

A photograph of a family (a woman, a man, and a young girl) smiling and interacting in a park setting. The woman is on the left, the man is in the center holding the girl, and they are all looking towards the right. The background shows trees and a fence. An orange and yellow geometric graphic is overlaid on the bottom right of the image.

2023 Annual Member Meeting

Minutes of the 2023 AustralianSuper Annual Member Meeting

Held online, Tuesday 21 November 2023, 6pm - 7:45pm (Melbourne time)

Presenters:	Rose Kerlin, Chief Member Officer Dr Don Russell, Chair Paul Schroder, Chief Executive Philippa Kelly, Independent Director and Investment Committee Chair Mark Delaney, Chief Investment Officer and Deputy Chief Executive
Present:	Julia Angrisano; Glenn Thompson; Gabrielle Coyne; Claire Keating; Craig Cummins (Auditor); John Dixon; Jeff Warner (Actuary); Jo Schofield; Innes Willox; Misha Zelinsky; Janice van Reyk; Andrew Mantello; Michele Glover; Peter Curtis; Shawn Blackmore; Paula Benson.

Important Information

Please note, the presentations and these minutes may include general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision consider if the information is right for you and read the relevant Product Disclosure Statement, available at australiansuper.com/pds or by calling 1300 300 273. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd!

The presentations relate to the financial year ending 30 June 2023. Please remember investment returns are not guaranteed and past performance is not a reliable indicator of future returns.

AustralianSuper Pty Ltd ABN 94 006 457 987, AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898.

Formal presentations

Welcome

Ms Rose Kerlin, Chief Member Officer, spoke to the following matters:

- welcomed members and attendees to the AustralianSuper 2023 Annual General Meeting
- acknowledged the traditional custodians of the land and paid respect to their Elders past and present and extended respect to any Aboriginal and Torres Strait Islander people watching the meeting
- noted that the annual member meeting is one of the ways that AustralianSuper works to be more transparent and accountable to members
- provided an overview of the format of the meeting, noting that the evening's presentations would be followed by a live question and answer session
- noted that instructions on how to ask a question would be provided at the end of the presentations and reminded members that the presenters would not be able to answer any questions about a member's personal circumstances
- noted that the information provided at the meeting may include general financial advice which does not take into account personal objectives, financial situation or needs and that before making a decision, one should consider if the information is right for them
- noted that a quorum of AustralianSuper Directors, its Actuary and Auditor were in attendance
- introduced Dr Don Russell, providing an overview of Dr Russell's experience and deep understanding of finance, superannuation and public policy.

Chair Address

Dr Don Russell, Chair, spoke to the following matters:

- greeted all members and the Directors of AustralianSuper in attendance
- acknowledged Ms Philippa Kelly, Chair of the Investment Committee
- noted the importance of super for individual members as one of their largest financial assets in their lifetime and the role of AustralianSuper in helping members make the best of this asset
- noted that despite FY23 being a year of ongoing global challenges and market turbulence, the Fund's investment strategy and capable Investment team had delivered a year of solid returns for members; and should enable the Fund to deliver for members in the future despite the complexities of the current market
- highlighted the Fund's returns and the importance of strong, long-term investment performance in building retirement savings
- noted the significant growth of the Fund in the financial year and highlighted that the Fund manages around \$300 billion of retirement savings on behalf of more than 3 million members remains the largest fund in Australia and is now 18th largest pension fund globally
- advised that ongoing sustainable growth remains a strategic priority for the Fund and outlined areas of key focus for the Board including the Fund's ability to adapt and succeed, the next growth horizon, the Fund's support of members in retirement and a commitment to relentless scrutiny in all aspects of the Fund's approach
- noted the expected surge of retirees by 2030 who would be relying on super for income
- noted the challenge for super funds to manage the shift as members move from saving during their working life to spending their super in retirement
- noted AustralianSuper's intention to continue to advocate for members to ensure that the superannuation system delivers for members
- noted that culture and performance is another key focus of the Board, which is crucial to long-term success
- noted the Fund's Members First Culture Program shows the Members First Culture is deeply embedded in the organisation

- acknowledged the work of Paul Schroder as an inspired leader and further acknowledged the work of the entire AustralianSuper team
- thanked audience for being members of AustralianSuper

Chief Executive Address

Mr Paul Schroder, Chief Executive, spoke to the following matters:

- noted the presentations were being delivered live, based on member feedback
- gave an Acknowledgement of Country, recognising that on average Aboriginal and Torres Strait Islander peoples are in worse financial positions than non-Indigenous and that super is not yet super for them
- recognised this has been a financially challenging year for members, with global conflict, geopolitical tensions and local concerns around housing, health care and the economic outlook
- recognised that people had a sense of anxiety about the future and reassured the audience that AustralianSuper has a global team of investment professionals actively investing members' super with the single focus of building the strongest long-term returns

ESG

- defined ESG for members as Environmental, Social and Governance considerations and outlined how the management of ESG considerations results in better financial outcomes, noting the Fund's belief that companies that have good ESG management provide better long-term returns
- noted that climate change is one of the most significant investment issues which will impact economies, industries, society, the environment, work forces and communities
- noted that climate change presents risks and opportunities for the companies and assets in members' investment portfolio
- noted the Fund has a commitment to achieving a net zero carbon emissions portfolio by 2050 for scope 1 and scope 2 emissions
- noted that the path to net zero won't be linear and will rely on clear policy frameworks and the companies the Fund has invested in delivering on their commitments and the Fund will engage with policymakers and companies on members' behalf
- advised that AustralianSuper will be thoughtful, prudent and careful to achieve the best risk-adjusted returns
- outlined how the Fund integrates climate change considerations into the investment process to work towards the net zero goal, including tracking emission profiles for companies in a range of asset classes and portfolios, actively engaging with larger emitters in most internally managed portfolios, collaborating with other investors globally to effect change and voting on climate change-related resolutions
- noted the carbon intensity of the investments in the Australian and International shares asset class reduced by 45% between 2013 and 2021

Investment returns

- noted the Balanced option, in which most members are invested, returned 8.22% for members in the accumulation stage and 9.03% for Choice Income members (higher due to tax treatment) in the financial year to 30 June 2023
- noted the Fund expects weaker economic growth in the short to medium term and continued volatility in investments markets which will likely lead to modest returns over the next few years
- noted highs and lows are expected over a long period of investment and the importance of relative long-term outperformance and compound interest
- noted the Balanced option has returned an average of 8.6% over the last 10 years, 8.12% over the last 20 years and 9.28% since the Fund started 35 years ago

- presented figures which compared AustralianSuper's performance against a poor performing fund and a median performing fund for the last financial year and the last 1, 3 and 10 financial years
- noted the importance of a long-term investment focus, highlighted the portfolio's defensive position reflecting the Fund's expectation of a global slowdown and noted the portfolio would be reviewed and adjusted in response to changing economic and market conditions
- provided an example of how small differences in returns can add up over time to make a significant difference in balance at retirement
- highlighted that AustralianSuper has a history of delivering market-leading returns to members over the long-term
- noted that, following changes to the administration fee structure which came into effect in the financial year, 2.3 million members received a reduced or unchanged fee in an environment of high inflation and acknowledged that the Fund's administration fees are amongst the lowest in the industry
- noted that on average, the Fund delivered an 11% reduction in insurance premiums across almost 1.3 million insured members of the Fund
- noted the Fund has used size and scale to bring costs such as investment costs and administration fees down, enabling the Fund to make more money for members for less cost
- explained the concept of member net benefit, being investment return, minus administration fees, investment fees, transaction costs and taxes; and noted that AustralianSuper uses its size, scale and skill to try to deliver more net benefit and value to members
- provided an example of net benefit for a member with the Choice Income product, comparing an AustralianSuper Choice Income account with the average of all super funds and the average of all retail funds, with the same starting balance, the same average yearly income payment, investment earnings over 10 years (less fees and costs) and the resulting higher balance for the AustralianSuper member

Member Services

- acknowledged the high level of engagement members had with the Fund over the year
- noted AustralianSuper's aim is to make it easier and simpler for members to manage their super and obtain the right help, information and guidance
- noted the upgrade to the AustralianSuper secure member portal and app in November 2022 improved functionality and while it was a difficult transition, it is a material improvement
- noted insurance can be an important part of a member's financial future and outlined the benefits in buying insurance through superannuation
- noted that the Fund has decreased insurance cost, provided a return to work rehabilitation program, paid more than \$491 million in insurance benefits and improved the insurance claims processes which are now managed by TAL
- outlined the ways in which the Fund provides information, help and advice to members, including expanded education services to include more webinars and more seminars and noted that the Fund assisted 18,000 members seeking advice
- acknowledged that the Fund had been following a process for merging multiple accounts and transferring balances to the ATO; however, an examination of the process uncovered that not all instances of multiple member accounts had been processed
- gave an unreserved apology on behalf of the organisation
- noted that the Fund discovered and self-reported the issue to the regulator, contacted nearly 100,000 members or former members to remediate and have improved our processes
- noted ASIC has commenced civil proceedings against the Fund, the expectation ASIC will seek a civic penalty in the Federal Court, with the size and timing of that penalty unknown. Further noted the Fund is cooperating with ASIC
- noted the delays in processing some death claims and recognised that although such claims can be complex and time-consuming, some have been subject to an unacceptable delay

