

## FUTURE SUPER FUND: ANNUAL MEMBER MEETING

Date & Time	Wednesday 7 February 2024	3:00 pm – 3:45pm
Virtual venue	Meeting held online	
Attendees	<p>Equity Trustees Superannuation Limited (ETSL) Board: Catherine Robson (Chair), Mick O'Brien, Steven Carew, David Coogan</p> <p>David Warren (General Manager, Clients and Strategic Planning, Superannuation Trustee Services, Equity Trustees)</p> <p>Simon Sheikh (CEO, Future Group) - appeared by video</p> <p>Adam Kuziow (Fund Auditor, Deloitte)</p> <p>Attendees: 18 members and 24 attendees</p>	
Apologies	Sue Everingham (Director, ETSL Board)	
<b>1. Commencement</b>	At 3:00pm, Catherine Robson welcomed all attendees, provided an overview of the Agenda for the meeting and noted details of how to lodge questions and who to call to address any technical difficulties.	
<b>2. Introduction and Welcome</b>	<p>The Chair noted that a quorum of ETSL Directors, David Warren and Adam Kuziow were present.</p> <p>The Chair noted the video presentation by Simon Sheikh, the CEO of Future Group, as the Sponsor of the Fund</p> <p>The Chair welcomed all members and attendees to the Annual Member Meeting of the Future Super Fund (Fund).</p>	
<b>3. Chairman's message</b>	<p>The Chair spoke about the role of an independent trustee within the operation of a superannuation fund. This discussion included:</p> <ul style="list-style-type: none"> <li>• An overview of ETSL as trustee of the Fund and the responsibilities of the Trustee;</li> <li>• Key changes in superannuation and associated legislative changes; and</li> <li>• That ETSL's key role is to protect the interests of members.</li> </ul>	
<b>4. Fund update</b>	<p>David Warren provided an overview of the Fund including:</p> <ul style="list-style-type: none"> <li>• Commentary regarding the Fund's structure, size and scale;</li> <li>• Product and investment offers along with insurance cover; and</li> <li>• The role of Future Group as Fund Promoter and Investment Manager.</li> </ul>	
<b>5. Key Initiatives</b>	<p>David Warren addressed the following key themes:</p> <ul style="list-style-type: none"> <li>• Change of Trustee;</li> <li>• Change of Administrator;</li> <li>• Administration and Investment Fee reductions;</li> <li>• Investment market performance and outlook;</li> <li>• Fund performance update; and</li> <li>• Member Outcome Assessments.</li> </ul>	

**6. Future Focus**

Simon Sheikh provided a video update on plans for the future management of the Fund covering:

- Welcome to Future Super and Verve Super members
- Acknowledgement to traditional owners of the land
- Future Group update and highlights from the Reconciliation Action Plan
- Performance and growth of Future and Verve Super
- Sustainable asset investment decision highlights
- Ethical mandates and investment screening processes
- Recent Verve Super industry awards
- Recent changes in partners including the trustee and administrator
- Initiatives covering member services including digitally led products such as the member app.

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**7. Questions**

David Warren responded to 5 questions (with some of the responses provided on behalf of Future Group) asked by members:

- 1) Can you assure us that there is zero investment in companies connected to coal and gas?
- 2) What is being done to improve investment performance, as it's not been very good the last 2 years?
- 3) What are the fund's main goals for the next five years, and how do these align with current global economic trends?
- 4) Will Future Super be divesting from companies operating in Israel/occupied Palestine this year given the huge climate impacts of apartheid and genocide?
- 5) Will Future Group commit to the 'Paying the Rent' initiative to support Aboriginal People? Land acknowledgements are included in every email and on the website, however, as a member, I would like to see it move beyond that into tangible efforts to support Aboriginal communities. Further, if you decide to support this initiative, will you include Aboriginal people as advisors to the board/committee?

It was noted that it was not possible to respond to questions about a member's personal account or circumstances due to privacy reasons. The Fund would seek to contact these members directly to address their questions.

Written responses to these and other general questions posed by members are attached to these Minutes.

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**8. Closing remarks**

The Chair thanked all those in attendance and noted that a video of the meeting, the Meeting Minutes and written responses to the general questions submitted by members would be available online within 4 weeks of the meeting.

The meeting was closed at 3:45 pm.

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## QUESTIONS AND ANSWERS

### 1. Can you assure us that there is zero investment in companies connected to coal and gas?

Future Super screens out companies that directly participate in the activities of the fossil fuel industry. They define being directly participating in the industry as companies owning fossil fuel reserves or conducting the mining, extraction or burning of fossil fuels. There is a 0% revenue threshold for these activities. Fossil fuels are viewed as all kinds of coal, oil and gas.

