



Annual Members' Meeting

UniSuper Limited

(ABN 54 006 027 121)

MINUTES

Wednesday, 6 December 2023 - 5.00pm – 6.45 pm AEDT

The 2023 Annual Members' Meeting, held on Wednesday 6 December 2023 at 5.00 pm AEDT was conducted virtually. Ms Danielle Mair, Chief Member & Advice Officer, acted as host.

The Annual Members' Meeting was attended by the Directors and Responsible Officers including the Executive Leadership Team, the Company Secretaries and the Fund Actuary, Mr Travis Dickinson from Willis Towers Watson.

Important information

The presentations, Questions and Answers session and Minutes may include general financial advice which does not take into account the personal objectives, situation or needs of any individual.

Before making a decision, please consider whether the information is right for you and read the Product Disclose Statements and Target Market Determinations available on the UniSuper website at unisuper.com.au.

Information provided primarily relates to the financial year ending 30 June 2023. Investment returns are not guaranteed, and past performance is not a reliable indicator of future returns. Comments on the companies we invest in are not intended as a recommendation of those companies for inclusion in personal portfolios. UniSuper's portfolios have been designed to suit UniSuper and may not be appropriate for others.

Information presented at the meeting and in these Minutes is provided by UniSuper Management Pty Ltd (ABN 91 006 961 799) on behalf of UniSuper Limited (ABN 54 006 027 121, AFSL 492806), Trustee of the UniSuper Fund (ABN 91 385 943 850).

We note that answers to questions raised at the meeting, but not answered at the meeting, form part of these meeting minutes.

Welcome by Ms Danielle Mair, Chief Member & Advice Officer

Ms Danielle Mair welcomed all those attending the meeting, and acknowledged the traditional owners of the land, paying respects to their Elders, past and present.

Ms Mair highlighted the availability of closed captioning and advised those online how to access help in the event of any technical difficulties.

Ms Mair acknowledged the questions received prior to the meeting, which were used to inform the content of the formal presentations and explained how members could ask questions during

the meeting which would be answered during or after the meeting. Ms Mair alerted members to the general nature of any advice given, which may not be appropriate for any particular individual. Ways of accessing personal advice options through UniSuper were explained.

Ms Mair advised that the speakers would be:

- Ms Nicole Gower, Deputy Chair
- Mr Peter Chun, Chief Executive Officer
- Ms Dani Murrie, Chief Marketing and Growth Officer
- Mr John Pearce, Chief Investment Officer

Ms Mair advised that Mr Mark Armour, Chair, was intending to attend, however, unfortunately, he was unwell. Also online were the UniSuper Board of Directors, the Executive Leadership Team, Company Secretaries and the Fund's Actuary, Mr Travis Dickinson from Willis Towers Watson.

Ms Mair noted that it had been a challenging financial year with high inflation, unpredictable interest rates and volatile investment markets. Despite these challenges UniSuper continued to support its members and employers, through lower administration fees, delivering strong investment performance and offering help and guidance and financial advice as needed.

During the twelve months to 30 June 2023, UniSuper celebrated achievements such as launching the mobile app, releasing new online educational resources and merging with Australian Catholic Super, which brought in 80,000 new members and enhanced scale, efficiency and competitiveness.

UniSuper's culture is driven by a passion for creating positive experiences for members, who are at the core of everything UniSuper does. Ms Mair highlighted that the Member and Advice Team had handled over 365,000 member interactions and serviced over 600,000 member requests in the 2022-23 year. The Team had achieved high levels of member satisfaction and loyalty, as measured by the Net Promoter Score and other indicators. UniSuper also received positive feedback from employers who appreciated our responsiveness and professionalism.

Ms Mair noted that UniSuper was one of the largest providers of advice by a super fund, with a team of 150 advice professionals who help members by offering different types of advice, such as general, select, comprehensive and reviews to suit member needs and preferences. UniSuper also provides a range of online resources such as webcasts, member events and the learning hub, to empower members to make informed decisions. The advice and education services have had a positive impact on members' confidence and intention to implement advice.

