

Minutes

Annual Members' Meeting
Fiducian Superannuation Service, Pearl Superannuation Service, Auxilium
Superannuation Service and AMFG Superannuation Service

Held at 1 York Street Sydney via Video Link

Thursday 7 December 2023

12.00pm – 1.00pm AEDT

Present Drew Vaughan Catherine Lynch Maria-Ann Camilleri Sam Hallab Jai Singh Ramani Venkatramani	 Board Chair, Trustee Director Trustee Director Trustee Director Trustee Director Trustee Director Trustee Director
Attendees Ross Martin Conrad Burge Paul Gubecka Jessica Dass Rahul Guha Luke Grbin David Boyle Michael Pinto Andrew Reeves	 General Manager Superannuation Executive Chairman - FIMS General Counsel - FSL Chief Risk Officer - FSL Executive Chairman – FSL Head of Operations – FSL Investment analyst – FIMS General Manager, Finance & HR - FSL Partner, KPMG - external auditor

The meeting commenced at 12.00pm AEDT.

1 Welcome to Members and Introductions

Drew Vaughan

Mr Vaughan welcomed members to the 2023 Annual Members Meeting (AMM), noting:

- The AMM is for members of the Fiducian Superannuation Service (FSS), Pearl Superannuation Service (PSS), Auxilium Superannuation Service (AXS) and AMFG Superannuation Service (AMFGS) – collectively referred to as the “Service”
- The meeting is being held via video link in accordance with regulatory requirements.
- All six Trustee Directors are in attendance at the meeting and the meeting therefore has a quorum

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- Member questions of an individual or personal nature are unable to be answered during the meeting, but can be dealt with via the member's financial planner or the Fiducian contact centre.
- The meeting will include an introduction to the key team members who manage the day to day operations of the Service and updates on investment returns, member operations and the economic outlook
- The Annual Reports for each of the funds are available online at Fiducian.com.au, which contains the formal reports from the Chair to members
- The AMM, together with any questions and answers, will be published following the meeting, at Fiducian.com.au
- The agenda items for the meeting

Mr Vaughan introduced the following people in attendance at the meeting:

- Ross Martin as the General Manager Superannuation
- Conrad Burge representing the Investment Team
- Jessica Dass as the Chief Risk Officer for the Service
- Rahul Guha as the Executive Chairman – FSL
- Luke Grbin as the Head of Operations - FSL
- Paul Gubecka as General Counsel – FSL
- Andrew Reeves as audit Partner - KPMG

Mr Vaughan introduced to members each of the Service's Trustee Directors, with each Trustee Director providing a short summary of their role/s and experience:

- Ms Catherine Lynch
- Mrs Maria-Ann Camilleri
- Mr Sam Hallab
- Mr Jai Singh
- Mr Ramani Venkatramani

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Mr Vaughan noted:

- FSS, PSS, AXS and AMFGS are public offer superannuation funds regulated and licensed by APRA and ASIC
- Each fund operates through a corporate trustee, Fiducian Portfolio Services Limited, of which all Trustees are Directors
- The role of the Trustee is to be independent and ensure the Service is run in the best financial interests of members
- A wide range of investment products are offered to members to enable them to structure a suitably diversified portfolio, currently over 300 products
- Investment products include multi asset strategies, asset sector specific products, and managed share portfolios
- The Service continues its long term growth with assets of over \$2.2 billion, contributions during the year exceeding \$448 million and membership of over 8,000
- The Service is designed to support members who chose to use the services of a professional financial adviser, and for whom strong long term investment returns are a priority
- The strong long term investment performance of two of the Service's most widely used investments, the Fiducian Balanced Fund and the Fiducian Growth Fund
- The Trustee continues to focus on the strength of long term returns, with details of each investment option available through the website and the relevant annual report

Mr Vaughan noted that the Trustee has had a heightened focus on cyber security issues, with new controls introduced including 2 factor authentication and increased funding to cover detection and prevention against cyber attacks.

Mr Vaughan thanked the fund members and their professional financial advisers for their continuing support.

Mr Vaughan thanked the fund's management team and colleagues on the Board for their dedication and contribution.

Mr Vaughan introduced Mr Ross Martin, who would be providing a summary of the operational aspects of the Service over the past year.