Where companies have indirect exposure to the fossil fuel industry, they must be able to prove that below 5% of the company's revenue comes from that activity.

They define indirect exposure as the delivery of products and services that are specific, that is designed specifically for activities linked to our baseline exclusions (so in this case coal, oil or gas) and/or significant, meaning without the services of the company in question the excluded activity would not be possible.

You can read more on this screening process on Fund website at [impact-screening-strategy](#).

### 2. What is being done to improve investment performance, as it's not been very good the last 2 years?

In the last 2 years we have experienced an extraordinary chain of events with floods, still recovering from the COVID-19 pandemic, the war in Palestine and interest rate changes, all contributing to uncertainty and volatility.

In times of market volatility investment balances may decline, but it is important to remember that markets move in cycles. Volatility is a natural part of the economic cycle and markets are influenced by a range of factors and are inherently unpredictable.

Remember that for most investors, superannuation is generally a long-term investment of 20 years or more. When investing over the long term, your super investments will likely need to withstand the volatility produced by these cycles more than once.

It's important to understand your risk profile. All investments carry some risk. How much risk you're willing to accept will be influenced by your financial situation, family considerations, time horizon and even your personality.

The Trustee seeks to provide a diverse range of investments from which a member may select to provide choices as to the level of risk and volatility that's right for them.

If market volatility has caused you to reassess the way you feel about risk, it's important to consider seeking professional financial advice tailored to your personal needs.

### 3. What are the fund's main goals for the next five years, and how do these align with current global economic trends?

Future Super is focused on investing in line with a future that's worth retiring into. Over the coming decades climate change will reshape economies, particularly as governments and companies meet net zero commitments. We will see a decarbonisation of economies as we move towards a net zero future.



This is core to the Fund's long-term goals and strategy, as we maintain that investments in renewable energy and moving money away from fossil fuel companies will see our members benefit from this long-term macro trend.

#### **4. Will Future Super be divesting from companies operating in Israel/occupied Palestine this year given the huge climate impacts of apartheid and genocide?**

Future Super has a set of negative screens in place - if companies fail these, they rule out investing with them. Some of their screens that are relevant to this issue include screens that prevent them from investing in weapons companies and companies that have documented contracts with military forces that make up a significant portion of their revenues.

There are four companies that they invest in that have been flagged by campaigners as having current or historical activities in the Occupied Palestinian Territory (OPT). They have divested from one and are actively reviewing the other three.

Future Super divested Alstom SA, a company involved in infrastructure in the region, at the end of January 2024. The other three companies which have been flagged by campaigners are: HP Inc, Booking Holdings and Expedia.

Booking Holdings and Expedia are travel companies with a global footprint that have some travel services in certain parts of OPT. They do not fail their negative screens, however, they are reaching out to them to gain insight into their approach to operating in conflict zones.

HP Inc., previously supplied personal computers to military and security agencies. The latest advice from the company is that this contract has been terminated. Future Super does not invest in HP Enterprises, a separate company that has been flagged by campaigners as having ongoing activities in the region.

Future Super will continue to engage with these companies and escalate our response if appropriate.

Please see Future Super's [bds-investment-update](#) blog on the website for updates.

#### **5. Will Future Group commit to the 'Paying the Rent' initiative to support Aboriginal People? Land acknowledgements are included in every email and on the website, however, as a member, I would like to see it move beyond that into tangible efforts to support Aboriginal communities. Further, if you decide to support this initiative, will you include Aboriginal people as advisors to the board/committee?**

Future Group acknowledges the Traditional Custodians of the lands on which we operate, and payments of rent from Future Group are made through the Pay the Rent Collective. Future Group commitments include:

- Annual fixed Pay the Rent contributions will be directed to the Pay the Rent Collective, who disburse payments to a range of Aboriginal and Torres Strait Islander organisations they partner with across the country.
- Payments of Rent are in addition to other charitable giving programs within Future Group, including other First Nations events (eg. NAIDOC week)
- For the 2023 calendar year Future Group donated \$99,000 to Pay The Rent Collective.

You can read more about it on the website at [Future Group - reconciliation](#)

Future Group is looking to explore Aboriginal advisors to its Board and Committee.



## 6. Can I use superannuation to pay my student loan outright?

There are limited circumstances in which you can access your superannuation before retirement. These circumstances are compassionate grounds (such as for a funeral or for medical expenses), severe financial hardship, a terminal medical condition, temporary incapacity, permanent incapacity or as part of the First Home Super Saving Scheme. The release of monies under these circumstances is subject to strict eligibility criteria. If you don't meet any of these eligibility criteria you will not be able to access your super early. Payment of a student loans is not one of the early access circumstances.