Additionally, UniSuper offers insurance to members to help protect them and their loved ones in case of unforeseen events. The insurance cover is tailored to members' needs and circumstances and is regularly reviewed to ensure it is competitive and sustainable. Over 3,000 claims worth \$305 million in the 2022-23 year were paid.

More than 99% of complaints were resolved within regulatory time frames and the referral rate to the Australian Financial Complaints Authority was low.

Ms Mair then introduced as the first speaker UniSuper's Deputy Chair, Ms Nicloe Gower.

Deputy Chair's Address – Ms Nicloe Gower

The Deputy Chair welcomed all members and paid her respects to the Traditional Owners of Country throughout Australia and reiterated that Mr Mark Armour, UniSuper's Chair was unfortunately unable to attend.

Ms Gower provided an overview of recent changes and appointments on the UniSuper Board and the roles and responsibilities of board members highlighting:

- Mr Mark Armour, who became Chair on 1 January 2023;
- Her recent appointment as Deputy Chair;
- Mr Ian Martin's service and leadership who retired as Chair after almost six years. Ms Gower acknowledged his service and leadership;
- Messrs Grahame McCulloch and Steve Somogyi, who left the board after 11 and 9 years respectively. Ms Gower expressed gratitude for their dedication and contribution to the Fund and its members; and
- Dr Stephen Weller and Mr Michael McNally who replaced the departing directors.

Ms Gower highlighted the Fund's investment options' returns for financial year 2022-23 noting that all of them delivered positive returns, despite the challenging and volatile market conditions. She also noted that the Defined Benefit Division is in a strong position and has a surplus of assets over liabilities. UniSuper's fees are among the lowest in the industry, based on a ranking of the balanced investment option for accumulation members across a range of account balances at 30 June 2023. Ms Gower attributed the performance and low fees to the Fund's scale and efficiency and was evidence of UniSuper acting in the best interests of its members.

Ms Gower highlighted:

- the Member Services Team who assist members over the phone;
- the Advice Team, which delivers expert guidance and tailored solutions to members to help them achieve their goals; and
- the Fund's strong digital focus which has led to a suite of online tools and resources.

Ms Gower highlighted the significant milestone completing the transfer of Australian Catholic Super members and assets into UniSuper on 1 December 2022 and welcomed its new members and employers.

Ms Gower reaffirmed UniSuper's commitment to the goals of the Paris Agreement by reducing the carbon intensity of portfolios, increasing exposure to renewable energy and low-carbon technologies and engaging with companies and policymakers on climate-related issues.

Finally, before handing to the CEO, Mr Peter Chun, Ms Gower highlighted that UniSuper is focussed on ensuring that everything is done in the best financial interests of members and UniSuper is committed to helping members achieve great retirement outcomes.

Chief Executive Officer's Address – Mr Peter Chun

Mr Peter Chun thanked Ms Gower and welcomed all members. He noted that UniSuper is one of the largest and best performing super funds in Australia, with around \$125 billion in funds under management and more than 615,000 members as of June 2023. The Fund strengthened its scale and competitiveness by transferring more than 80,000 members from Australian Catholic

Super in December 2022, a merger that was aligned with the fund's values and its affinity with the education sector. Mr Chun highlighted UniSuper does not aim to be the biggest, but the best, and will only consider merger opportunities that are in the best financial interest of members.

He thanked members for entrusting the Fund with their retirement savings and looked forward to bringing them even greater value in the year to come. The Fund celebrated its 40th anniversary in 2023. He spoke to the work done in cyber security, member protection and digital innovation noting that UniSuper has a dedicated information security team that monitors systems 24-7 and collaborates with industry partners to combat cyber threats. Cyber security is one of UniSuper's highest priorities and UniSuper is committed to protecting members' data and assets. He urged members to be vigilant and to report any suspicious activities on their accounts.

Mr Chun noted that the Defined Benefit Division, remains in a strong financial position, with an Accrued Benefits Index of over 130% as of June 2023.

Mr Chun highlighted the retirement products and services offered to members, including financial advice, member services, digital tools and support and flexible retirement options. The retirement products and services highlighted UniSuper's flexibility, diversity and sustainability in meeting members' needs. The range of retirement options offered, such as account-based pensions, term allocated pensions and transition to retirement pensions, suit different preferences and circumstances. Mr Chun advised the Fund offers best in class digital services, together with advice to help members make confident decisions for their retirement.