- noted the steps the Fund has taken to address the delays, including doubling the size of the team processing claims, improved training and support and new technology, which have reduced the outstanding claims by 25% with many more expected to be resolved in the coming weeks
- acknowledged the impact of the delays on families and noted that he will retain focus on the issue until it is resolved

Strategy

- presented a slide with a 2030 Strategy update
- noted the Fund seeks to achieve strong member growth and strong asset growth in order to retain the benefits of scale and is currently attracting an average of 1,400 people to the Fund each day
- outlined the benefits of the Fund's scale including strong cashflow, the ability to be a strong global investor on behalf of members, lower fixed costs per member, the ability to purchase or hold assets that may not be available to other investors, attracting talent and delivering performance, and offices in London and New York which provide access to better capital market transactions, better US and European investment opportunities as well as local oversight and representation
- noted that retirement is an important part of the Fund's strategy and with approximately 900,000 members expected to be retired, partly retired or approaching retirement by 2030, the Fund is focused on supporting this transition and building the products and services needed by these members
- noted the Fund's commitment to advocating to Government on behalf of members to ensure the Government considers a range of factors to make it easier for people to transition into retirement
- noted the Fund wants members to feel confident about their retirement and their Fund
- noted the Fund uses data to understand members' needs, but highlighted that super is always personal

Government policy

- noted the Fund supports the Government's Superannuation (Objective) Bill 2023
- noted that whilst on occasion governments of all persuasions endeavour to have superannuation fund their priorities, the Fund should only invest in things that can provide members with the appropriate risk-adjusted return; the Fund will constructively engage with State and Federal Governments, but will not participate in something where the outcome wouldn't benefit members

It was further noted that the Chief Executive thanked the audience for being members and the trust they place in AustralianSuper.

Investment Strategy

Ms Philippa Kelly, Independent Director and Investment Committee Chair spoke to the following matters:

- noted the challenging time in the investment markets with an environment of high inflation and rising interest rates, despite which there had been a strong rebound in global equity markets driven by gains in technology stocks
- noted that through the volatility, AustralianSuper has continued to actively manage the portfolio and strengthen the Fund's global investment capabilities
- noted that in a challenging year for members with the rising cost of living, it is pleasing that for the year to 30 June 2023 the Fund has delivered solid investment returns in the Balanced option of 8.22% for members in the Accumulation stage and just over 9% in the Choice Income stage
- noted that superannuation is a long-term investment and some members may have their super invested for up to 60 years and may stay invested even in retirement

- noted the Fund's retirement strategy is to deliver returns over longer time frames, with the example that Balanced investment option has delivered an average annual return of 8.6% over the last 10 years to 30 June 2023
- outlined the three pillars of the Fund's investment strategy
- noted the first pillar, building a global operating platform, requires building the Fund's team in key financial markets and outlined the growth of the Fund's London, New York and Beijing offices, including the appointment of London-based Mark Hargreaves as the Head of Global Equities and that investing globally and managing locally is central to the strategy
- noted the second pillar is the expansion of the Fund's in-house investment team and internal funds management in order to lower investment costs and deliver better investment performance through access to new deals and faster and more effective decision-making and provided the example of the Australian Equities team, which manages over \$65 billion and is the largest actively managed Australian equities portfolio
- noted the third pillar relates to growth in investment in unlisted and private market assets and explained how the size and scale of the Fund enables it to leverage its competitive advantages and focus on the long term investment horizon, with a recent example being the AUD\$2.5 billion invested in Vantage Data Centres, the Fund's largest infrastructure deal in Europe to date
- thanked the AustralianSuper Investment Committee and the investment team under the leadership of Mark Delaney for their hard work in a challenging period
- thanked AustralianSuper members for continuing to place trust in the Fund to help members achieve their best financial position in retirement

