

HUB24 SUPER FUND: ANNUAL MEMBER MEETING

Date & Time	Thursday, 8 February 2024	4.30pm – 5.13pm
Virtual venue	Meeting held online	
Attendees	HTFS Nominees Pty Ltd (HTFS) Board: Catherine Robson (Chair), Mick O'Brien, Steven Carew, David Coogan Adam Kuziow (Deloitte, Fund Auditor) David Warren (General Manager, Clients and Strategic Planning, Superannuation Trustee Services, Equity Trustees) Craig Lawrenson (Chief Operating Officer, HUB24) Attendees: 183 members and 192 attendees	
Apologies	Sue Everingham (Director, HTFS Board)	
1. Commencement	At 4:30pm, 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.	
2. Introduction and Welcome	The Chair noted that a quorum of HTFS Directors, Craig Lawrenson, Adam Kuziow and David Warren were present. The Chair welcomed all members and attendees to the Annual Member Meeting of the HUB24 Super Fund (Fund).	
3. Chairman's message	The Chair spoke about the role of an independent trustee within the operation of a superannuation fund. This discussion included: <ul style="list-style-type: none">• An overview of HTFS as trustee of the Fund and the responsibilities of the Trustee;• Key changes in superannuation and associated legislative changes; and• That HTFS's key role is to protect the interests of members.	
4. Fund update	David Warren provided an overview of the Fund including offers for existing members. The overview also included: <ul style="list-style-type: none">• Commentary regarding the Fund's size and scale;• Divisions of the Fund;• Noting of the product offers, insurance and investment options provided to members; and• The role HUB24 play in service delivery.	
5. Key Initiatives	David Warren addressed the following key themes: <ul style="list-style-type: none">• Investment option changes;• Improving adviser and member experience;• Investment market performance and outlook;• Fund performance example; and• Member Outcomes.	



6. Looking Forward

Craig Lawrenson provided an update on the Fund's position, successes and outlined further enhancements for members of the Fund covering:

- Snapshot of HUB24 as a market leader;
- Delivering for members to empower financial outcomes for the future; and
- improvements including technology and the continued evolution of solutions for members' different life stages.

7. Questions

David Warren and Craig Lawrenson responded to 3 questions asked by members:

- What is the Trustee's view on the possibility of a global financial crisis given the uncertainty in the world and the main downside risks for Super Fund's Investments for the 2024-25 Financial Year.
- What is the Fund doing to protect members and the Fund from cyber security threats and how do you keep ahead of the threats? How are members assisted with cybersecurity measures?
- What is the Trustee doing for ethical and responsible investment to reduce climate change?

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's administrator would seek to contact these members directly to address their questions.

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

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 5.13pm



QUESTIONS AND ANSWERS

Members provided an extensive list of questions, a number of which covered common themes. To avoid repetition of the answers, we have grouped same or very similar questions together under key themes and provided a consolidated response.

Questions that were responded to directly in the meeting are flagged with an asterix.

CYBER SECURITY

What is the fund doing to protect members and the Fund from cyber security threats and how do you keep ahead of the threats? How are members assisted with cybersecurity measures? *

What is the Fund doing to protect members and the Fund from cyber security threats, and how do you keep ahead of the threats? Where are the lines of responsibility between fund management and the members? How are members been assisted with cyber security measures?

As I mentioned earlier, protecting our members' personal information and financial information remains a high priority and HUB24 continues to invest in and take a proactive approach to managing cybersecurity threats and ensuring data security for the HUB24 Platform, including HUB24 Super and its members. This includes continually enhancing our cyber resilience program in line with Australian and international standards.

In FY23, the platform achieved Level 1 maturity for the Australian Cyber Security Centre's Essential 8 mitigation strategies and maintained 100% compliance with ISO 27001.)

Over FY23, HUB24 expanded its cybersecurity team and established a new Security Operations team to provide additional detection and response capability, which also supports HUB24 Super and our members. We also partner with reputable security vendors which further solidifies our security capabilities and reinforces our efforts to prevent cybercrime. HUB24 employs a multi-layered approach to protecting data that involves a combination of technical, non-technical and human-focused measures.

HUB24 also continued to mature its IT Service Management practices, including the development and implementation of additional governance models for Vulnerability Management, Change Management, Configuration Management, Asset Management and Service Level Management. Our 'business as usual' approach to cyber resilience also continued, including penetration and vulnerability testing across the technology environment.

As part of this focus on cyber security, we encourage our members to set up Two-factor authentication (2FA), that is designed to prevent any unauthorised third party from accessing your accounts and personal information.

We encourage all members to remain vigilant about cyber criminal activity. If you notice something unusual on your account, with your log in or more broadly speaking, please do not hesitate to contact us.

Where you have been the victim of a cyber incident, the fund will engage with you to determine the next course of action.



What assurances and insurances do we have in a world of cyber criminals

Cyber events are considered an operational risk of the Fund and such the Trustee has several regulatory obligations to have controls in place to manage such events. These include business continuity plans, disaster recovery plans as well as ensuring that third party providers carry sufficient levels of insurance for adverse cyber security events. In addition to this, the Trustee maintains a group corporate insurance arrangement that provides cover for adverse cyber security events.

SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG)

What is the Trustee doing for ethical and responsible investment to reduce climate change? *

How does the fund rate for supporting environmentally sustainable investments?

What proportion of investments are in sustainable development funds?

Does the Fund have a formal statement on Ethical Investments?

I completely respect the right of other investors to choose investments based off ESG criteria, however given the broad range of opinion regarding ESG investments (you could loosely describe me as an anti-ESG investor), my hope is that HUB24 and Equity Trustees are not actively brow-beating corporations to adopt ESG policies. What is your stance on this?

This is an issue that is increasingly becoming important to our members. It is a common theme that is raised by members and one that the Trustee is seeking to enhance its position.

HUB24 Super Fund does not make investment decisions or allocate money on behalf of members. HUB24 instead offer members and their financial planners a wide range of investments to meet the needs of each particular member. There are a variety of investment choices available within the Fund that may suit sustainable or ethical investment needs of the member. These are available via Australian and International listed securities, managed funds and managed portfolios. Please speak to your adviser about your specific needs.

So, overall, HUB24 has a broad range of investments across many asset classes to cater for all style of investors.

The Trustee is in the process of developing an Environmental Social Governance (ESG) strategy and roadmap. Climate risk and decarbonisation have been identified as key areas of focus. As the trustee of your Fund, we are committed to understanding how and when we have an impact on climate change.

We are developing strategies to reduce the environmental and carbon impacts of our own operational footprint and managing material environmental risks within our fund management and financial services businesses.



FUTURE INVESTMENT PERFORMANCE

Many stock markets advisers in different countries predict a massive crash. What is your fault?

How is next 12 month's performance looking now?

How do you see 2024 finances performing?

What are the financial predictions for the coming year 2024?

How good is HUB24 in predicting future market fluctuations and helping the financial future of its members with good financial returns? Like to hear past performances.

We are not able to comment on sentiment and speculation, nor predict future performance.

Market volatility is inevitable. HUB24 prides itself on having a talented and experienced investment team who use their experience, industry knowledge focus and disciplines to reduce the impact of market volatility.

In the last few years, we have experienced floods, earthquakes, bushfires, wars in conflict zones, along with interest rate changes and an increase in inflation, 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. 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 circumstances.

Remember that for most investors, superannuation is 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.

Looking forward, many economists and market commentators are pointing out areas of risk and concern that could have impacts on future investment returns. Investment markets are very difficult to predict and the Trustee does not make economic estimates. The Trustee also does not provide forward looking investment insight, advocate a particular investment strategy nor provide investment advice and we are unable to predict or comment on future investment returns that may be achieved, but do note that market volatility is part of the economic cycle and investment returns are unpredictable.

It's important to understand your risk profile. All investments carry some risk. How much risk you are willing to accept will be influenced by your financial needs, family considerations, time horizon and even your personality. HUB24 Super provides a diverse range of investment options with varying levels of risk and volatility for members to select from in conjunction with their adviser. As such a member's past and future individual investment performance will depend on the investment choices of the member.

If you have concerns about planning for possible future events and selecting the investment strategy that is right for you, it is important to consult your financial adviser for advice tailored to your personal needs.



INVESTMENT PERFORMANCE

Why has HUB24 done so badly compared to other funds?

HUB24 operates on an investment platform providing a large range of investment options for members (in conjunction with their financial adviser) to select from. Many members create a personalised investment portfolio incorporating a diverse range of options. As such, investment performance for a member will depend on their individual investment selections.

The Fund does not offer a range of trustee directed investment options (such as Growth, Balanced, Conservative etc) which are commonly used for comparison tables between Funds and so a direct comparison of investment performance with other Funds options is not available.

Each member's investment strategy is customised in conjunction with their financial adviser. You can access the 12-month performance of your HUB24 Super account from your most recent annual super statement for FY23 by logging into your account on InvestorHUB or alternatively, speak to your adviser to discuss further.

Please state the fund's performance over the previous 12 months in a percentage.

The investment performance for the 1000+ Managed Funds offered through the platform are available to members after logging into the member portal. Performance of a member's portfolio is reported at an account level and available online through their Annual Super Statement on the member portal.

What contingency is being taken to protect the funds from any adverse effect of China's economic ills and downturn?

Are we able to get a report on returns to investors prior to the meeting?

Will you be adding precious metals to the portfolio?

Why not invest in the index as it performs well in the long run.

The Trustee reviews the global economy regulatory when overseeing investment and returns. There is not a particular focus on one country in isolation.

HUB24 Super Fund does not offer a default portfolio or pool of investment for members. Rather HUB24 Super Fund offers members a wide range of investment options and investment types that can be discussed and selected in conjunction with their financial adviser to tailor the investment needs for each member. Please speak to your financial planner if you have specific needs or concerns about your current investments.

There are a range of investments for members to choose from on the HUB24 Super investment menu that offer access to precious metals – please speak to your financial planner if you have specific needs. These include index/passive investments as well as active investment management strategies. Please speak to your financial planner if you have specific needs or concerns about your current investments.