The Fund has 40 years of retirement experience and is committed to helping members retire well. Retirement means something different for all members and UniSuper aims to create a hyper personalised experience and meaningful member engagement.

UniSuper supports diversity and inclusion for members regardless of their gender, age, ethnicity or sexual orientation. The Fund invests responsibly and considers the environmental, social and governance factors when making investment decisions.

UniSuper was awarded Super Fund of the Year for the second year in a row and won the pension fund award by Money Magazine. Mr Chun highlighted that these awards are a testament to genuine care for members and the vision to deliver great retirement outcomes for members. UniSuper is recognised for its low fees and its in-house investment management capabilities which delivers strong investment performance for our members.

Mr Chun noted that in the annual performance test conducted by APRA UniSuper was ranked No.1 for the third year in a row in the public offer fund category. UniSuper's balanced option, which is the option that many of its members are in, recorded a return of 10.3% for the 12 months to June 2023. This was a remarkable recovery from the negative returns in 2022 during challenging market conditions caused by the pandemic. Investment returns are not guaranteed, and past performance is not a reliable indicator of future returns.

Finally, Mr Chun thanked members for their attendance and for entrusting UniSuper with their hard earned retirement savings.

Chief Marketing & Growth Officer – Ms Dani Murrie

Ms Dani Murrie spoke about the UniSuper mobile app that enables members to access and manage their superannuation accounts at their convenience. Ms Murrie noted the app had had more than 150,000 downloads and has won an award for its user-centric design. It also has a digital inbox feature that reduces paper usage and minimises environmental impact. The app is fully integrated with the online member portal and allows members make contributions, change investment options and manage their insurance. To date the app has an average rating of 4.7/5.0 in on-line app stores and has had 3.9 million logins to date.

Ms Murrie highlighted the new online calculators which can help members plan for their retirement. The calculators assist members project their expected retirement savings at different ages. The retirement section of the website has also been revamped to provide more relevant and personalised content for members in different life stages. The website content has been developed based on consultation with Australians aged 50 years and over and provides resources and information on topics such as downsizer contributions, retirement income options and Age Pension eligibility.

UniSuper has uplifted the way it communicates information in its member statements. Ms Murrie noted that an annual benefit statement is now provided at 30 June and an account summary at 31 December. The statements focus on the information that members want to see, such as account balances, investment performance, fees charged, retirement projections and insurance cover. The new design is based on extensive member research and adheres to compliance regulations. The statements also notify members of any significant events that may have occurred or about to occur.

Ms Murrie advised that digital initiatives are a major focus for UniSuper and that the Fund is always listening to members and looking for ways to improve member engagement. Ms Murrie noted that she would be sharing new features, tools and enhancements delivered over the next 12 months at the next Annual Members' Meeting,

Ms Murrie added that she is proud to lead a dedicated and innovative team that keeps members at the heart of everything they do and thanked members for their attendance.

Chief Investment Officer's Address – Mr John Pearce

Mr Pearce highlighted the calendar year in financial markets covering:

- the “immaculate disinflation” (or the ‘Goldilocks’ moment of disinflation and full employment) scenario at the beginning of the year;
- the regional bank crisis caused by the collapse of Silicon Valley Bank;
- the Artificial Intelligence (AI) boom that saw the release of Chat GPT which boosted the tech sector;
- the bond market crash that reduced value many long-term bonds and affected many risk assets.

Mr Pearce focussed on the US market, the most important economy and financial market in the world. He compared current Australian market index levels to the pre-GFC levels showing that the Australian market is broadly at a similar level after 16 years, despite the roller-coaster ride.

Mr Pearce noted that the Federal Reserve tightening interest rates exposed weak regional banks and led to the failure of Silicon Valley Bank and other banks. Mr Pearce noted that Silicon Valley Bank was run by inexperienced tech executives who bet on ‘low rates forever’. The bank collapsed in March 2023 and was taken over by bigger banks. However, the Federal Reserve did not stop hiking rates because it did not see this incident as a systemic risk

The ‘AI euphoria’ that impacted the market in 2023 was driven by the popularity of Chat GPT which reached 100 million users in two months. He noted that a key stock in the AI sector was Nvidia, a company that makes chips that power AI; its value increased by the combined value of BHP and Macquarie Bank in a single day and that revenue doubled over the year.