## 7. When will the balance of closed pension funds be available?

This query is related to a personal member request and the Fund's Member Services Team is working with the member to resolve this query. It relates to accessing the pension funds of a deceased loved one.

If you believe you are the beneficiary of a deceased person's super or are the legal representative of a person's estate, please contact the Fund so we can organise to release the person's super. You may be eligible to receive a death benefit income stream, noting there is a lifetime limit on the maximum amount you can transfer into one or more pension accounts.

## 8. Hi I'm member X (name withheld). I like to find out my super

A great place to start with finding information about your super is to take a look around your super fund's website. On the Future Super website, you can find information about [how we invest](#) and even find a breakdown of absolutely [everything we invest in](#).

If you're looking to understand superannuation better, the Australian government's [Moneysmart](#) website has lots of resources that can help. You can also find superannuation you may have in any inactive accounts through your MyGov account or by using the SuperMatch service to consolidate your super.

## 9. What's the plan to divest from the companies which operating in the illegal settlements in Palestine?

See our response to Question 4.

## 10. What are Future Funds current holdings of TSLA, if any, and why is it not larger?

Future Super has no current investment holdings in TSLA (Tesla). The investment manager has identified a number of documented concerns regarding corporate governance issues at Tesla and therefore has no plans to vary this investment decision at this time.

## 11. What are you doing to ensure your members superannuation is NOT invested in companies that contribute to the ongoing genocide and apartheid conditions Palestinians are subjected to?

See our response to Question 4.

## 12. What is Future Super doing to ensure it has no investments in the Israel apartheid and genocide of over 20,000 Palestinian people?

See our response to Question 4.

## 13. Please update us on the regeneration of land projects



Future Super has a few investments that directly support land regeneration.

The Kilter Rural Murray-Darling Basin Balanced Water Fund invests in water credits that are purchased by irrigators in the Murray-Darling region. The Murray-Darling Basin Balanced Water Fund also donates water to wetlands, regenerating the natural habitat. A partnership with Nature Conservancy Australia allows Kilter Rural to identify the wetlands that could benefit from water donations and track the positive impact these donations are having. Members of Balanced Impact investment option have an exposure to this investment.

Another Future Super investment in regenerating land is Conscious Investment Management's The Impact Fund which recently facilitated Traditional Owners, the Kullilli people, buying back Country after acquiring the pastoral lease to Thargomindah Station in south-west Queensland. The Clean Energy Regulator has approved a carbon farming project on the site - this will see traditional knowledge implemented alongside innovative land management and sustainable agricultural practices to regenerate native forests. Members in Renewables Plus Growth and Balanced Impact investment options have exposure to The Impact Fund.

**14. Why are you having so many problems with the website and portal with the new administrator and why is it taking so long to resolve all the issues? Surely you have contractual KPI's that they have to adhere to. What are you doing have all these issues resolved and what are you doing to compensate members for the inconvenience?**

As noted in the question, we have recently transitioned the Fund to a new administrator, and unfortunately, the transition of some member services (such as the website and member portal) has been impacted by a range of unanticipated issues. We are working closely with the new administrator to address this situation and resolve as quickly as we can.

**15. Can there be a members committee? Is there already one? The people need a say in what our money is invested in.**

We love to hear from our members and we take member feedback very seriously. Please continue to reach out to us at any time with any feedback, suggestions or ideas.

When it comes to investment decisions, the Trustee must invest with a focus on the best financial interests of our members, which is why we put investment decisions in the hands of experienced professionals.

However, that doesn't mean members don't have a say! We introduced a new investment screen as a result of surveying members' values which does not invest in companies with all male boards. Making sure our investment screens and investment decisions line up with our members' values and expectations is a huge priority for us.

**16. Admin Fees. Is there a minimum balance they kick in from?**

All accounts have an administration fee, however under the Protecting Your Super legislation, accounts with a balance under \$6,000 have a maximum 3% fee cap.

**17. Will there be any exposure to any emerging BTC ETFs?**

The Trustee has no plans to add investments in BTC to the Fund.

**18. Why does Future Super still invest in HP and HP Systems, which is complicit in the genocide and apartheid against Palestine?**

See our response to Question 4.



**19. I'd love to get more friends and family on the future super train. Anything in the works around referral incentives?**

We're not currently running any referral incentive programs, but that's a good idea! We're going to pass that feedback on to the Fund's product team.