Investment Performance

Mr Mark Delaney, Chief Investment Officer and Deputy Chief Executive spoke to the following matters:

- noted that the last four years have been particularly volatile in investment markets which had been reflected in returns
- noted that management of the portfolio through volatile periods and retaining a long-term focus is the key to building retirement savings
- noted the Fund delivered Balanced option accumulation-stage returns over one year of 8.22%, 10 year returns of 8.6%, and 20 year returns of 8.12% and higher in Choice Income reflecting the tax treatment in that option
- presented a chart showing one-year returns to 30 June 2023 for accumulation and Choice Income High Growth, Balanced, Socially Aware, Index Diversified, Conservative Balanced and Stable options, noting the equity-oriented portfolios performed better than the more conservative investment options of Conservative Balanced and Stable
- acknowledged the disappointment of the FY23 relative results and noted it was only the second time since 2006 that AustralianSuper has underperformed the median in the Balanced option, and acknowledged members' expectations and the Fund's own desire to improve on these results
- presented the Balanced option annual returns over 37 years, demonstrating the volatility of the investment markets and highlighting the importance and power of investing over the long-term and holding the portfolio
- highlighted the four macro themes which drove investment markets in the last year:
 - rising inflation at a rate of 7%+ in Australia and more in the US and the UK
 - increasing interest rates
 - rising mortgage payments
 - rising rents
- noted that while people have felt the cost of living personally, company profits have held up and have risen in the technology sector
- noted the good performance of equities but further noted investments which had exposure to high interest rates including property or bonds (and to some extent infrastructure) did quite poorly as their costs increased but revenues did not

- outlined how the investment themes impacted on the returns of different asset classes and presented a slide showing asset class performance to 30 June 2023 over 1, 5 and 10 years, noting a high level of volatility in the 1 year period asset classes as noted
- noted the stability of returns over the 10 year period
- noted the dominance of technology stocks which generated a strong return
- presented a chart showing the growth of \$100,000 invested in the Balanced option over the 20 years to 30 June 2023, demonstrating the benefit of compounding in growing a balance, and the importance of investing for the long-term through market volatility
- highlighted the investment themes believed likely to impact the future over the next three to five years as the Fund builds its portfolio, including tech disruption and AI; the global economic slowdown which is likely as a result of higher interest rates, China's economy slowing and geo-political tensions; and climate change and the acceleration of energy transition as government policies and transition paths are created
- noted that AustralianSuper expects AI impact will be over-estimated in the short term and under-estimated in the long term and confirmed that the Head of Australian Equities at the Fund ensures invested companies have a digital strategy
- highlighted that higher interest rates will likely impact economies in the next one to two years, resulting in a global economic slowdown. which will ultimately impact corporate profits
- advised that the Fund's portfolio positioning reflects the economic outlook and is defensively positioned with more fixed interest and less equities than the Fund would typically hold, with the intent to reposition as the economy slows and lower entry point investment opportunities become available
- presented a slide showing an overview of the Fund's investment portfolio and capability, including investment locations and the composition of the portfolio as it relates to the different asset classes
- thanked the Board, investment committee and all colleagues in the Fund for providing the environment to enjoy the privilege of investing for members
- thanked members for putting their trust in the Fund to manage their money and noted the Fund's commitment to doing the best job using its size, scale and skill to generate the best possible returns for members in their retirement

Conclusion of formal presentations

Ms Kerlin thanked Ms Kelly and Mr Delaney for providing their insights and advised that questions for the question and answer session should be typed into the questions box. It was noted that a response to any questions that could not be answered at the meeting would be provided afterwards via the minutes of the meeting.

Ms Kerlin advised that questions and their answers would be made publicly available and reminded members not to include personal information in the messages or questions due to privacy reasons.

Question and Answer session

Introduction

Ms Kerlin welcomed attendees to the question and answer session and provided instructions on how to ask a question, reminded attendees not to post personal information into the chat box and advised the options available to a member to ask a personal question, including making contact with AustralianSuper via its website, contact centre or AustralianSuper app.

Live questions and answers

Ms Kerlin noted a number of members had asked questions about the action AustralianSuper is taking with respect to climate change and invited Andrew Gray, Head of ESG and Stewardship to answer broadly.

