



NULIS NOMINEES (AUSTRALIA) LIMITED ABN 80 008 515 633

MINUTES OF THE ANNUAL MEMBER MEETING

Trustee of

MLC SUPER FUND, MLC SUPERANNUATION FUND, DPM RETIREMENT SERVICE, PREMIUMCHOICE RETIREMENT SERVICE, MLC POOLED SUPERANNUATION TRUST (Funds)

Annual Member Meeting for the financial year ending 30 June 2023 held online via video conference on Thursday 15 February 2024 at 6:00pm (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
Adrianna Bisogni	Group Company Secretary
Lawrence Hastings	Chief Legal Officer
Christopher Weldon	Chief Client Officer
Melissa Walls	Chief People Officer
Cangie Matera	Head of Trustee Governance & Company Secretary, NULIS
Leah Perez	Company Secretary
Dean Waters	RSE Auditor, KPMG
Nicholas Wilkinson	RSE Actuary, Willis Towers Watson
Nicholas Callil	RSE Actuary, Willis Towers Watson
Andrew West	RSE Actuary, Willis Towers Watson
Farah Billimoria	RSE Actuary, Willis Towers Watson
Hadas Danziger	RSE Actuary, Willis Towers Watson
Anthony Chan	RSE Actuary, Willis Towers Watson
Chris Porter	RSE Actuary, Willis Towers Watson
Daniel Ham	RSE Actuary, Willis Towers Watson
Mark Nelson	RSE Actuary, Mercer
Mark Samuels	RSE Actuary, Mercer
Nerida Seccombe	RSE Actuary, Heron Partners
Diane Somerville	RSE Actuary, Deloitte

APOLOGIES:

Anvij Saxena	Chief Risk Officer
Garry Mulcahy	Chief Asset Management Officer

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 Funds for members and provided examples such as the increased ways to contact the Funds through a new mobile app, newsletters and quarterly performance updates. The Chair advised on the new streamlined, contemporary investment menu for all MLC MasterKey and Plum members and the industry accolades received on its products.

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.

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. ***What are general retirement planning strategies for those contemplating the transition to retirement in the next 10 years? What is the actual amount needed for a comfortable retirement at an early age and to ensure that my super is sufficient?***

Beth McConnell: I am not a trained financial adviser but I'm 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?

The Fund website has some valuable insights into retirement planning. You can also use our calculators to understand how much super you may need or contact us to book an appointment with a financial coach.

2. *What are some reasons to stay with Plum Super when it isn't ranked in the top 10 best super companies in Australia?*

Dan Farmer: Before we get onto performance, I think members can take some comfort from the fact that Plum is a large, well-established business. Just to put some numbers around this, Plum Super manages the retirement savings for employees in nearly 100 of Australia's leading companies, this gives us scale to provide members with competitive fees and tailored benefits.

In addition to this, Plum funds are managed by the same investment team, applying the same investment philosophy, that has delivered the strong performance to our MySuper option which is first quartile over three years, to the end of December 2023 in the SuperRatings SR50 MySuper Survey.

Hopefully these benefits help you feel confident about investing your super with us. If you would like to learn more about how your super fund compares, I would suggest reviewing your plan documents, or getting in contact with us.

3. *Are there any plans to move Plum to a more online, faster process for member instructions?*

Beth McConnell: We are constantly improving the way members can manage their Plum super without paper forms. One of the ways is enabling the use of digital signatures through approved providers. This means you can electronically fill out and sign forms, then email them back to us.

You can also log in to your Plum Super account online to update your personal details, change your investment strategy, update your Tax File Number, consolidate your super and update your beneficiaries.

4. *What circumstances would the fund remove funds from your platform?*

Dan Farmer: Our aim is to make sure funds on our platform consistently meet expectations and deliver value to our members. To do this we have dedicated research and governance teams focused on which funds should, or should not be, included. These teams employ several criteria to assess whether a fund should be retained, and considering factors such as:

- Consistent failure to meet investment objectives over reasonable time periods.
- Historical and projected results of the APRA Performance Test.
- Persistent underperformance compared to similar funds.
- Finally, external research assessments are reviewed; with a poor rating from a reputable research house triggering a closer examination of the Fund's suitability on the platform.