**20. Thank you for providing this session. Could you please talk more about access for 55yr+ now available. I am struggling to get enough employment as a 55yr old overqualified woman. I am currently living on my emergency buffer.**

Without knowing your personal situation it's hard to get specific about what actions might help. As a 55 year old, the age based condition of release for access to your super based is at age 60. There are also a specific set of circumstances under which members can access superannuation early before their retirement age.

These circumstances are compassionate grounds (such as for a funeral or medical expenses), severe financial hardship, a terminal medical condition, temporary incapacity, permanent incapacity or as part of the First Home Super Saving Scheme and eligibility criteria applies. If you think you might meet one of those criteria or need further support please contact our Member Services Team.

**21. Question about retirement funds: Future Super currently invests in a number of companies who are involved in operations that enable genocide in Israel/occupied Palestine and who operate illegally under international law - which in addition to being morally unethical, puts members retirement funds at risk given that these are proceeds of crime. How is future super mitigating the risk of losing member's retirement funds to legal proceedings?**

See our response to Question 4.

**22. According to The Guardian, "the climate cost of the first 60 days of Israel's military response was equivalent to burning at least 150,000 tonnes of coal". How does Future Super reconcile this with their stance on climate and social impacts and Future Super's screening for "destruction of valuable environments". Will Future Super be divesting from companies operating in Israel/occupied Palestine? Future Super's investments in Booking, Expedia and Alstom all further the violent expansion of illegal settlements and have been declared illegal by the UN and in violation of International Law.**

See our response to Question 4.

**23. Future Super have a screen for "Mandatory detention of asylum seekers and for-profit prisons" which they describe as "evidence of activities that directly enable the mandatory detention of asylum seekers, or the operation of for-profit prisons". Gaza has been described as an open-air prison, where people are unable to leave, and businesses that future super invest in are profiting off these activities. Will Future Super be divesting from companies operating in settler colonial Israel?**



See our response to Question 4.

#### **24. Are we missing opportunities where existing companies, primarily involved in fossil fuels, are transitioning to more renewable energy sources?**

The corporate strategy transition to renewable energy is something our investment team reviews and considers on a regular basis. A lot of the largest fossil fuel companies in the world claim that they have net zero plans along with plans to transition - but in the fine print sometimes these plans don't hold up to closer scrutiny. Some investors believe that by staying invested in these fossil fuel companies allows them to influence those companies to prioritise decarbonisation, but our theory of change rests on the belief that engaging with companies whose sole or primary business is selling hydrocarbons is ineffective. You can read more about that theory on the [how we invest](#) page on our website.

#### **25. Is there any plans to divest from Toyota who are unlikely to provide much further climate benefit over coming years given their reluctance to electrify beyond mild hybrids.**

Future Super recently collaborated with Greenpeace on a shareholder resolution at Toyota's Annual General Meeting. This was one step we took to pressure Toyota to do better on climate change. Toyota is a company we continue to monitor and engage with - if we don't see action aligned with Toyota's own net zero plan and its electrification plan then divestment is certainly a tool that will be on the table.

#### **26. Does Verve Super have the same level of exposure to the 3 companies operating in Occupied Palestinian Territories or are they more exposed to companies operating in OPT?**

At Verve we have a set of negative screens in place - if companies fail these, we rule out investing with them. Some of our screens that are relevant to this issue include screens that prevent us from investing in weapons companies and companies that have documented contracts with military forces that make up a significant portion of their revenues.

There are three companies that we invest in that have been flagged by campaigners as having current or historical activities in the Occupied Palestinian Territory (OPT). We have divested from one and are actively reviewing the other three. These are HP Inc, Booking Holdings and Expedia.

Booking Holdings and Expedia are travel companies with a global footprint that have some travel services in certain parts of OPT. They do not fail our negative screens, however, we are reaching out to them to gain insight into their approach to operating in conflict zones.

HP Inc., previously supplied personal computers to military and security agencies. The latest advice from the company is that this contract has been terminated. Future Super does not invest in HP Enterprises, a separate company that has been flagged by campaigners as having ongoing activities in the region.

We will continue to engage with these companies and escalate our response if appropriate.

#### **27. Why does Future Super continue to invest in companies operating in settler colonial Israel / occupied Palestine when those companies are in violation of International Law and additionally listed by the United Nations Office of the High Commissioner Human Rights Database. Why does Future Super hold it's "engagements" as holding more import than International Law and the United Nations? What is the timeline for these engagements?**





See our response to Question 4.

## MEMBER PERSONAL QUESTIONS

All questions relating to a member's personal account have been included in the appendix to this pack. Both the promoter and administrator have been contacted as required to assist members with these questions.

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