ANDREW GRAY: Great. Thanks, Rose, and I'm glad there's been a lot of questions about climate change because it's such an important investment issue and obviously you heard Paul in his opening remarks talk about climate change. I thought what I'd do is drill down a little bit on some of the areas that he mentioned and talk a bit about what we're doing in terms of NetZero commitment on the portfolio, our company engagement and voting with relation to climate change and also some of the climate change policy advocacy that we're undertaking.

As Paul mentioned, AustralianSuper has committed to achieving NetZero emissions in the investment portfolio by 2050, and that's based on Scope 1 and Scope 2 emissions of the investments in the portfolio. And just by way of definition, that means that we're striving that in aggregate the emissions in the portfolio at 2050 will be NetZero, and that's based on, as we say, Scope 1 and Scope 2 emissions, so that's the emissions that are generated by the company's own operations.

We've developed a carbon tracker because I guess one of the really important things, having set that commitment, is that we can monitor our progress. Utilising the latest data that's available as at 30 June 2022 and I guess one of the challenges in this space is the availability of emissions data but using that data, we've now got 65% of the portfolio covered by our tracking activities and, as we go forward, we'll expect that will grow. But the purpose of this tracking analysis is so that we can identify the largest contributors to emissions in the portfolio and the expected pathway to NetZero. Some of the results are actually quite interesting and I'll just put forward the example of the internal Australian equities portfolio, fundamental equities portfolio, as an interesting example. So the companies in that portfolio 88% of the emissions in that portfolio are covered by companies that have made NetZero commitments. Emissions are concentrated in a small number of companies, with about five companies making up about 85% of the emissions in the portfolio. And, interestingly, the carbon intensity of that portfolio is forecast to decline quite dramatically going out to 2050. So, for example, we use a measure of carbon intensity and at the moment it's 84.8 tonnes of CO2 per million dollars invested. Based on the NetZero promises that companies in that portfolio are making, that's expected to go down to 10.1 tonnes of CO2 per million dollars invested.

A very significant decline in that emissions intensity as the companies in that portfolio deliver on their NetZero promises, which actually then brings me to the next key activity in terms of climate change management in the portfolio, which is the stewardship activities, so the way we go about engaging with companies on their climate change management. Our ability to achieve NetZero commitment in the portfolio is dependent on policy makers and also the portfolio companies delivering on their own NetZero commitments. Therefore, as investors we've got a very important role in engaging with those companies, seeking that they do deliver on their commitments. Now, it's worth noting that, as shareholders, we actually don't manage the company and also our level of influence will differ depending on the size of our ownership and the way we own the company, but certainly it's a very active activity for us to be engaging with the companies on the way they're managing their NetZero commitments.

So in terms of how we're engaging with the larger and medium companies in the Australian shares fundamental portfolio, we're engaging with them seeking that they have credible NetZero credible strategies to achieve their NetZero goals. So putting some numbers around that, in financial year 2023, we had 75 direct engagements with ASX 300 companies, and over 40% of those meetings were discussing climate change, among other things, but certainly climate change was one of the priority topics of those meetings.

We do those engagements individually but we'll also engage collectively with other investors where that's useful to amplify our voice. So an example of that is we were one of the founding members of Climate Action 100+ and we continue to be on the global Steering Committee of that initiative. So Climate Action 100+ is the world's largest investor led initiative, engaging with the world's top emitters in terms of how they're managing to NetZero. So we've got 700 signatories now, signatories to Climate Action 100+, and that represents about \$70 trillion in assets under management. So clearly it's a very powerful investor voice that's engaging with companies on their NetZero

transition. It's interesting to note that five years ago, only five of the companies covered by Climate Action 100+ had NetZero commitments and now it's at 77%, so quite a dramatic rise in the number of companies making those NetZero promises.

Climate Action 100+ has now relaunched for the next five years. It's refreshed the initiative and the focus of Climate Action 100+ is now focussing on the delivery of those promises by companies, given that so many have now made that commitment. So it's a really exciting phase in the initiative. And it's also worth noting that Climate Action 100+ publishes on its website what we call the 'benchmarking analysis', so this is our assessment as to how companies are progressing, so it's a great way for people to monitor the progress that's being made by companies covered by Climate Action 100+.