5. *What advances or enhancements do you see coming to retirement income products?*

Lindsay Smartt: Over the long term, there is a possibility of seeing more retirement products offering income for life, such as lifetime annuities. Many people have been hesitant to invest in them due to restricted access to capital, loss of capital upon the member's passing, and the complexity of the products. There are many things to consider when setting up a retirement income that meets your needs, and we are working to make information about these products available to our members.

6. *What is a related party?*

Beth McConnell: For context, NULIS Nominees (Australia) 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 include investment management costs, directors' and Board committee fees, insurance services, financial planning, and other member services.

NULIS is responsible for approximately 920,000 members. The related party payments for the last financial year were equal to approximately \$540 per member.

7. *How high up on the list of priorities is child slavery when considering the need for certain industries and companies you invest in which need cobalt? Are members condoning child slavery with investments in MLC?*

Dan Farmer: Our commitment to modern slavery regulations means we have obligations to assess our suppliers, including our Investment Managers. Our approach to this involves regularly asking our Investment Managers to identify any exposure to companies with high risk business models and specific geographical exposures prone to slavery.

8. *How is the fund responding to the need to transition to a low-carbon economy, and mitigate the impact of climate change?*

Beth McConnell: Good environmental stewardship is an important element of our goal to help create financial wellbeing for all Australians. MLC's parent company, Insignia Financial, became a Climate Active accredited organisation in 2022, in recognition of the offsetting of the Group's operational emissions, and that includes the superannuation funds.

Insignia Financial as a Group is also building a roadmap to meet the climate-related financial disclosure regulation which is currently being introduced by the Australian Government. We will analyse carbon intensity with our funds and develop transition plans over the coming 12-24 months to move to a cleaner economy.

9. *Is the fund investing in new upcoming commodities like lithium production?*

Dan Farmer: Our portfolios do have some exposure to companies that are involved in lithium production. Our external investment managers research companies from around the globe, searching for the most attractive opportunities, including in commodities like lithium. Examples of some of these companies in our portfolios include Mineral Resources and Pilbara Minerals that are listed here in Australia. These investments form part of our broader well diversified allocation to domestic and global shares within our portfolios.

10. *Does MLC manage self-managed super funds?*

Dan Farmer: We provide a variety of superannuation products for our members, but currently we do not offer self-managed super funds. I would recommend that you visit our website for a bit more information about what is available or speak with a financial adviser.

11. *What is the fund doing about mitigation of risk of AI, which is a larger risk than climate change?*

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.

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.

12. *Can you explain the executive team remuneration structure including this year's performance objectives?*

Beth McConnell: Our key management personnel are remunerated based on their performance across a number of financial and non-financial measures.

This year, we have continued our focus on strengthening our remuneration governance, which is built on the values of fairness and alignment.

You can find more details about our key management personnel remuneration on our website.

13. *Is members' money safe with MLC should Insignia Financial default?*

Lindsay Smartt: Absolutely. Your retirement savings with MLC are held separately from its parent company, Insignia Financial and are segregated in a trust structure. Your money is managed by a Registrable Superannuation Entity (RSE as we call it), which has an independent board, of which I'm the Chair and Beth is a Director. We always act in our members' best interests to safeguard their money. Insignia Financial lenders have no claim to either your funds or the RSE's assets.

14. *Should members be taking out as much cash as possible in readiness for a market crash to enable a buy back in at lower levels?*

Dan Farmer: Just as a broad opening statement I would say it's really hard to time markets and win consistently. Yes, you may get it right sometimes, but other times you may end up missing out on a period of good returns. On top of this, trying to 'market time' back into shares after a downturn is just as difficult.

It is an old adage, but I think true, that 'time in the market' is a more reliable strategy to build long-term wealth than trying to 'market time.'

Maybe just as an example of what I'm talking about, think back to the sharp share markets falls over March/April 2020 on the back of COVID. It was pretty tempting for many investors to switch to cash in those fairly dark days. However, markets then staged a very sharp recovery after governments and central banks stepped in to support

the economy. Members who stuck 'by their guns' enjoyed this share market recovery while those who tried to 'market time' likely missed out because they may have been waiting for the 'perfect time' to get back into the market.

