

OASIS FUND MANAGEMENT LIMITED ABN 38 106 045 050

MINUTES OF THE ANNUAL MEMBER MEETING

Trustee of the Oasis Superannuation Master Trust ABN 81 154 851 339 (Fund)

Annual Member Meeting for the financial year ending 30 June 2022 held online via video conference on Monday 13 February 2023 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
Jane Harvey	Independent Non-Executive Director
Steven Schubert	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
David Flynn	Acting Chief Risk Officer
Chris Tay	Company Secretary
Sharyn Cowley	Company Secretary
Kari Arnison	General Manager Marketing Strategy & Execution Consumer Markets
Christopher Wooden	RSE Auditor, KPMG

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 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/wealthtrac>, www.wrapinvest.com.au/voyage 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 three trillion-dollar superannuation industry with 23 million superannuation accounts across Australia and the importance of a superannuation funds' performance.

The Chair discussed the median growth and returns of superannuation in the last financial year as well as the long-term numbers over the last 30 years according to the Chant West statistics published in July 2022.

The Chair then spoke about the role of the Trustee in improving the Fund for members focusing on services such as the implementation of Live Chat and a new Help Centre. The Chair continued to speak about the role of the Trustee in providing insurance offerings into superannuation funds and optimising the quality of insurance cover and services.

The Chair concluded with reiterating the legal and moral responsibilities of the Trustee to act in the best financial interest of its members and will continue this throughout 2023.

INVESTMENT AND MARKET UPDATE

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

- the global consumer inflation surge;
- interest rate rises and the significant impact to the investment market performance;
- the attraction of income yields given the rise in interest rates and bond yields; and
- the decline of global share valuations.

Mr Farmer also spoke about how the Funds have performed through this environment and spent time discussing the investment outlook and the approach that will be taken in managing money through the next market cycle.

MEMBER ENGAGEMENT AND SUSTAINABILITY

Ms Arnison addressed the meeting and spoke about a more sustainable business addressing key environmental, social and governance issues. Ms Arnison spoke about the recent ESG initiatives and went into detail how responsible investing applies to superannuation.

MEMBER QUESTIONS AND ANSWERS

The Chair opened the Member Question and Answer session by introducing the panel which included Dan Farmer who was joined by Anne Coyne, the Chief Member Officer, and one of the directors Beth McConnell to help answer the questions.

1. What are your views on today's global debt levels?

Dan Farmer: There is no doubt the build-up in global debt levels over the last few years pose a mild concern, but we do not see it as a major one. When we talk about total global debt, it is really important to remember that this captures debt held by governments as well as corporates and households.

There is some really different dynamics at play across those different groups. If we think about government debt first, it is important to remember that the build-up in debt we saw through the COVID lockdown period was really critical in funding support programs like Job Keeper. That build-up in government debt really went to an important purpose. But nevertheless, the debt levels are high.

If we look back to 2021, the IMF estimated that total global debt was about 250% of global GDP, and this figure would really only be higher today. There is no doubt governments will need to show some spending discipline to work down these high debt levels. Pleasingly, we are starting to see this discipline emerge. If we think about companies and households, they are really starting the year in a pretty good shape, and they have got quite strong balance sheets at the moment.

If you think back to COVID lockdowns, households were really tending to save more and were paying down debt. And likewise, businesses generally did a pretty good job of managing costs through lockdown and also managed to lock in low interest rates for a few years ahead. Households and businesses in general are in good shape and we think they should be able to manage their debt levels going forward. In the high interest rate era we are in today that the burden of debt payments become even more challenging. But overall, we see debt levels as a mild challenge, but not a major risk.

2. *What's likely to happen to Bonds once interest rates drop again?*

Dan Farmer: It is a question we spend a lot of time thinking about. Bonds and fixed interest assets have just had their worst year since the late 1970s. This is really thanks to the jump we have seen in inflation and the higher interest rates that we talked about earlier. The good news out of all of this is following the falls we have just seen; we think forward looking returns for fixed interest assets are now getting much more attractive given the high yields we are seeing. In our view, the inflationary pressures we have seen post-pandemic, which was really what caused central banks to push up interest rates in the first place, are now showing signs of having peaked and we think starting to tail off.