Each members investment strategy is customised in conjunction with their financial adviser. You can access the 12-month performance of your HUB24 Super account from your most recent annual super statement for FY23 by logging into your account on InvestorHUB or alternatively, speak to your adviser to discuss further.



What is the Trustee's view on the possibility of a global financial crisis given the uncertainty in the world and the main downside risks for Super Fund's Investments for the 2024-25 Financial Year. *

Investing across different asset classes invariably involves taking some risk in order to achieve returns. It is always very difficult to predict what investment markets will do in coming periods. Some of the risks which will likely influence markets in due course include (but are not limited to) widening global conflict, a slowing of economic growth, sustained inflation and a global credit crunch. It is important that members select investment options that reflect their risk appetite and investment horizon.

Looking forward, many economists and market commentators are pointing out areas of risk and concern that could have impacts on future investment returns.

The Trustee is unable to predict or comment on future returns that may be achieved but notes that market volatility is a part of the economic cycle and returns are unpredictable.

To assist members, the Trustee seeks to provide a diverse range of investments with different risk profiles to enable members to select investment options that are right for them and their personal circumstances.

If you have concerns about selecting the investment strategy that is right for you, it's important to consider seeking professional financial advice tailored to your personal needs.

A couple of our "CARE" clients are not happy with the CARE varied high fees associated! Will the different types of "CARE" fees be reviewed?

If your clients are dissatisfied with their fees, feel free to contact your Business Development Manager who would be more than happy to work through the specific issues they are facing, and to discuss if there are any options or solutions available.

It seems as if the consultant's and other fees takes a large portion of the total return on my investment, how can I afford this cost in retirement?

There is a cost involved with investing, which the Trustee carefully oversees to ensure that they are reasonable and in members' best interests. The investment that you select are in consultation with your financial adviser who can assist you understand these costs and how they apply to you and your investments. As with any financial plan, you should discuss the affordability and suitability of the options you are or have selected, taking into consideration your overall financial capacity and goals.

We recommend that you regularly review your investment portfolio to ensure that it aligns with your financial needs, especially coming up to or while in the retirement phase. This can help you reassess the impact of fees and make adjustments as needed. If you discuss these concerns with your financial adviser, they can assist you with appropriate options that take into account any associated fees and your retirement objectives.

Does Management see suggested changes to types of currency and trading platforms possibly beneficial to your business?

To assist members, the Trustee seeks to provide a diverse range of investments with different risk profiles to enable members to select investment options that are right for them and their personal circumstances which includes continually assessing the current offerings.



At this stage it is not part of HUB24's overall strategy, however our teams are continually assessing new investment options to provide choice to members. This includes assessing a range of asset types, industry trends, regulatory considerations, and potential benefits or risks associated with proposed investment options.

What is the real inflation rate we are currently going through not what the government is telling us?

The Trustee is unable to comment on how the inflation rate is measured by the Australian Bureau of Statistics. We do know that inflation fluctuates over time due to various economic factors, including changes in consumer spending, interest rates and global economic conditions. It is important for you to review your superannuation investments, consider your risk tolerance and how inflation may affect your financial goals. Financial advice could be valuable in navigating the complexities of superannuation and adjusting your investment strategy in response to economic conditions, including inflation.

Why does HUB24 believe their needs are greater than the client? Why do you not agree to reasonable requests from clients, only to suit yourselves?

The Trustee has to balance the needs of the individual and that of all members of the fund. We work within a stringent regulatory framework and are governed by the Trust Deed of the fund. Sometimes we are not able to flex to suit the needs or requests of a member.

We highly value your feedback, as it helps us understand our strengths and areas for improvement. It's important to provide specific details and if you believe your requests are reasonable and not being adequately addressed, expressing your concerns clearly and seeking further explanation may help in finding a resolution.

We recommend you discuss any issues or concerns you may have with your financial adviser or alternatively, reaching out to our Client Services team on 1300 854 994 or email admin@hub24.com.au

Should I move my super to low risk a while I'm worried about a global financial crisis and don't want to lose a chunk of my super.

The Trustee does not provide forward looking investment outlooks, advocate a particular investment strategy, nor provide investment advice and we are unable to predict or comment on future investment returns that may be achieved or individual member strategies.

Members, in conjunction with their advisers, determine their own investment strategy which may include consideration of rising, falling or volatile markets. The HUB24 Super platform offers access to a significant range of investments that meets specific strategy requirements.

What are the main downside risks for super fund's Investments for the 2024-25 Financial Year?

The Trustee continues to consider specific downside risks for super fund investments in the 2024-25 financial year, monitoring various factors including global economic conditions, geopolitical events, and market dynamics such as interest rate changes and inflationary pressures, which can evolve unpredictably.

Diversification and regularly reviewing and adjusting the investment strategy based on the evolving market environment are key principles for managing risks in super fund investments. We recommend you seek advice from your financial adviser to assist you manage any concerns you may have, and tailor investment recommendations based on your financial needs.



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.

Disclaimer:

Issued by HTFS Nominees Pty Ltd (ABN: 78 000 880 553 AFSL 232500 RSEL 0003216) Trustee of HUB24 Super Fund (ABN 60 910 190 523).

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