

ONEPATH CUSTODIANS PTY LIMITED ABN 12 008 508 496
MINUTES OF THE ANNUAL MEMBER MEETING

Trustee of the Retirement Portfolio Service ABN 61 808 189 263 (Fund)

Annual Member Meeting for the financial year ending 30 June 2023 held online via video conference on Thursday 15 February 2024 at 5:00 pm (Melbourne Time).

PRESENT:

Lindsay Smartt	Chair & Independent Non-Executive Director
Beth McConnell	Independent Non-Executive Director
Karen Gibson	Independent Non-Executive Director
Steven Schubert	Independent Non-Executive Director
Marianne Perkovic	Independent Non-Executive Director
Mario Pirone	Independent Non-Executive Director
Renato Mota	Chief Executive Officer
Anne Coyne	Chief Member Officer
Dan Farmer	Chief Investment Officer
Frank Lombardo	Chief Operating & Technology Officer
Mark Oliver	Chief Distribution Officer
David Chalmers	Chief Financial Officer
Anvij Saxena	Chief Risk Officer
Chris Tay	Company Secretary
Sharyn Cowley	Company Secretary
Adrianna Bisogni	Group Company Secretary
Lawrence Hastings	Chief Legal Officer
Christopher Weldon	Chief Client Officer
Melissa Walls	Chief People Officer
Dean Waters	RSE Auditor, KPMG
John Newman	RSE Actuary
Anthony Chan	Actuary
Chris Porter	Defined Benefit Sub Plan Actuary
Geoff Morley	Actuary
Jacqueline Downham	RSE Actuary
Jeffrey Humphreys	RSE Actuary
Michael Berg	RSE Actuary
Saffron Sweeney	Plan Actuary
Surath Fernando	Plan Actuary
Timothy Jenkins	Plan Actuary
Andrew Boal	Consulting Actuary

APOLOGIES:

Garry Mulcahy	Chief Asset Management Officer
David Lewis	RSE Actuary

IMPORTANT INFORMATION:

The presentations, meeting minutes and answers to member questions may contain general advice that does not take into account your objectives, financial situation or needs. Before you act on any general advice, you should consider whether it is appropriate to your

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individual personal circumstances. Before making any investment decision you should obtain and read the Fund's product disclosure statement which is available at <https://www.wrapinvest.com.au/> or by calling 1800 913 118. Past performance is not an indicator of future performance.

The minutes include a summary of the key aspects of the presentations and the member questions submitted through the registration process and answered in the meeting. Any questions about a member's Fund account or questions of a personal nature cannot be answered during the meeting. Members can contact the Member Services team if they have questions about their Fund account or their personal circumstances.

INTRODUCTION AND CHAIR'S ADDRESS

The Chair opened the Annual Member Meeting (**AMM**), welcomed all attendees present and acknowledged the traditional owners of lands on which the meeting was held.

The Chair spoke about the superannuation industry which is currently valued at \$3.5 trillion with Australia's superannuation system being one of the world's fastest growing retirement savings schemes.

The Chair provided an overview of the key change to superannuation in 2023, namely the increase of superannuation guarantee contribution to 11% and the announcement that from 1 July 2026 employers will need to pay super for their employees every payday as opposed to every quarter.

The Chair discussed the current cost of living and inflation as well as the median growth and returns of superannuation in the last calendar year being above the usual long-term annual goal.

The Chair explained the role of the Trustee in improving the Fund for members and the changes in the product and investment options over the year. He noted that a number of members that moved from older products to OneAnswer Frontier and ANZ Smart Choice, resulting in reduced fees and costs for members.

The Chair spoke about the role of the Trustee in providing insurance offerings for the Funds and optimising the quality of insurance cover and services.

The Chair concluded with discussing the importance of advice and the Government reforms that will assist in making quality advice affordable and more accessible.

INVESTMENT AND MARKET UPDATE

Mr Farmer addressed the meeting, making the following key points:

- high global consumer inflation and the impact to the investment market performance;
- the volatility of the traditionally stable fixed interest markets; and
- the strengthening of the global share valuation.

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Mr Farmer also provided an update on how the Funds have performed through this environment, the investment outlook and the approach that will be taken in managing money through the next market cycle.

MEMBER QUESTIONS AND ANSWERS

The Chair opened the Member Question and Answer session and introduced the panel which included Dan Farmer and a director, Beth McConnell.

1. *Do super contributions affect take home income more than they provide benefit in terms of personal income tax?*

Lindsay Smartt: Firstly, there are different types of contributions that can be made into super. The 11% compulsory super contribution from your employer is made on top of your salary, so it should not affect your take-home pay.

However, many members choose to take advantage of additional contribution options like salary sacrifice or tax-deductible personal contributions. From a tax point of view, these contributions are taxed at a favourable 15% in the super fund which is less than most members' personal income tax marginal rates.

Lastly, for those members with lower incomes who pay little or no tax, the Government refunds the 15% tax on contributions (up to \$500) through the Low-Income Super Tax Offset.

For more information about adding to your super and tax, speak to your adviser, visit our website or contact us.

2. *What Related Party Payments were included alongside the invitation to this meeting?*

Beth McConnell: For context, OnePath Custodians Pty Limited as the Trustee of your super fund, outsources the provision of a range of services for members to related parties, rather than directly employing any individuals or parties that are not related. Some funds use unrelated parties, but we use related parties that share our collective mission. These outsourced services are important to run the super fund such as administration or investment services. The related party payments relate to these services and include investment management costs, directors' and Board committee fees, insurance services, financial planning, and other member services.

OPC has responsibility for approximately 490,000 members. The related party payments for the last financial year were equal to approximately \$357 per member.

