.89	9.00	9.09
Balanced	12.96	6.84	7.14	-	-	-
My GESB Super	17.08	7.78	7.94	-	-	-
My West State Super	-	-	-	17.20	8.06	8.37
Conservative	8.33	5.02	5.55	8.07	4.95	5.69
Cash	0.25	1.38	2.14	0.29	1.62	2.52
MIX YOUR PLAN						
Australian Shares	24.76	9.91	8.58	28.86	10.07	8.54
International Shares	27.87	12.33	11.27	32.07	13.86	12.70
Property	23.80	4.09	7.27	28.80	4.87	8.37
Fixed Interest	0.30	2.79	4.02	0.52	3.30	4.75
Cash	0.25	1.38	2.14	0.29	1.62	2.52

	Transition to Retirement Pension ¹	RI Allocated Pension ³			RI Term Allocated Pension ³		
	1YR	1YR	5YRS	10YRS	1YR	5YRS	10YRS
READYMADE PLANS							
Growth	17.84	20.74	8.93	9.10	20.57	8.61	8.70
Balanced	14.87	17.04	7.90	8.22	16.87	7.59	7.85
Conservative	7.07	7.98	4.82	5.61	7.81	4.50	5.25
Cash	0.14	0.18	1.46	2.32	0.01	1.14	1.95
MIX YOUR PLAN							
Australian Shares	24.36	29.48	11.05	9.55	29.17	10.78	9.18
International Shares	27.69	31.84	13.73	12.53	31.68	13.36	12.12
Property	23.76	28.68	4.73	8.20	28.51	4.15	7.71
Fixed Interest	0.22	0.41	3.13	4.56	0.27	2.82	4.19
Cash	0.14	0.18	1.46	2.32	0.01	1.14	1.95

Please note, past performance is not a reliable indicator of future performance. Investment returns for different time periods are available at gesb.wa.gov.au/investment_returns or by calling 13 43 72. Any returns greater than one year are annualised.

- 1 GESB Super and Transition to Retirement Pension: all returns are reported net of Indirect Cost Ratio (ICR), are based on transactional prices and include applicable taxes. Transition to Retirement Pension was inceptioned on 15 June 2017, so longer term returns are not available.
- 2 West State Super: all returns are reported net of ICR and are based on transactional prices. Care should be taken when comparing the investment performance of West State Super with other super funds. We do not pay tax on the investment earnings of the fund because of the untaxed status of the fund.
- 3 RI Allocated Pension and RI Term Allocated Pension: all returns are reported net of ICR, are based on transactional prices and are inclusive of franking credits.

Our Board's investment strategy

Our investment strategies aim to achieve returns over the medium to long term that are consistent with the stated investment objectives, depending on the scheme and investment plan. If you're a GESB Super, West State Super, Retirement Income Pension, or RI Term Allocated Pension member, you can choose from a range of investment plans, with varying degrees of expected risk and return.

Our Board has adopted low, medium and high-risk investment strategies to suit your needs. We ensure our investment approach adheres to the 'Prudential Guidelines for Investments' issued by the Treasurer of Western Australia.

For more information on our investment objectives, strategy and performance, please visit gesb.wa.gov.au/investment.

External investment managers

Under the direction of our Investment team, we appoint a diverse group of external investment managers. The investment managers engaged as at 30 June 2021 are listed below.

Aberdeen Standard Investments	Morrison & Co
Allan Gray Australia Pty Ltd	Ninety One
AMP Capital Investors Ltd	PATRIZIA Property Investment Managers LLP
Ardea Investment Management	Pendal Institutional Limited
Bain Capital Credit LP	Perpetual Investment Management Limited
BlackRock Investment Management (Australia) Limited	PIMCO Australia Pty Ltd
C Worldwide Asset Management	QIC Limited
Causeway Capital Management LLC	Resolution Capital Limited
ClearBridge Investments, LLC	Schroder Investment Management Limited
First Sentier Investors	Solaris Investment Management Limited
GPT Funds Management Limited	Spheria Asset Management Pty Ltd
Invesco Australia Ltd	StepStone Group LP
Kapstream Capital Pty Ltd	Vinva Investment Management Limited
Lendlease Investment Management (Australia) Pty Limited	Wellington Management Company LLP
Macquarie Investment Management Limited	Western Australian Treasury Corporation
Mesirow Financial Investment Management Inc.	