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2 General Manager Superannuation Report

Ross Martin

Mr Martin advised that his presentation would provide a summary of the areas that the Trustee is paying particular attention to in the current environment, including:

- Cyber Security
 - The Trustee has a critical focus on the Service's cyber security framework, including internal IT operations and links with external service providers, and communications with members and advisers
 - Members are encouraged to be vigilant in relation to all email, text and telephone communications
- Custodial Arrangements
 - The Trustee is responsible for ensuring the custodial security of member assets
 - The transition from the previous (NAB) to the current (CITI) custodian was completed in October 2023, with no impact on member services or benefits
- Modern Day Slavery
 - The Trustee reviews its legislative requirements annually based on the size of the fund and has in place appropriate service provider and policy review strategies
- Industry Focus Points
 - The industry regulator APRA has determined a range a supervision priorities which are shared by the Trustee Directors, including investment governance, operational resilience, performance transparency and retirement outcomes

Mr Martin commented that while the Trustee has the ultimate responsibility for the operation of the Service in the best financial interests of members, specialist outsourced service providers are appointed by the Trustee to fulfil specific tasks. The service providers include both resources from within the broader Fiducian group, and from external organisations as follows:

From within the Fiducian group

- Administration and call centre services

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- Finance and accounting services
- Investment management services
- Risk management services
- Information technology services
- Legal and compliance services

From external organisations

- External audit services – KPMG
- Internal audit services – Ernst & Young
- Custodial services – Citi
- Insurance services – TAL

Mr Martin noted that all service providers have met the demanding service levels set by the Trustee.

Mr Martin highlighted a number of the financial achievements of the Service over the past year, noting:

- Contributions of \$196 million received during the year
- Rollovers of \$252 million received during the year
- Member numbers of 8,029
- Members' average account balance of \$280,000 at June 2023
- Member benefit and pension payments of \$240 million during the year

Mr Martin commented that the operational service standards of the Service continued to be met and thanked all service providers and staff for their dedication and excellence during the year.

Mr Martin passed the meeting back to Mr Vaughan.

Mr Vaughan introduced Conrad Burge to provide a summary of the economic outlook and investment aspects of the Service over the past year.

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3 Economic Outlook

Conrad Burge – Executive Chairman, Fiducian Investment Management Services

Mr Burge discussed a number of investment topics relevant to members of the Service, supported by a range of investment data and charts, noting:

- The Service's investment strategy provides members with a broad range of investment products, including both multi manager and single manager products, and both diversified and single asset sector products
- The strong long term performance of the multi manager products is due to two factors: a careful selection process for underlying managers and an investment strategy based on careful analysis of the economic environment
- Fiducian's multi manager product approach provides the added benefits of high levels of liquidity and diversification
- The Fiducian Balanced Fund, as an example of the multi manager products offered, provides diversification across 5 asset sectors, as well as across investment products from 28 different investment managers and across hundreds of individual securities
- The same managers are used for the Fiducian Growth and Capital Stable Funds, but with different asset allocation percentages
- A feature of the multi manager funds is that all assets are liquid and containing mostly listed securities
- Asset allocation depends upon an assessment of the current economic environment, both domestic and international
- There is a continuing international fight against inflation, which was caused by excessive monetary and fiscal stimulus to counter the pandemic from 2020 onwards
- The International Monetary Fund is forecasting continuing sluggish growth in the global economy for 2024, however projections are increasingly consistent with a 'soft landing' scenario
- Interest rates have accelerated dramatically over the past 18 months across advanced economies, and appear to have been effective in lowering inflation
- Economic GDP growth indicators remain strong for China and India
- Manufacturing growth is contracting across the globe apart from India
- Australia is experiencing an economic slowdown and is in a per capita recession

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Mr Burge noted the following key economic policy issues:

- Economic indicators point to some recovery in major economies in 2024
- Consumer and business sentiment remain weak
- Monetary policy remains contractionary but interest rates could start to fall in 2024
- Corporate earnings are forecast to grow solidly in 2024
- Share markets appear fairly priced and appear to have priced in current regional conflicts
- Share markets could enjoy some upside during 2024, assuming recession can be avoided

Mr Burge passed the meeting back to Mr Vaughan.

4 Questions

Mr Vaughan noted that no questions had been received during the meeting.

5 Meeting Conclusion

Mr Vaughan thanked members of the Service and representatives of service providers for their attendance at the meeting, reminded members that the meeting video will be posted on the Fund website, and that should they have any specific questions in relation to the structure of or investments of their superannuation or pension accounts in the Service that they should in the first instance contact their professional financial planner.

The meeting was declared closed at 12.40pm.

The Trustee has agreed that these minutes be released to the Service website.

Signed as a true record



Drew Vaughan
Chair

Date: 7/12/2023