

## THE UNIVERSITY OF NEW SOUTH WALES PROFESSORIAL SUPERANNUATION FUND: ANNUAL MEMBER MEETING

Date & Time Thursday, 17 June 2021  
2.00pm

Virtual venue <https://kapara.rdbk.com.au/landers/e4c784.html>

Attendees Equity Trustees Superannuation Limited (ETSL) Board:  
Tony Lally (Chairman), Ellis Varejes, Mark Blair, Michael O'Brien,  
Sue Everingham, Paul Rogan, George Zielinski  
James Oliver (Deloitte, Fund Auditor)  
Saffron Sweeney (Aon, Fund Actuary)  
Attendees: 7 members

Apologies Nil

1. **Commencement** At 2.00pm, Mark Blair provided an overview of the Agenda for the meeting and noted details of how to lodge questions and whom to call to address any technical difficulties.

2. **Introduction and Welcome** Mark Blair noted that all ETSL directors, the Fund Auditor, James Oliver, Deloitte and the Fund Actuary, Saffron Sweeney, Aon were present at the meeting.  
Mark welcomed all members and attendees to the first Annual Member Meeting of The University of New South Wales Professorial Superannuation Fund (Fund).

3. **Role of the Trustee** Mark Blair spoke about the role of a Trustee within the operation of a superannuation fund and about the key issues faced by the Trustee and members in 2020, including ETSL's increased focus on continuing to enhance the outcomes for members. This discussion included:

- An overview of ETSL;
- The responsibilities of the Trustee;
- The impacts of 2020, in particular Covid-19, on the operations of the Fund;
- The focus of the Trustee over the next 12 months;
- Regulatory changes delivering ongoing improvement within the superannuation industry and
- ETSL's key role to protect the interests of members.

4. **Executive General Manager's Fund Update** Mark Blair provided an overview of the Fund including:

- Noting the size and type of the Fund (DB);
- Detailing the service providers of the Fund and their roles;



- How the ongoing financial position of the Fund is maintained, and that contributions continue to be paid by the employer thereby maintaining a satisfactory financial position.
- Changes to the investment strategy. The majority of monies being invested in indexed funds with Vanguard. Maintaining a small cash buffer for the payment of pensions.

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**5. Fund Actuary Update**

Saffron Sweeney provided an update on how the actuary aims to serve members' interests including:

- Ensuring the financial solvency of the Fund whilst meeting all relevant regulatory and legislative requirements;
- Setting of assumptions such as the likely investment returns on the assets and rises in Professorial Salary which is used to determine the pension payments;
- Determining the funding position;
- Providing the administrator with information to complete quarterly APRA reporting and reporting to the Trustee and the Regulator;
- The 76 pensioners currently in payment able to be paid as required under the Fund's governing rules when considering the assets and recommended contributions;
- The assets net of operational funding reserve was \$32.5m which was higher than the present value of expected future pension payments of \$29.5m and the present value of expected future expenses of \$1.9m resulting in total liabilities of \$31.4m.
- The Fund was sitting at 110.3% which was comfortably above 97.0%. The total liability index was 103.5%.

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**6. Questions & Answers**

Mark Blair and Saffron Sweeney responded to 3 questions asked by members.

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

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

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**7. Closing remarks**

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

The meeting was closed at 2.15pm

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## QUESTIONS AND ANSWERS

### 1. Are there any financial concerns over payment of pensions? Are all Contributions being paid?

The funding position of the Fund was quite healthy at 31 December 2020 as investment markets have continued to perform well in the year to date. The Fund Actuary expects that the Fund will still be in this healthy financial position.

The Fund Actuary can also confirm that the contributions have been paid by the University in accordance with her recommendations.

### 2. On page 6 of the Annual Report, the Fund's 5-year compound average return 2016-2020 is recorded as 7.42%. How does this compare with median returns of conservative and growth superannuation funds?

Investment returns are important for the assets of the Fund and are reviewed by the Trustee on a regular basis and are part of the actuarial review on an annual basis.

Investment returns do not have a direct impact on members as all benefits are pensions and the amounts to be paid are not impacted by investment returns.

However, investment returns do impact the assets of the Fund and thus the amount of contributions needing to be paid by the employer (the University) so as to ensure the pensions and Fund expenses can be met.

The performance of the Fund for the 5-Year period to 31 December 2020 is consistent with its peer group. A comparison of the median returns of Conservative, Balanced and Growth superannuation funds can be seen below:

GROWTH ASSET % RANGE	MEDIAN 5-YEAR RETURN (%)
41-59% - Conservative-Balanced	5.67
60-76% - Balanced	7.14
77-90% - Growth	8.20
50-65% - UNSW	7.42

*Source: SuperRatings data December 2020*



### **3. What steps have been taken to ensure the "Professorial Salary" used for pension calculations is adjusted correctly and in a timely manner?**

The University provides the Professorial Salary details to the Fund's Administrator on a quarterly basis.

The Fund Actuary collects this information and reviews it against the governing rules of the Fund and checks the increases applied to individual members are correctly updated at the time increases are made.

Thus, members can be assured that all increases are being reviewed and checked independently each year.

#### **Disclaimer:**

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