

## SMART FUTURE TRUST: ANNUAL MEMBER MEETING

Date & Time	Wednesday 7 February 2024	4:30 pm – 5:01pm
Virtual venue	Meeting held online	
Attendees	<p>Equity Trustees Superannuation Limited (ETSL) Board: Catherine Robson (Chair), 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>Saffron Sweeney (Fund Actuary, Aon)</p> <p>Attendees: 22 members and 29 attendees</p>	
Apologies	Mick O'Brien (Director, ETSL); Sue Everingham (Director ETSL Board)	
<b>1. Commencement</b>	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.	
<b>2. Introduction and Welcome</b>	<p>The Chair noted that a quorum of ETSL Directors, David Warren, Adam Kuziow and Saffron Sweeney 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 Smart Future Trust (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>• Noting the membership spread over both the wealth management and insurance-only divisions</li> <li>• Product and investment offers along with retail insurance cover; and</li> <li>• The role of Future Group as Fund Promoter, Administrator and Investment Advisor.</li> </ul>	
<b>5. Key Initiatives</b>	<p>David Warren addressed the following key themes:</p> <ul style="list-style-type: none"> <li>• Insurance enhancements and rate changes</li> <li>• Sub-administrator transition</li> </ul>	



- Wind-up of the Enterprise division and transfer to PRIME division; and
- Performance test failure for 2 investment options.
- Investment market performance and outlook;
- Fund performance update; and
- Member Outcome Assessments.

---

#### 6. Future Focus

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

- An introduction to Future Group;
- The position of smartMonday product as a key focus;
- Performance test results and changes to investment managers;
- Fee reductions and administration rationalisation;
- Fund investment performance and economic outlook;
- Broadened advice scope to cover pre-retirement planning;
- Investments into the environmental and social governance sector; and
- Planned rollout of digital member applications.

---

#### 7. Questions

David Warren responded to 4 questions asked by members:

- 1) What is being done to improve investment performance, as it's not been very good the last 2 years?
- 2) 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?
- 3) What is the target asset allocation for the next 1-3 years?
- 4) What are the underlying assets for lifecycle superannuation products?

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.

---

#### 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 5:01 pm.

---



## QUESTIONS AND ANSWERS

### 1. 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.

### 2. 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.

### 3. What is the target asset allocation for the next 1-3 years?

The strategic asset allocation refers to the amount your super fund strategically allocates to each asset class. For example, in many balanced portfolios, there's an asset allocation of 70% to growth assets like Australian and International shares, and a 30% allocation to defensive assets like fixed interest and cash.



We offer a Lifecycle product where the target asset allocation is adjusted in that product to suit your risk tolerance at different stages of life. This is not the case for the other investments which have a set target asset allocation, regardless of your life stage. If you contact a smartCoach they can help you see what your asset allocation might look like.

You can find details about the asset allocations for the smartMonday product you are invested in by looking on page 3 of the Product Disclosure Statement for the product that is relevant to you. If you are a smartMonday PRIME member you can find the PDS on the smartMonday website. On the website you can also find asset allocations broken down by investment option to demonstrate how much is invested within the growth and defensive categories into asset classes such as Australian shares, international shares, property, alternatives, fixed interest and more. You can find these breakdowns on each investment options page on our website.

#### **4. What are the underlying assets for lifecycle superannuation products?**

Our Lifecycle investment strategy means the way your super is invested shifts to suit your needs (in terms of your risk appetite and age) through your working life and as you get closer to retirement. This means when you are younger and have more time until you retire, you're super will have a higher allocation to growth assets - most commonly Australian and international shares. As you get closer to the retirement years, Lifecycle super means your asset mix will change so that you have a smaller exposure to those growth assets and a larger exposure to defensive assets - like bonds and cash. Your super is invested in thousands of underlying assets, you can peruse the entire list of investments through this [what-we-invest-in](#) link.

#### **5. Last year you updated your IT. Since then, I cannot access my three income streams online as I could before as you now require a separate email address for each stream. When will that be fixed? Also why do you not advise me of the tax components of the income streams? That should be included in the (very late) annual reports. I have been emailing and phoning you for months on these matters?**

We have recently transitioned to a new fund administrator and as a result, there is a backlog of member requests which our team is working through. Our Member Services Team have reached out to this member directly to work with them on resolving the outstanding systems issues.