Just a couple of other quick comments on stewardship. Voting is one of the other key activities that we undertake under stewardship where we vote every year at company AGMs. In Financial Year 2023, we voted on 156 climate related shareholder resolutions globally, so as well as voting on things such as director elections and remuneration, often there will be shareholder resolutions raised around climate change matters. We'll look at those resolutions from the lens of will they deliver investment returns for members, and if we think they will, we'll support them. So in Financial Year 2023, we supported 68% of those climate change resolutions, recognising that we think they are going to be beneficial in contributing to investment value.

The other key vote in the climate change space is what we call 'Say on Climate' voting, which is where we get to vote on the quality and the disclosure that companies are putting forward in their climate change report. So in Financial Year 2023, we voted on 33 'Say on Climate' resolutions globally. Interestingly here, we actually voted in favour of 85% but the other side of that is we voted against 15%, so that's us signalling to the company that we think more work needs to be done on their climate change report. So it's a very powerful signalling mechanism that we can undertake.

And just finally in terms of our climate change activities, I'll just spend a couple of minutes just touching on the climate change policy advocacy that we're undertaking. The public policy backdrop for climate change is really important to enable investors and companies to move forward and manage climate change investment risks effectively. There's actually been quite an active number of public policy consultations over the last 12 months and AustralianSuper has been quite active in terms of putting submissions in on these. A couple just to note. we provided a submission to the International Sustainability Standards Board in relation to general sustainability related disclosures and also in particular climate related disclosures. We provided a submission on the Australian Government's climate related financial disclosure consultations, so two submissions one in February 2023 and one more recently in July 2023 and we've also provided a submission on the Climate Change Authority's Setting, Tracking and Achieving Australia's Emissions Reduction Targets consultation paper, and that was in June 2023.

Certainly where we see that putting in a submission will help advance the policy backdrop, which will help us manage climate change in the investment portfolio, we're active in that space. And again it's worth noting that we will do that individually, so they were submissions that AustralianSuper put in individually, but we'll also work collectively with other investors where that's useful. So, for example, AustralianSuper sits on the Board of the Investor Group on Climate Change, and that group has an active policy engagement framework as well in terms of engaging with policy makers.

I hope that's given an overview. As you can see, it's a very broad program across the investment portfolio but that's hopefully given you a feel for what we're doing.

ROSE KERLIN: Great. Thanks, Andrew. And I've got my glasses on now so I can read all these terrific questions that are coming in from all of our members. This next one and I should let you know we've got some subject matter experts with the panel in the studio tonight and this next question I'm going to give to Kate Leplaw, who is our Head of Member Experience, and it's come from Wallace. Wallace says: "I would like to know how many complaints AustralianSuper receives about the service quality they received? How many complaints receive feedback within the five days response time, other than the acknowledged email?". Kate?

Kate Leplaw, Head of Member Experience

Thanks, Wallace, for that question. As mentioned, my name is Kate Leplaw and I look after Member Experience here at your Fund. Last financial year, about 25% of the complaints that we received were around insurance and around 75% around administration challenges. Most complaints come to us via phone calls and we aim to resolve as many of those complaints on that initial phone call. About 65% of complaints received we either resolved during a member's initial conversation or we closed out verbally within five business days of the initial call.

We also have dedicated teams who look after complaints where resolution can't be found on the initial call. The remaining 35% of complaints we received were taken care of by those teams within the regulatory time frame of 45 days, noting, however, that we resolve most complaints in a lesser time frame.

ROSE KERLIN: Thanks, Kate. The next question I'll give to Paul and it's from Dawn. Dawn would like AustralianSuper to publish the top 10 investments by value in each investment option so that she can make a more informed choice on where her money is invested. Paul?

Paul Schroder, Chief Executive:

Thanks, Dawn. That's a good idea to know more about what you own and what everyone in the Fund owns. We've been doing disclosure about assets since 2016, I think, and so you can already do this. You can look anybody can look this up on the website. If you go to the AustralianSuper website, click on 'Investments', 'How We Invest' and then 'What We Invest in' and you can see even by address, if I remember correctly but everything that you own is all there. We spent a great deal of time over many years making sure that that was an accurate and fair representation. I'm very glad to say, Dawn, that you can already do that by clicking on those spots: 'Investments', 'How We Invest' and 'What We Invest In'.

ROSE KERLIN: Thanks, Paul. This next question I'll give to Mick Dunne, who is our Chief Information Security Officer, and it comes from Prue. Prue says: "What is being done to address cybersecurity risks on your platform, particularly around member facing multifactor authentication?"