15. *Given income protection stopping at 65 and the retirement age being 67, would the fund consider closing the gap and stopping income protection at age 67 instead?*

Beth McConnell: We are currently looking at when insurance coverage stops for a range of our super products as part of a thorough review of our insurance offering in our products. We will weigh up the impact of the rising retirement age and how insurance premiums affect retirement benefits before deciding on any changes to our products.

16. *What is the rationale of replacing funds such as the Vanguard Index International Share Funds and the Perpetual Wholesale Ethical Fund, and replacing them with MLC funds with similar asset classes?*

Dan Farmer: The reason for these changes is that our menu has been simplified by offering fewer high quality investment options within similar asset classes. By consolidating to a single target option, we're better leveraging our scale to lower overall investment costs and boosting efficiency, so that we're better placed to drive strong returns after fees and tax.

All of this means members have access to a more modern and streamlined investment menu aimed at increasing the potential for higher net investment returns.

17. *How is a decision to increase the transaction fees on nearly all of the investment options that were switched to MLC products in the best interests of members?*

Dan Farmer: Back in September 2023, we introduced a new investment menu that streamlined our investments across MLC MasterKey and Plum. The goal of this is to improve efficiency, increase returns, and lower costs over time. Now most members enjoyed lower fees as a result of these changes, but some saw increases due to the variety of options and fees with closing options.

The good news is that the new menu brings in low-cost options with even lower fees than before.

If you have further questions or would like to discuss your investment needs, please contact us.

18. *Has all association with Vanguard now been terminated and what has been the performance of those affected funds following the change?*

Dan Farmer: The short answer is Vanguard decided to stop offering segregated mandated accounts to large institutional investors like us. This resulted in us having to replace their passive mandate exposures with another leading passive investment manager, which is Invesco. Since the transition to Invesco, affected funds have continued to deliver returns in-line with their respective passive benchmarks as expected.

19. *What security is in place to prevent fraud through ID theft and then accessing funds?*

Beth McConnell: I will start by saying we are committed to doing our best to protect our members' information and money against the rising threat of identity theft.

For our MLC and Plum funds, we have implemented Two-Factor Authentication online and we have robust security checking procedures. These measures aim to enhance security and protect against unauthorised access to your account.

We will continue to actively consider other ways to enhance the safeguarding of our members' information.

20. *Has the fund seen nuclear energy being accepted now?*

Lindsay Smartt: There appears to be increasing willingness to build nuclear power plants across the globe. In December 2023, at the UN COP28 Climate summit, 20 nations including the United States, Japan, France and the UK declared that they would aim to triple nuclear power capacity by 2050. This is a significant commitment that aims to benefit from nuclear power's key advantage of generating less greenhouse gas than coal and oil. However, there are still significant hurdles to overcome for nuclear power to become more prominent globally.

Firstly, nuclear power has a high-risk perception given some dramatic nuclear accidents in Fukushima (Japan), Chernobyl (Ukraine) and Three Mile Island (USA) over the past fifty years. To assure populations that nuclear power is a risk worth taking, governments need to ensure rigorous building standards and the continuous high maintenance of power plants. Secondly, nuclear power plants are very expensive to build and take considerable time, so governments with existing high debt commitment could struggle with this burden.

While nuclear power seems to be gaining more acceptance, building more nuclear power plants pose significant hurdles for governments to overcome.

21. *What are the considerations and plans for future investments and will they include the exchange traded funds of EBTC and EETH offered by GlobalX?*

Dan Farmer: This question refers to exchange traded funds over cryptocurrency assets. Currently, we've chosen not to include cryptocurrency assets.

For any new asset classes to become part of our portfolios we conduct detailed research to identify the benefits and risks they could bring to our overall portfolio.

To date the evidence suggests that adding cryptocurrency would not provide substantial diversification benefits. On top of this, they still developing regulatory environment around crypto assets, means we feel the risk remains too high for our funds.

Having said that, members can still benefit from the technology behind cryptocurrencies. Blockchain, with its widespread applications in industries like banking and inventory management, can offer potentially attractive investment opportunities without introducing specific cryptocurrency risks.