Derivatives

We don't manage derivatives directly, but our investment managers are allowed to use derivatives within the limits of their mandates and the 'Prudential Guidelines for Investments' issued by the Treasurer of Western Australia.

Fund assets exceeding 5%

There were no fund assets that represented more than 5% of the investment portfolio as at 30 June 2021.

Strategic Asset Allocation

Strategic Asset Allocation (SAA) of Readymade plans as at 30 June 2021.

	GESB Super (including Retirement Access)		West State Super		RI Allocated Pension, Transition to Retirement Pension, and RI Term Allocated Pension	
	Target allocation	Allowable range	Target allocation	Allowable range	Target allocation	Allowable range
CASH						
Cash	100%	N/A	100%	N/A	100%	N/A
CONSERVATIVE						
Cash	27%	7% - 47%	29%	9% - 49%	29%	9% - 49%
Investment Grade Bonds	26%	14% - 38%	29%	17% - 41%	29%	17% - 41%
Australian Shares	12%	6% - 18%	8%	2% - 14%	11%	5% - 17%
International Shares	15%	9% - 21%	14%	8% - 20%	11%	5% - 17%
Private Equity	0%	0% - 4%	0%	0% - 4%	0%	0% - 4%
Property	4%	0% - 10%	4%	0% - 10%	4%	0% - 10%
Defensive Alternatives	10%	0% - 22%	10%	0% - 22%	10%	0% - 22%
Infrastructure	2%	0% - 8%	2%	0% - 8%	2%	0% - 8%
Medium Risk Alternatives	4%	0% - 10%	4%	0% - 10%	4%	0% - 10%
BALANCED						
			MY WEST STATE SUPER		BALANCED	
Cash	8%	0% - 28%	5%	0% - 25%	5%	0% - 25%
Investment Grade Bonds	24%	12% - 36%	22%	10% - 34%	22%	10% - 34%
Australian Shares	19%	7% - 31%	17%	5% - 29%	24.5%	12.5% - 36.5%
International Shares	23%	11% - 35%	32%	20% - 44%	24.5%	12.5% - 36.5%
Private Equity	1%	0% - 6%	1%	0% - 6%	1%	0% - 6%
Property	6%	0% - 12%	6%	0% - 12%	6%	0% - 12%
Defensive Alternatives	10%	0% - 22%	8%	0% - 20%	8%	0% - 20%
Infrastructure	3%	0% - 9%	3%	0% - 9%	3%	0% - 9%
Medium Risk Alternatives	6%	0% - 18%	6%	0% - 18%	6%	0% - 18%
MY GESB SUPER						
Cash	3%	0% - 23%	-	-	-	-
Investment Grade Bonds	15%	3% - 27%	-	-	-	-
Australian Shares	25%	13% - 37%	-	-	-	-
International Shares	30%	18% - 42%	-	-	-	-
Private Equity	2%	0% - 8%	-	-	-	-
Property	7%	1% - 13%	-	-	-	-
Defensive Alternatives	7%	0% - 19%	-	-	-	-
Infrastructure	4%	0% - 10%	-	-	-	-
Medium Risk Alternatives	7%	0% - 19%	-	-	-	-
GROWTH						
Cash	2%	0% - 22%	2%	0% - 22%	2%	0% - 22%
Investment Grade Bonds	5%	0% - 17%	11%	0% - 23%	11%	0% - 23%
Australian Shares	30%	18% - 42%	20%	8% - 32%	28.5%	16.5% - 40.5%
International Shares	37%	25% - 49%	37%	25% - 49%	28.5%	16.5% - 40.5%
Private Equity	3%	0% - 9%	3%	0% - 9%	3%	0% - 9%
Property	8%	2% - 14%	8%	2% - 14%	8%	2% - 14%
Defensive Alternatives	3%	0% - 15%	7%	0% - 19%	7%	0% - 19%
Infrastructure	4%	0% - 10%	4%	0% - 10%	4%	0% - 10%
Medium Risk Alternatives	8%	0% - 20%	8%	0% - 20%	8%	0% - 20%