Mick Dunne, Head of Information and Physical Security

Thanks for the question, Prue. AustralianSuper takes the issue of account security and the privacy of our members very seriously. In terms of what we do to address cybersecurity, this is really a broad topic so I'll try to keep it brief tonight. We've adopted international best practice, which gives us guidance around how we design our security framework and our controls. We also have significant oversight from our regulators, both here in Australia and overseas, which also give us direction in terms of expectation in how we operate. We operate a strong assurance program, which includes our internal audit program, external audit, independent assurance, testing of our systems, just to make sure that we've got the right strength in terms of our controls and that we continue to operate our security environment effectively and that we manage security risk.

In terms of your question around MFA, we aim to balance member convenience and security, and while today we don't have MFA security at logon for our member portal and mobile app, we do have multifactor authentication within our systems today, and that's in place to protect you when you're conducting critical transactions. We also have MFA in place when you're doing things such as changing your password or even establishing an account in the first place. Moving forward, we continue to invest in our security capability and we operate a security roadmap, and that has a set of strategic initiatives, and included in that is extending the use of multifactor authentication in the future.

I'd also like to point out that right now the mobile app is actually I'd really encourage the use of it. It has a strong security set of features and, depending on the mobile device that you use, you can use things like biometric for logon. And that's enhanced protection. Thanks again for the question tonight, Prue.

ROSE KERLIN: Great, Mick. The next question I'll provide to Alistair Barker, who is our Head of Asset Allocation, and the question comes from Kieran: "How do we know the unlisted assets in the Fund are being valued appropriately?"

Alistair Barker, Head of Asset Allocation:

Thanks for the question, Kieran. AustralianSuper's valuation approach is mainly anchored on the principle of member equity. So members are contributing every day; some members are withdrawing every day for their pension payment. So our aim is to make sure that all assets are valued as fairly as they can be at any point in time. We also ensure that your assets are valued fairly because it's compliant with regulatory standards and also accounting principles.

You might ask how does our valuation process work? Well, there's really two legs to it. The first is what we call listed assets, so these are assets that are traded on a stock exchange, like the ASX. In those instances, the price that those securities are trading at we can identify and those are reflected in your account on a daily basis.

With respect to unlisted assets and this is the focus of your question, Kieran we need to get an independent expert review. That independent process is run by our Chief Financial Officer and that includes a number of independent people who report to him, and what their process involves is either valuing those assets internally or getting an independent expert externally. Those experts have regard to market transactions, what happens in listed equity markets but also what happens across broader investment markets. So, for example, as Mark mentioned earlier, the changes in interest rates has been quite a large factor affecting valuations. So their job is to make sure that all of those factors are taken into account when valuing assets.

If you've got any more questions about valuations, there's a fact sheet on our website, so if you go to the AustralianSuper website and search for 'Understanding Valuations', you'll see more information. But thank you for the question.

ROSE KERLIN: Great. Thanks, Alistair. Philippa, this question is for you from Thomas: "How are you balancing the risk of a global depression with requirements to also get good returns?"

Philippa Kelly, Independent Director and Investment Committee Chair:

Thank you, Thomas. We've spoken in a fair amount of detail about our investment strategy and why we've designed it the way we have, which is to provide returns over the longer term, and that therefore provides a buffer through various market cycles that we see or evidence. We've anticipated and been preparing for an economic downturn for some time in the portfolio and I'd like to think that, as you see the leadership of the AustralianSuper team here tonight, you can see first-hand that the team has decades of experience in managing investment portfolios through both buoyant markets as well as challenging ones.

But putting it really simply, what I'd say is that we have a well-diversified portfolio, we have a resilient investment strategy and the team are really well prepared to take advantage of future opportunities to re-enter markets when the investment conditions arise. Thanks.

ROSE KERLIN: Great. This next question I'll give to Pamela Panagenas, who is our Head of Member Operations, and the question comes from Martha: "What changes is AustralianSuper making to ensure a deceased person's super is provided to their beneficiaries in a prompt manner?"

Pamela Panagenas, Head of Member Operations:

Thanks, Rose. Thanks for your question, Martha. I'm Pamela Panagenas, Head of Member Operations at the Fund. Death claims is the No.1 focus and priority for us in the Fund at the moment. It's the last service we can do for members and we have to get it right, so it is our focus.

Whilst we're working through returning the service to normal, we have put in place additional support for families at this difficult time. So we've moved to what we're calling a case management model. We've improved training for the larger team that's working on this service and we've made technology workflow improvements to support it further.