We are getting more comfortable that central banks are not too far away from peak interest rates and we could actually even see some interest rate cuts later on this year. In our view, this sets us up for a reasonably good period for bond and fixed interest returns. Given the environment I just talked about; I think there are a few points that support this view.

First of all, higher yields simply mean we earn more income from holding these assets without taking extra excessive risk. Credit sectors like high yield and loans are really at attractive valuation levels following the falls we saw last year. We are expecting good returns from those credit assets. We also think that we could see investors that look for income in other riskier asset classes by investing in property or high dividend paying shares might actually start returning to the bond market for income. So overall, to us, the outlook for fixed interest from here is looking much healthier than it has done for a number of years.

3. *Are there any legislative changes for superannuation on the horizon?*

Beth McConnell: I will reflect I have been involved with the super industry since the early 1990s and the one constant during this time has been the level of continual change. We are expecting that the superannuation industry will need to continue to respond to ongoing legislative changes as the Government continues to seek to

enhance the integrity, the security and the modernisation of the system. Just to name a few of the legislative initiatives on the horizon, legislating the Objective of Superannuation to focus on an adequate income for retirement and a comfortable standard of living for retirees.

The Objective of Super is being currently debated and the aim is to have a common agreed objective of superannuation and legislate that objective ahead of a conversation around superannuation tax concessions. We will continue to engage with Government as these discussions progress.

Secondly, legislating reforms following on from the quality of advice review which focused on access to high quality and affordable financial advice. Thirdly, I will mention the Your Future and Your Super reforms with the technical working group focusing on ensuring that there are no unintended consequences from the performance test. In addition, we are focused on having a safe and a future proofed system based on environmental, social and good governance elements, so ESG. This focus is heightened as we continue to see increasing sophistication in cyber and financial crime threats in the broader financial services industry and the need to support investing in a more sustainable future.

4. *With the increased targeting of companies in Australia by hackers, are there any plans to boost the security requirements?*

Beth McConnell: A very topical question. Oasis Fund Management Limited as an organisation, as the trustee of your super funds, certainly take cyber security very seriously.

As you would all be aware, there have been some high-profile cybercrimes in recent times, and we are very focused on optimising the safety of your superannuation and your personal information. The Trustee and the Insignia Financial Group more broadly does this through a number of initiatives, including employing security operations, security architecture and cyber security groups who work together with our risk functions and with the business more generally.

We also have a range of security functions such as firewalls, network configurations and intrusion detection. And we also have a strong focus on education across our staff, our clients and our advisers. The Client Portals for Grow Wrap, Mentor, Voyage and Wealthtrac have two factor authentication in place for certain functions such as resetting your user ID and your passwords. This sends a code via text to the member's registered mobile number for added protection. Beyond this, we are always looking at ways we can improve the services we provide.

5. *Market Forces is a reputable sustainability interest group that holds boards to account. Will Oasis support Market Forces campaigns against investment in fossil fuel companies? And if so, how would I consider a partnership?*

Anne Coyne: Market Forces is one of a number of relevant interest groups we can engage with that at this time we have no specific plans with them.

6. *When will all the different RSELs, that is the four trustee entities within the group be consolidated? And can you provide an indicative timeline?*

Beth McConnell: Our strategic intent is to simplify our business to unlock the benefits of scale for our members. Simplification will need to occur at multiple levels of our business from the number of our RSELs or trustee entities, the number of products and the number of administration systems and many other elements. It is

anticipated that simplification timeline will take a number of years to complete. But we have made some good progress already.

7. *Do you have any comments on the circular economy and what that might mean in the short and the long term?*

Dan Farmer: My take on the concept of the circular economy is it is essentially about creating a more efficient economic model which really minimises waste and maximises recycling. So at its core, it really recognises that we live on a planet where resources are obviously finite and basically argues we need to have a material shift in our own mindset and business practices to create a more sustainable form of capitalism.

From an investment perspective, where I come at this, reducing waste recycling more and generally making more efficient use of resources, supports, profitability and the general health of the economy in the long run. For these reasons, we are supportive of this way of thinking and we are seeing more and more examples in our portfolios of efficient use of resources, supporting profitability in companies that we invest in and looking forward, I think we will see greater uptake of circular economy concepts, as the investment industry generally just deepens its emphasis on ESG and responsible investing, just like we are at Insignia Financial.