Notes

- The Strategic Asset Allocation (SAA) and other information in this table is current as at 30 June 2021. The target allocations and allowable ranges may be subject to change during your membership. We may alter the SAA or the composition of individual asset classes from time to time, without prior notice. The current SAA was approved on 3 September 2019.
- The cost of managing different investments varies, so the Indirect Cost Ratio (ICR) is different for each investment plan. For example, investment costs for the Cash plan or Conservative plan are lower than those for the Growth plan, as growth assets are typically more complex and expensive to manage. For more information, please refer to the 'Indirect Cost Ratios' section on page 4.

Fees

The fees for our schemes for the 2020/21 financial year are listed below.

GESB Super

The following fees applied to your GESB Super account:

- Account keeping fee - \$5.50 per month
- Administration fee - 0.20% p.a. of your monthly account balance
- Indirect Cost Ratio - please see the table below

West State Super

The following fees applied to your West State Super account:

- Account keeping fee - \$5.50 per month
- Administration fee - 0.04% p.a. of your monthly account balance
- Indirect Cost Ratio - please see the table below

Transition to Retirement Pension, RI Allocated Pension, and RI Term Allocated Pension

Your account has one administration fee, which is included in the Indirect Cost Ratio (see the table below).

This cost is not charged to you as a fee but is deducted from investment returns before earnings are applied to your account. It covers the administration and investment costs related to managing the investments in the investment plan you have chosen.

For the 2020/21 financial year, the administration fee for Transition to Retirement Pension and RI Allocated Pension was 0.12%, and for RI Term Allocated Pension it was 0.28%. The remainder of the fee relates to the ICR.

Indirect Cost Ratios

Indirect Cost Ratios (ICRs) are actual historical figures and don't represent future ICRs. The ICR is an annual percentage fee that covers the cost of managing our investments. It includes a proportion allocated to risk reserves, and any performance fees paid to our external investment managers.

We review and adjust the ICR periodically to take into account prevailing investment expenses. The actual ICR can only be determined at the end of the financial year. The ICR is shown as a percentage of the value of the funds each year and is deducted before the unit price is calculated.

Investment plan	Indirect Cost Ratio 2020/21 - % of the value of the funds				
	GESB Super	West State Super	RI Allocated Pension	Transition to Retirement Pension	RI Term Allocated Pension
READYMADE PLANS					
Growth	0.54	0.53	0.65	0.65	0.81
Balanced	0.42	-	0.55	0.55	0.71
Conservative	0.29	0.29	0.41	0.41	0.57
My GESB Super	0.49	-	-	-	-
My West State Super	-	0.43	-	-	-
Cash	0.06	0.06	0.18	0.18	0.34
MIX YOUR PLAN					
Australian Shares	0.35	0.35	0.47	0.47	0.63
International Shares	0.33	0.33	0.45	0.45	0.61
Property	0.56	0.56	0.67	0.67	0.84
Fixed Interest	0.19	0.19	0.31	0.31	0.47
Cash	0.06	0.06	0.18	0.18	0.34

For more information on fees and costs, please refer to the relevant schedule of fees at gesb.wa.gov.au/brochures or call your Member Services Centre on 13 43 72.

Superannuation Contributions Surcharge

The Superannuation Contributions Surcharge is an additional tax on an individual for certain contributions made to a super fund after 20 August 1996 and before 1 July 2005.

If you are a member of a constitutionally protected fund, such as West State Super, Gold State Super or WA Public Sector Pension Scheme, you are not required to pay any surcharge liability until you have left the fund or start receiving a pension. This means you may have a future obligation under the surcharge legislation. It generally affects members who earn higher incomes. For more information about how this may affect your super and the payment options available, please visit gesb.wa.gov.au/contributionssurcharge.