Mr Pearce provided an overview of investment option performance over various time periods in a volatile market and how the investment strategy is adjusted to take advantage of opportunities and reduce risk. He noted that the Global Environmental Opportunities option was the worst

performer. On the other hand, the Global Companies in Asia option is the best performer in the year, thanks in part to its exposure to the tech sector, which benefited from the AI boom. Investment returns are not guaranteed, and past performance is not a reliable indicator of future returns.

Mr Pearce highlighted that the Fund held large investments in bonds issued by Australian banks. Mr Pearce also outlined that the Fund invests in unlisted assets, such as Tasmania's largest timber management company (Forico), which is a sustainable and profitable venture that complements other timber assets. Forico manages plantation forests that provide renewable and carbon-neutral timber and has a strong market position in Australia and Asia.

Mr Pearce stressed UniSuper's commitment to climate risk and energy transition, highlighting the latest Climate Risks and Investments Report which shows progress and disclosure on sustainability issues and responds to members' feedback. The Report sets out science-based targets and frameworks to measure and manage climate risk. It also provides details on the Fund's engagement with companies on their climate performance and transition plans.

Mr Pearce concluded by providing an update on his participation in a roundtable discussion with Treasurer Jim Chalmers and leaders from all major banks and superannuation funds. He noted the roundtable was part of a government effort to attract private capital for the development of low-carbon infrastructure and technologies. Mr Pearce noted UniSuper's interest in being part of the nation-building and the energy transition, but also stressed the need for the government to provide policies and incentives to de-risk projects so that the Fund can meet its primary objective of acting in members' best financial interests.

Member Question and Answer

Ms Danielle Mair invited questions from members, reminding them to omit personal information and she advised that:

- questions and responses are made publicly available on the website (omitting member contact details) and may be summarised and grouped together for response, and
- answers to questions raised at the meeting, but not answered at the meeting, would be part of the minutes and will be provided in a separate document published on the UniSuper website.

Question 1 Will UniSuper be supporting its members with advice on how to retire richer through AI?

CEO, Mr Peter Chun, responded to the question noting UniSuper is incredibly excited by AI technology. UniSuper is exploring different uses across various teams, and we are seeing significant benefits. He noted that UniSuper is leveraging AI-driven call routing, which helps determine how consultants can handle calls better and improve member experience. He also noted that the marketing team were using AI technology to optimise how emails are sent to members, helping improve engagement and personalisation. Mr Chun confirmed the option to speak to a human will always remain as we strongly believe that most of our members want to talk to a person regarding their superannuation. We see AI as a tool to support, assist and enhance our team's delivery of a better experience for our members.

Question 2 Can you please comment on the marketing strategy and how it benefits members?

Chief Marketing & Growth Officer, Ms Dani Murrie, responded to the question noting UniSuper regularly advertises in a variety of media to support UniSuper's growth strategy to attract new members. The key benefit of the growth strategy is to create more scale and keep fees low for members. This also enables the investment team to access investment opportunities through the

new monies coming in from the growing membership. Finally, through better scale we can continue to invest in member services.

Our marketing work is heavily scrutinised. We measure our results, and they must meet the best financial interests of members. From our understanding of the competitor landscape, our marketing spend is prudent.

Question 3 [Is UniSuper's approach of working from the inside towards sustainability in its investments working fast enough, and would total divestment achieve results quicker?](#)

Chief Investment Officer, Mr John Pearce, responded to the question by asking the questioner to think about the outcome of UniSuper divesting from a company. Mr Pearce suggested that UniSuper would be transferring our ownership to someone else, which doesn't achieve the outcome of reducing world emissions. All that is achieved is UniSuper losing the right to vote and influence the behaviour of the company.