8. *What are related party payments and how are they used?*

Beth McConnell: Firstly, a related party payment is when we transact with a related party. For example, when we as a trustee company purchase services from a company in the Insignia Financial Group, for the important services that we need to run the super funds such as administration or investment services.

Some entities use unrelated service providers, whereas we use many service providers from the Insignia Financial Group. A couple of observations about our related party payments. Our related parties are accountable to the trustee for any services they undertake for our members, and they are subject to contractual requirements in doing so.

As a group, we all share a mutual commitment to simplifying our platform suite and enhancing the quality and the features of our offering and delivering more competitive pricing. This is going to be a key focus in the next few years for us as your trustee entity, as well as in the broader Insignia Financial Group. As part of the new regulations for this Annual Members' Meeting, all funds are required to disclose related party payments.

These payments include various things investment management costs, promotional and marketing services, directors' fees and Board committee fees, insurance services, financial planning arrears, collection and other member services. They equate to about \$84 per member per year across our 27,630 member base. If you would like more detail on related party payments, that detail is available in the financial statements on our website.

9. *What do we do when an investment category shows poor performance? What's the criteria for getting out of that investment class?*

Dan Farmer: We really take a long-term view when we invest and it would be really unusual for the entire asset class like shares or fixed income to have negative or poor returns expected over long term periods like 10 or 20 years. Having said that, over the shorter term, we can see periods of significant underperformance for particular asset classes and we obviously saw this last year with fixed interest.

We really look to manage these periods of underperformance, and we do this in two key ways. Firstly, deep diversification is critical. If one asset class is suffering, weak performance will hold other asset classes that that are expected to offset this with stronger performance. So wide diversification means your multi-asset portfolios are not dependent on any single investment theme to drive long term returns, and this really helps cushion against market volatility.

Secondly, I point to the fact that many of our funds we actively look to lower our allocation to asset classes where forward-looking returns are low or we see forward risk as being high. The important point here that I want to focus on is really that concept of forward-looking returns. If we see a falling market, like markets like we saw on fixed interest last year, that can often mean that forward looking returns actually become more attractive as prices are cheaper following the drop. But again, I just want to really emphasise, in the long run, diversification is key. As members, you have investments across a really great breadth of asset classes, a multitude of different securities.

We know within each of those asset classes, different investment styles and geographies and a multitude of investment managers. All of this is designed to give a smoother ride in returns and performance.

10. *Where's the best place to find out what makes up our fund in our product portfolio?*

Dan Farmer: The best place to find those updates is our website, which holds all our product disclosure statements and investment menu documents. These documents show you all the portfolio options where we invest and our fees and costs.

11. *What's the effect of a centralised banking digital currency on their super?*

Dan Farmer: There is certainly some interesting potential advantages as well as disadvantages of a central bank digital currency.

However, central bank digital currency is still a concept rather than a reality. It is fairly difficult at this stage for me to speculate with any confidence what impact this might have on superannuation in the future. What I can say is the investment team is always interested in tracking these new developments, but we always require they pass our really strict due diligence and research process and I would have to show clear benefits to returns before we would consider adding these to your portfolios.

12. *Can superannuation be used to buy a first home?*

Anne Coyne: The Government has a First Home Super Saver scheme, which you may be able to use to help you pay for your first home. You may be able to make voluntary contributions to super and you may be eligible able to withdraw these amounts to put them towards that deposit. There are some very important things to keep in mind if you choose to use this scheme. We recommend that you seek guidance and support and you can do that by visiting our website to find out more, you can give us a call or you could speak with your adviser.

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 Fund's 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. Lastly, the Chair gave his thoughts and wishes to members, family and friends affected by the natural disasters in Turkey and Syria and more recently, closer to home in Auckland.

The meeting closed at 5.45 pm.

A handwritten signature in black ink, appearing to read 'L Smartt', with a stylized, cursive script.

Lindsay Smartt

Chair of the Board

Oasis Fund Management Limited

1 March 2023