Our Board

Our Board comprises an independent Chair, three Employer Directors appointed by the Governor of Western Australia, and three Member Directors appointed through elections conducted by UnionsWA.

The Hon. Ben Wyatt LLB MSc MLA, Treasurer; Minister for Finance; Aboriginal Affairs; Lands was GESB's responsible Minister for the period 1 July 2020 to 13 March 2021. From 19 March 2021 to 30 June 2021, GESB's responsible Minister was the Hon. Mark McGowan, MLA, Premier; Treasurer; Minister for Public Sector Management; Federal-State Relations.

The Chair and the Employer Directors are appointed for a term not exceeding five years, and Member Directors are appointed for a term not exceeding three years. The Directors are eligible for re-appointment or re-election at the end of their term.

Our Board between 1 July 2020 and 30 June 2021

- Mr John Langoulant - Chair
- Ms Anne Gisborne - Member Director
- Mr Bruce Hawkins - Member Director
- Ms Naomi McCrae - Member Director
- Ms Catherine Nance - Employer Director
- Mr Frank Sciarone - Employer Director
- Ms Virginia Christie - Employer Director

Indemnity insurance

Our Board has indemnity insurance, and directors' and officers' liability insurance.

Financials⁴

Statement of financial position as at 30 June 2021

	2021 \$'000	2020 \$'000
Investment assets ⁵	34,720,809	29,470,126
Other assets	3,500,440	4,109,815
Total assets	38,221,249	33,579,941
Total liabilities excluding member benefits	(428,080)	(406,821)
Net assets available for member benefits	37,793,169	33,173,120
Member benefits		
Total member benefits	(36,623,760)	(32,466,646)
NET ASSETS	1,169,409	706,474

⁴ This is an extract from our audited notes to the financial statements. Further information detailing asset allocation at a fund level will be available no later than 30 October 2021 in our Annual Report at gesb.wa.gov.au/annualreports or by calling 13 43 72.

⁵ Investment assets include, but are not limited to, cash and cash equivalents, derivative assets and liabilities, term deposits, equities, shares, properties and bonds.

**Statement of net assets available for members for the year ended 30 June 2021
(incorporating a reconciliation to the statement of financial position)**

	2021 \$'000	2020 \$'000
Pension Scheme	107,448	96,994
Gold State Super	3,037,928	2,618,412
West State Super	18,885,878	16,190,465
GESB Super	6,212,432	4,878,946
Retirement Income Pension	6,016,053	5,295,196
Term Allocated Pension	16,784	16,015
Reserves	250,576	244,000
WATC loan	-	(58,107)
Net assets available for member benefits at the end of the year	34,527,099	29,281,921

Adjustments		
Employer-sponsor receivables:		
Pension Scheme	1,328,765	1,452,299
Gold State Super	1,937,305	2,380,793
WATC loan recoverable from State	-	58,107
NET ASSETS AVAILABLE FOR MEMBER BENEFITS AS PER STATEMENT OF FINANCIAL POSITION	37,793,169	33,173,120

Income statement for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Income		
Investment revenue	5,057,019	(419,002)
Changes in loans measured at fair value	1,437	3,778
Other income	7,096	7,321
Total income	5,065,552	(407,903)
Administration expenses	(42,102)	(37,834)
Investment expenses	(87,045)	(66,584)
Other expenses	(1,968)	(5,827)
Total expenses	(131,115)	(110,245)
Net result from operating activities	4,934,437	(518,148)
Net benefits allocated to defined contribution member accounts	(4,472,012)	175,175
Net change in defined benefit member liabilities	711,965	(247,927)
Net result before income tax	1,174,390	(590,900)
Income tax (expense)/benefit	(92,195)	35,584
NET RESULT AFTER INCOME TAX	1,082,195	(555,316)