3. *What are the steps the fund is taking to address the risks associated with AI?*

Beth McConnell: Artificial Intelligence is a 'hot topic' for us all, including market participants and technology stocks over the last year. There are certainly benefits, efficiency and cost reductions, lack of bias, performing menial analytical tasks 24/7 and reducing human error. We also need to be cautious of the risks, such as ethics around personal data, human job loss and more recently the ability for fake images and language to circulate quickly on social media.

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We are working with all of our relevant global equity investment managers. Our team regularly discusses and reviews these holdings with a particular focus on ESG. And we have on occasion, voted against a number of management resolutions at companies like META (formerly Facebook) where we did not believe some of their proposals were in the best interests of our members. We will continue to monitor these holdings and the development of AI closely.

4. *What are OnePath and ANZ doing to mitigate climate change risk on the investment portfolio?*

Dan Farmer: By way of background, upcoming climate risk reporting regulations will require us to measure emissions from assets in the portfolio and outline a path to future emission targets. We are working towards these requirements as they continue to evolve.

More generally, we believe that divestment is not a contemporary, or particularly effective method, for reducing emissions. If funds concerned about emissions simply sell their holdings in emitting companies, potentially to new investors who are less concerned, company management may well become less focused on emissions, which could lead to a worse long term outcome for investors and the environment.

Rather, we seek to selectively engage with company management, as this can be more effective in achieving lower emissions. As we develop our risk assessments, we plan to increase our targeted engagement with companies posing the highest emissions risk.

5. *Can super funds lobby so that Australians can have the option to pay superannuation contributions directly into their mortgages?*

Lindsay Smartt: Superannuation is concessional tax on the basis that it is preserved for retirement. We support this preservation and would not be advocating for a change to this policy. There is also the first home super saver scheme to assist in saving for a home through superannuation.

6. *How is the fund implementing the Retirement Income Covenant legislation to advise retirees how to manage their superannuation in retirement?*

Beth McConnell: We offer a wide range of products and services to members as they approach and enter retirement including webinars and seminars, access to personal advice, and digital tools and information.

We are continuing to work on new initiatives to broaden the reach of advice and improve member experience as they go through their personal retirement journeys.

We also have account-based pensions with innovative features including a super to pension bonus and investment protection.

There is a summary of our Retirement Income Strategy on our website, and there is a link to it on our meeting webpage.

7. *How does the cash super rate compare to other cash super funds and cash savings rates?*

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Dan Farmer: If we look at the ANZ Smart Choice Cash Option, it returned a little over 3.4% for the year to December. It is important to remember that this return is after the 15% super tax rate which is applied to super funds.

To try and give members more certainty and clarity about what returns they can expect, the investment objective for this option was updated in December 2023, with the objective being to provide investors with a high level of capital security while achieving returns generally in line with the RBA Cash Rate Target (after fees and before tax).

This cash option has achieved a return in line with the average RBA cash rate over the period after adjusting for the impact of tax as expected.

8. *Is OnePath prepared for a policy reversal on alternative energy investments given the collapse in sales of electric vehicles?*

Beth McConnell: At the moment, we do not expect there to be a policy reversal on renewable energy, we actually expect increased future policy support including actions to help the superannuation industry further in this area.

9. *Do financial advisers attend this meeting?*

Lindsay Smartt: The meeting is designed for members to ask questions of their super fund, however anyone is welcome to attend.

10. *Does the fund have any plans to introduce other Term Deposit providers as an option on the OneAnswer Platform?*

Dan Farmer: The Trustee of the Fund currently has no plans to introduce additional Term Deposit providers as an option on the OneAnswer platform.

This is because there is generally minimal differences between term deposit providers, and to date we have not received a high amount of feedback from members and advisers wanting additional providers.

11. *What are the important factors to consider when contemplating a transition to retirement?*

Beth McConnell: I am not a trained financial adviser but I am happy to share some high-level reflections.

Retirement is different for everyone. Transitioning to retirement requires careful planning and we do recommend that you seek professional guidance. There are a range of things to think about, such as, your financial situation, your savings and any investments. Do you have a budget, any debts that you need to pay or have an emergency fund? And importantly, would you be eligible for the aged pension?

Our website has some valuable insights into retirement planning. For more information, we recommend speaking to a qualified financial adviser.

12. *Who will replace Perpetual?*

Dan Farmer: The Trustee of the Fund has no plans to replace any of the Perpetual options.

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However, we do still have Perpetual options available through OneAnswer which include Perpetual Conservative Growth, Perpetual Balanced Growth, Perpetual Australian Shares, and Perpetual ESG Australian Shares (formerly Perpetual Ethical SRI).

13. Can you use your super to purchase a home or an investment property?

Beth McConnell: If you are buying your first home, you may be able to benefit from the Government's First Home Super Saver initiative.

There are specific rules in relation to which contributions you can access, and this initiative is not designed to help people who are purchasing an investment property.

Please call us, visit our website or speak with your adviser to find out whether this initiative will work for you.

14. Can we watch this meeting again later?

Beth McConnell: Certainly. If any of our members could not make the meeting tonight, or you would like to watch it again, we will have a recording available on our website within one month from now.

MEETING CLOSE

The Chair advised that minutes of the meeting, responses to questions submitted but not answered during the meeting and a recording of the meeting would be available on the Funds' website within one month of the meeting.

The Chair thanked everyone for attending and submitting questions. He also thanked members for trusting the Trustee with their super.

The meeting closed at 5:41 pm.

A handwritten signature in black ink, appearing to read "L Smartt".

Lindsay Smartt

Chair of the Board

OnePath Custodians Pty Limited

5 March 2024