Additionally, Mr Pearce commented that in UniSuper's view:

- Corporate Australia has been on board with the goal of achieving net zero emissions before the Australian government and has been reducing emissions. However, it acknowledges that the transition will not be linear and will require step changes and government support; and
- The federal government's commitment to net zero is a game changer, as it creates a level playing field and provides incentives and opportunities for businesses to invest in clean energy and technologies.

UniSuper would like to see the transition to net zero happen faster, but it does not think that divestment is the answer.

Question 4 [As super funds merge and the field consolidates, how is UniSuper planning to maintain the investment lead that it has built and what does management believe is key to maintaining this?](#)

CEO, Mr Peter Chun, responded to the question noting UniSuper's unique in-house investment model, where more than 70% of the assets are managed in-house, is a key competitive advantage. The scale advantages that UniSuper have enable us to manage costs efficiently, drive down fees for members, access greater investment opportunities and provide innovative products and services for members.

Question 5 [Would UniSuper consider offering low-cost ETFs for members?](#)

Chief Investment Officer, Mr John Pearce, responded to the question noting that when considering a new product, UniSuper must justify the decision and ensure that there will be a critical mass of support for it. While index funds have been popular, the take-up of index offerings in superannuation has been low. UniSuper's fees are already low and even compare favourably to index offerings and our performance has outperformed some relevant indexes.

Question 6 [Can you please provide a balanced representation of the possible effects of having opened up UniSuper membership to people outside the higher education sector?](#)

Deputy Chair, Ms Nicloe Gower, responded to the question noting that the Board had spent a lot of time considering the decision to open the Fund. UniSuper has always had members from outside the higher education and research sector. The regulatory context around stapling and expanding choice of fund legislation drove the decision to open the fund to a broader

membership base. A thriving UniSuper is good for higher education, and we remain focused on supporting staff and employers in the university and research sector.

Question 7 **Are there any plans to develop new retirement income products like annuities?**

CEO, Mr Peter Chun, responded to the question noting that UniSuper has a strong focus on retirement income solutions for its members and believes it has a comprehensive suite of products, including its flagship flexi pension product and lifetime income products. UniSuper is always assessing new products to determine if they would deliver value and are fit for purpose.

Question 8 **How will the DBD be affected by non-university members joining the fund?**

CEO, Mr Peter Chun, responded to the question noting the only those who work in the higher education sector are eligible to join the Defined Benefit Division. It is well funded and sustainable. Members joining from outside the university sector join the accumulation divisions.

Question 9 **Are there any mergers on the horizon as part of UniSuper's growth plan?**

Deputy Chair, Ms Nicloe Gower, responded to the question noting that UniSuper is discerning about merger opportunities and is not interested in mergers purely for the sake of growth. Any merger opportunity is always looked at through the lens of best financial interests of members. The ACS merger was in the best financial interests of members. Ms Gower noted that there are no impending announcements on this front.

Question 10 **What are the opportunities and risks posed by China and the geopolitical events?**

Chief Investment Officer, Mr John Pearce, responded noting that UniSuper would not invest directly in China, but invests in companies that sell to China. The situation is looking better as the relationship with Australia has improved and China is stimulating its economy. The Fund is more cautious about investing in companies that sell sensitive products or services to China, such as tech or AI.

Question 11 **What's next for the UniSuper app?**

Chief Marketing & Growth Officer, Ms Dani Murrie, responded to the question noting that members will continue to see new features rolled out, including personalisation, in-app messaging and self-service capabilities. UniSuper is also investing in keeping member data safe.

Question 12 **How is UniSuper thinking about the progress and opportunities in the Global Environmental Opportunities option?**

Chief Investment Officer, Mr John Pearce, responded to the question noting that the Global Environmental Opportunities is a long term option with good growth prospects. It is at the heart of the green theme and energy transition. However, it is priced at a premium to the broader market and is susceptible to a sell-off. We are positive about the medium to long-term prospects of this option.

Question 13 **What is the downsizer contribution and how does it work?**

Chief Marketing & Growth Officer, Ms Dani Murrie, responded to the question noting that the downsizer contribution allows members aged 55 and older to contribute up to \$300,000 to their superannuation account if they sell their family home. There are rules around eligibility, and members can only make a downsizer contribution once. UniSuper encourages members to seek personal advice about this type of contribution.