Statement of changes in member benefits for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Opening balance at the beginning of the financial year	32,466,646	32,022,859
Net after tax contributions	2,339,919	2,425,857
Benefits to members/beneficiaries	(1,878,788)	(1,998,902)
Net insurance charged to member accounts	(58,195)	(51,640)
Net change/benefits allocated to member accounts	3,754,178	68,472
CLOSING BALANCE AT THE END OF THE FINANCIAL YEAR	36,623,760	32,466,646

Movement in reserves for the year ended 30 June 2021

	West State Super government guaranteed payment reserve \$'000	Operational risk reserve \$'000	Accumulation general reserve \$'000	Total reserves \$'000
Balance at 1 July 2018	44,356	92,979	82,519	219,854
Utilisation of reserve	(1,275)	-	(3,431)	(4,706)
Contribution to reserve	-	3,000	13,426	16,426
Transfer between reserve	542	35,207	(35,749)	-
Investment performance	996	2,545	1,616	5,157
Balance at 30 June 2019	44,619	133,731	58,381	236,731
Balance at 1 July 2019	44,619	133,731	58,381	236,731
Utilisation of reserve	(993)	-	(4,019)	(5,012)
Contribution to reserve	-	-	9,292	9,292
Transfer between reserve	-	(59,125)	59,125	-
Investment performance	557	1,581	851	2,989
Balance at 30 June 2020	44,183	76,187	123,630	244,000
Balance at 1 July 2020	44,183	76,187	123,630	244,000
Utilisation of reserve	(2,180)	-	-	(2,180)
Contribution to reserve	-	-	8,049	8,049
Transfer between reserve	-	-	-	-
Investment performance	126	221	360	707
BALANCE AT 30 JUNE 2021	42,129	76,408	132,039	250,576

Notes

- Each reserve must be debited with any costs incurred in relation to that reserve and credited with specified fees, investment return allocation and/or depreciation relating to that reserve. By following this operational instruction, reserves are kept separate to other money and assets.
- Effective from the 2019 financial year, the movement for "accumulation schemes surplus" is merged with the movement for "contribution to reserve". The table above retrospectively merges these two types of reserves movement.

More information

Available on request

For more information on our investment performance, financial position, policy committees and the management of your funds, please see our Annual Report. Our Annual Report will be available no later than 30 October 2021 at gesb.wa.gov.au/annualreports, or you can call us on 13 43 72 for a copy. If you would like a hard copy of this Annual Fund Update, please call 13 43 72, and we will arrange this at no cost to you.

You can find more information, such as extracts from actuarial reports, fund and product information, our auditor's report and Freedom of Information Statement, at gesb.wa.gov.au. If you need help finding the information you need, please call us on 13 43 72.

Enquiries and complaints

If you have an enquiry or complaint, please call us on 13 43 72. For information on our complaints process, please visit gesb.wa.gov.au/brochures and download our '**Resolving your complaint**' brochure.

If you are not satisfied with the outcome of your complaint, you can ask for an independent internal review. If you are still not satisfied after our review, or if your complaint has not been resolved by our internal complaints team within 90 days, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution body, established by the Commonwealth Government. You can contact AFCA by phone on 1800 931 678 (free call), visit their website at afca.org.au, or write to GPO Box 3, Melbourne VIC 3001.

We are responsible for managing the GES Fund and administering the GESB Super, West State Super, Gold State Super, Transition to Retirement Pension, RI Allocated Pension, and RI Term Allocated Pension schemes.

Disclaimer: the information contained in this Annual Fund Update is of a general nature, and does not constitute legal, taxation or personal financial advice. In providing this information, we have not considered your personal circumstances including your investment objectives, financial situation or needs. We are not licensed to provide financial product advice. Before acting or relying on any of the information in this Annual Fund Update you should review your personal circumstances, and assess whether the information is appropriate for you. You should read this Annual Fund Update in conjunction with the relevant Product Information Booklet and disclosure documents at gesb.wa.gov.au/brochures. You may also wish to seek advice specific to your personal circumstances from a suitably qualified adviser.

How to contact us

T Member Services Centre 13 43 72
PO Box J 755, Perth WA 6842

F 1800 300 067

W gesb.wa.gov.au