#### **6. Firstly, why are notifications not emailed. Sustainability!! Secondly that contact details on the notification letter are incorrect. Third I have tried 3 different numbers and an email contact on your website without being able to contact anyone to discuss this. I am very disappointed**

The Member Services Team have reached out directly to this member to resolve this issue.

We encourage members to support sustainability measures, noting that members can choose to have their communications emailed or to receive information by standard mail. To make a change to your communication preferences please log into your member portal. If we have the incorrect contact details for you and you cannot log into your online account, please contact us via phone on 1300 880 588 (+61 2 4209 5432 from outside Australia) 7am – 7pm AEST/AEDT weekdays.

#### **7. As a large account holder, I am reassessing plans with caps on fees. Is this proposed and when for smartMonday?**

We have no immediate plans to introduce fee caps, but we are working on plans to lower fees as a priority.



## 8. As a defined benefits member, am I able to access a projection of my retirement entitlement at any given time?

We do not provide projections of retirement entitlements for defined benefit members.

In a defined benefit fund, your super benefit when you retire is not solely dependent on super contributions and investment earnings. In these funds, your employer is required to contribute regularly towards the defined benefit you receive when you retire. These employer contributions are not allocated to individual member accounts; instead they are allocated to a defined benefit pool, from which all of the fund's defined benefits are paid to members.

What you receive when you retire (or leave your employer) and withdraw your super benefit is based on a formula in the rules (trust deed) of your defined benefit super fund. These rules will vary between individual defined benefit funds. If you are a member of a defined benefit super fund, the amount you receive will depend on several factors, for example, how long you have worked for your employer, how much has been contributed to your fund and your final average salary when you retire. For more specific information relating to your account, please reach out to Member Services Team for assistance.

## 9. Understand options to maximize super benefit with smartMonday? Also, when will be mobile App available for members?

We are working to get the mobile app live for our members and we'll be in touch as soon as we have an update regarding timing.

In terms of maximising your super, you can find information on how much you can contribute to your super above what your employer is contributing by using the superannuation calculator on the MoneySmart website. Maximising your super can be complex, so please speak with a smartCoach if you have any questions. You may also wish to access personal advice on superannuation through a financial adviser.

## 10. Hi, I will register but not sure if I will be available yet. Can I get a recording anyway?

You will be able to access the video recording and minutes of this meeting on our website.

## 11. What are the key benefits of your IS product?

smartMonday provides a comprehensive range of products and services to support members planning for, and engaging in, life after full-time employment. smartMonday's pension product, smartMonday Pension, is a fully featured income stream product which provides:

- Choice of 18 investment options: 10 pre-mixed, 8 sector-specific
- Switching between investment options at any time, at no charge.
- Selection of pension income frequency (monthly, quarterly, half-yearly, annually)
- Selection of the investment options you would like to draw down for pension income.
- Annual notifications setting pension income you would like to receive for the year ahead
- Nominate beneficiaries for your account in the event of your death
- Annual statement.

Decisions around retirement can be complex, so our smartCoaches are here to help.



**Disclaimer:**

Equity Trustees Limited (ABN 46 004 031 298) AFSL 240975, Equity Trustees Wealth Services Limited (ABN 33 006 132 332) AFSL 234528, HTFS Nominees Pty Ltd (HTFS) (ABN 78 000 880 553, AFSL 232 500), Equity Trustees Superannuation Limited (ETSL) (ABN 50 055 641 757 AFSL 229757) and EQT Legal Services Pty Ltd (ABN 32 611 391 149) are part of the EQT Holdings Limited (ABN 22 607 797 615) group of companies, listed on the Australian Securities Exchange (ASX:EQT).

The information provided in this presentation is given in good faith and is current at the time of the presentation. Past performance is not a reliable indicator of future returns. All information contained in this presentation is general in nature only and should not be relied upon as personal advice. You should speak with a financial adviser for information tailored to your specific objectives, financial situation and needs. To get a copy of the Product Disclosure Statement go the Fund website at [smartMonday.com.au](http://smartMonday.com.au) or call 1300 880 588.

This communication is intended as a source of information only and should not be construed as legal advice.

Copyright © 2024 Equity Trustees. All rights reserved.