

ZURICH MASTER SUPERANNUATION FUND: ANNUAL MEMBER MEETING

Date & Time	Tuesday, 6 February 2024	11:30 am – 11:50 am
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 Jewell (Ernst & Young, Fund Auditor)</p> <p>David Warren (General Manager, Clients and Strategic Planning, Superannuation Trustee Services, Equity Trustees).</p> <p>Attendees: 2 members and 8 attendees.</p>	
Apologies	Sue Everingham (Director ETSL Board)	
1.	Commencement	At 11:30am, 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	<p>The Chair noted that a quorum of ETSL Directors, David Warren and David Jewell were present at the meeting.</p> <p>The Chair welcomed all members and attendees to the Annual Member Meeting of the Zurich Master Superannuation Fund (Fund).</p>
3.	Chairman's message	<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"> • An overview of ETSL as trustee of the Fund and the responsibilities of the Trustee; • Key changes in superannuation and associated legislative changes; and • That ETSL's key role is to protect the interests of members.
4.	Fund update	<p>David Warren provided an overview of the Fund including:</p> <ul style="list-style-type: none"> • Commentary regarding the Fund's size and scale; • That the Fund was closed to new accumulation members and the Trustee anticipated gradual decline in scale over the coming years; and • The supporting role provided by Zurich Financial Services Australia.
5.	Key Initiatives	<p>David Warren addressed the following key themes:</p> <ul style="list-style-type: none"> • Reduction in Portfolio Management charge; • Investment market performance and outlook; • Fund performance update; and • Member Outcome Assessments.
6.	Questions	David Warren responded to 3 questions asked by members:



1. What is being done to improve investment performance, as its 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. Are the Trustees considering selling the ZMSF to another provider?

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

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

7. Closing remarks

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

The meeting was closed at 11:50 am.



QUESTIONS AND ANSWERS

1. What is being done to improve investment performance, as its 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. Are the Trustees considering selling the ZMSF to another provider?

Super funds are not assets that can be bought and sold.

The key issue with managing closed funds is the gradual reduction in scale which usually leads to an increasing cost on a per member basis. However please note that Zurich have provided a commitment to have no increases in the current administration fee levels above Consumer Price Index (CPI) rises before June 2025 which alleviates the concerns regarding increasing costs. As we have covered in the presentation, member costs over the last year have actually reduced.

As a Fund reduces in scale the Trustee also has a duty to ensure that it protects the interests of members, which may include, should the circumstances warrant, the consideration of merging with another Fund.

The Trustee is constantly monitoring the financial position of the Fund to ensure that it remains in the members best interests to continue to operate in its current structure.

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