Question 14 Does UniSuper have special training programs on financial planning for retirees?

Chief Member and Advice Officer, Ms Dani Murrie, responded to the question noting that UniSuper offers a range of education options for retirees, including in-person events, webcasts, and retirement calculators. UniSuper also has a financial advice team that can provide comprehensive advice to members.

Question 15 Why are the sustainable options performing so poorly?

Chief Investment Officer, Mr John Pearce, explained that over the current calendar year these options are doing fine and over the very long term they are slightly in front of the standard options.

There is an anomaly, though, over a three-year period the sustainable options have performed worse than the standard options, and there's a very clear reason for that, and that's because they don't have any energy exposure because they don't have fossil fuels, of course. Energy has been one of the best performing sectors over the past few years. Also, the sustainable options are not large investors in lithium, cobalt or copper companies.

Question 16 Can you please provide some commentary on quality of financial advice?

Chief Member & Advice Officer, Ms Danielle Mair, responded to the question noting that there are various tools and services that can help members with their retirement planning. These include:

- The retirement hub, which is a website that offers guides, videos, and tips for different stages of retirement;
- The retirement savings calculator, which can help users estimate their savings and income in retirement; and
- The retirement income tool, which can help users understand their retirement income and Age Pension eligibility.

Additionally, Ms Mair advised that members can seek comprehensive financial advice from the advice team, a group of professionals who can provide tailored recommendations to achieve users' retirement goals. The advice team can take into a member's superannuation, assets, and income outside of super, as well as their personal preferences and risk appetite.

Ms Mair also highlighted the benefits of planning ahead for retirement, such as having more confidence, control, and peace of mind. Retirement planning can help members make informed decisions and achieve their desired lifestyle in retirement. Ms Mair acknowledged that retirement planning can be complex and challenging, and that members may need support and guidance along the way and encouraged members to contact the advice team if they are interested in this option.

Question 17 How secure is the UniSuper website and app?

Deputy Chair, Ms Nicloe Gower, responded to the question noting that UniSuper takes security very seriously and uses a combined effort between its financial crime team and its cybersecurity and IT teams to protect member funds and data. Security is front of mind in all digital innovation, and UniSuper is investing more each year to keep member data safe.

Question 18 Will the DBD be impacted by recent laws, economic headwinds, and so on?

CEO, Mr Peter Chun, responded to the question noting that the funding position for the Defined Benefit Division remains strong and is superior to many other defined benefit plans in the market.

[More information is available here: [Defined Benefit Division funding and updates | UniSuper](#)]

Question 19 Could you please provide a short history of UniSuper and its ethos for new members?

CEO, Mr Peter Chun, responded to the question noting that UniSuper was created by the universities to look after the retirement savings for university staff. Some 40 years later we're one of the largest super funds in the country and one of the most awarded funds and now we're open to all.

As it relates to new members, our ethos remains unchanged. We're very passionate about delivering great retirement outcomes for our members. That requires a strong focus on three things. Firstly, low fees, secondly, strong investment performance and thirdly, excellent service. We feel that those three things are critical, whether it's for new or existing members as they help achieve member their retirement goals.

Close of Questions

Any financial advice in these answers is general financial advice which does not take into account the personal objectives, situation or needs of any individual. Before making a decision, please consider whether the information is right for you and read the relevant Product Disclosure Statement and Target Market Determination available on the UniSuper website at www.unisuper.com.au/pds. Information presented at the meeting and in these Minutes is provided by UniSuper Management Pty Ltd (ABN 91 006 961 799) on behalf of UniSuper Limited (ABN 54 006 027 121, AFSL 492806), Trustee of the UniSuper Fund (ABN 91 385 943 850).

Meeting Close

Ms Danielle Mair thanked everyone for attending and for the questions that had been posed. Ms Mair noted that while we didn't get to all your questions during the meeting, UniSuper will publish responses to those unanswered questions along with those that were addressed on the day.

We note that answers to questions raised at the meeting, but not answered at the meeting, form part of these meeting minutes.

The meeting closed at 6.42 pm.

The above record of the meeting held on 6 December 2023 is confirmed by Tom May, Company Secretary, UniSuper Limited.