22. *Are there any plans to open a physical office in Sydney?*

Beth McConnell: The best way to reach us is through our secure online services, which are available 24/7. You can also contact our customer service team via message, phone or email. Please take a look at the "Contact Us" pages on our website to find the most convenient way for you to get in touch.

23. *What is B Corp business and are there any plans to invest in this space?*

Dan Farmer: Firstly, a B Corp is a business that focuses on generating returns while also doing good for society and the environment, and is certified for its commitment by B Lab.

Plum's parent Insignia Financial is exploring the possibility of obtaining B Corp. accreditation in the future as they consistently invest in environmental and social initiatives, given their positive impact on overall business performance.

24. *If you were to advise the government on any changes to the super system that would make it fairer and more equitable, what would they be?*

Beth McConnell: I would have to say a recommendation that the Government maintain stable superannuation policies to give members confidence in the legislative framework. Having clear rules helps all of our members as you plan for your retirement.

25. *Is the fund still making investment selections based on discredited superficial ESG EDI slogans?*

Dan Farmer: We are committed to Responsible Investment because from an investment perspective, we believe considering ESG risks is important in fully understanding all risks potentially impacting an investment, and as such should naturally form part of our overall decision making. We think considering these risks helps support robust returns over the long run.

26. *How will the fund reduce exposure to high-emissions assets, and whether it will divest from fossil fuel to move towards a sustainable future alongside the fund. Since last year, what progress or changes has been made to incorporate more sustainable investments into our portfolio?*

Dan Farmer: Just 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.

27. *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 you go through your 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 available on our website, and we'll provide a link to it on our meeting's webpage.

28. *What is AAAU and are there plans to allow investment in it?*

Dan Farmer: Currently, AAAU (which is the Goldman Sachs Physical Gold ETF) is not available in our MLC Wrap Super or Navigator Retirement Super products. We offer

other gold investment options, with the Global X Physical Gold ETF, the Van Eck Gold Bullion ETF and direct investments in gold mining companies.

29. *When can members expect to see a better reporting system; one that at least shows members' money coming in, so that members do not have to ask their adviser?*

Beth McConnell: We appreciate the importance of having clear and accessible information about your super online. While we currently do not have plans to update our reporting systems, we already offer a range of reports online for our members, like transaction statements showing money coming into your account. If you need help finding these reports, please contact your financial adviser or our contact centre.

30. *Can you tell us about digital currency in superannuation and if there is a shift in the inclination towards digital currency since last year?*

Dan Farmer: Our attitude towards cryptocurrencies is best summed up as 'not yet', rather than 'not ever'.

As I mentioned earlier, any new asset classes we introduce has to pass our rigorous research requirements and clearly provide return and diversification benefits to our portfolios.

The cryptocurrency sector has been very volatile, in fact it is been about 2.4 times more volatile than the US share index, this suggests it is a risky investment.

In addition to this, the cryptocurrency sector has been reasonably correlated to share markets and is not seen as providing particularly strong diversification benefits.

We will continue to monitor cryptocurrencies to see how they may fit in portfolios, and we will only put members' funds towards assets that can jump a high hurdle.

31. *Can members choose their own super portfolio?*

Dan Farmer: We offer a broad range of investment options which let you choose how you invest your money.

To make investing simple, we offer a range of 'ready-made' investment options that are diversified across asset classes and management styles. With these ready-made options all you need to do is pick the investment option that best matches your risk and return comfort zone. If you would like to take greater control over your portfolio, you can choose from the wider range of investment options we offer. Our "build-your-own" portfolio offerings are categorised into four main groups: Australian shares, global shares, property, fixed income and cash. This flexibility allows you to select a portfolio according to your preferences, whether by selecting a single or combination of investment options.

Again, if you would like to find out more or get personalised advice, please visit our website.

32. *Are there plans to further consolidate in the Australian market?*

Lindsay Smartt: MLC is a part of Insignia Financial Group, which manages other superannuation funds. Insignia's combined superannuation is now ranked among the top three largest super funds. Our main focus is consolidating our existing funds within the Group to simplify our operations and provide better outcomes for our members.

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.

The meeting closed at 7:02 pm.

A handwritten signature in black ink, appearing to read 'L Smartt', written in a cursive style.

Lindsay Smartt
Chair of the Board
NULIS Nominees (Australia) Limited
5 March 2023