The larger team that we've got in place at the moment has got three areas of focus. They're focussing on the aged death claims that Paul has already talked about this evening; we're ensuring payments are made in a timely manner; and we're also making sure that new claims are case managed appropriately and are decisioned and paid as quickly as possible, which is going towards answering your question.

Something that we're working on with members at the moment as well, for members to consider. Is checking if you have a nominated beneficiary on your account. If you do, it can make this process a lot easier and more efficient for your loved ones at this time. So thank you again for your question, Martha.

ROSE KERLIN: Great, Pamela. This next question is for Mark and it's coming from Sam. Sam asks: "What is happening with Origin?"

Mark Delaney, Chief Investment Officer:

Yes, what a topic. For those of you who don't read the financial press, which is probably most of you, thank goodness, Origin Energy is one of the largest energy providers in Australia. It's one of our biggest holdings in Australian Equities, and we are the largest shareholder of Origin Energy, owning about 17%. Origin has been subject to a takeover offer by a consortium, which is going to a vote this week. AustralianSuper has publicly announced that we are going to vote against the takeover offer because we don't think the share price being offered reflects the underlying value of the company and we can do better by holding onto the company. So we're going to vote against it and we'll find out how that goes later in the week.

ROSE KERLIN: Thanks, Mark. I'll give this next question to Paul and it's come from Michael. Michael asks: "Will insurance cover the legal costs, any penalties and payouts to members if AustralianSuper is found guilty of failing to consolidate member accounts and how much will that increase current members' administration costs?" Paul.

Paul Schroder, Chief Executive:

Thank you, Michael. As you note in your question, we don't know what's going to be decided and we don't know what's going to happen, but in the case that we were required to cover penalty, and, of course, legal costs associated, we do have insurances in place, and those insurances could well cover some or all of those expenses. But, as some of you will know, you can't always be sure about insurance payments. I'm also glad to say that the Fund has a trustee risk reserve which has been put aside to cover these kinds of contingencies. So, first of all, we

don't know if we'll have a penalty or not. We don't know the size of that penalty. Insurance could cover it, and we would expect should cover some of it, but we have a reserve in place for this very instance, and so it will have no impact on administration costs or the charges to members.

ROSE KERLIN: Thanks, Paul. A question has come in for the Board, and I'll give this one to Don. It comes from Sam: "How does the Board set its priorities?". Don.

Dr Don Russell, Chair:

Well, thanks, Sam. Priority setting is actually one of the core responsibilities of the Board in the broad. I guess the priorities of the Board and the priorities of the Fund are to make money for members, how we serve members and now how we prepare people for retirement. The key issue is how do we make sure that the Fund itself is agile and responsive as circumstances change to make sure that the Fund is in the best position to deliver on those priorities as events change. So there is structure around the Board's activities. I guess the driving force at the beginning of the process is the Board's Strategy Day, which we do set time aside so that the real issues can be discussed, evaluated and brought to everyone's attention, and the priorities that come out of the Board Strategy Day are then incorporated systematically in the Fund's rolling three year budget. We've over the years developed mechanisms and structures that enable the Board to come to grips quickly with changing circumstances. We do work around key fund scorecards and in recent years we've put in place structures to make sure that the key Board Committees have the right opportunity to make inputs into that.

So the Board is a force making sure that the Fund itself is always properly focused on the members and is also in a position where it can re-evaluate and make changes where necessary to make sure that we actually achieve the outcomes that we want to for the members.

ROSE KERLIN: Thanks, Don. Another question for Mark, and this one's from Robert: "How do you see the economic situation in China unfolding in the next 12 to 18 months and what impact is that likely to have on global economics?".

Mark Delaney, Chief Investment Officer:

Yes, thanks, Robert. I recently went to China because we've got an office in China, a research office, and I went to visit the team there and see some of the key policymakers and advisers. I was quite surprised that what I saw there on the ground was different to what you sort of read in the press and the commentary more broadly.

So, in summary, people are being quite pessimistic about China's economic performance, as it hasn't bounced back hard after COVID like other countries did, and they're worried about the downturn in the housing market. Taking each of these in turn, the government in China didn't give massive handouts to people like what happened in the US and, to a lesser extent, Australia. So people didn't have this wall of cash to be able to spend when they came out of COVID. And the second thing was the government has been trying to deflate what they think is an overvalued and excessive supply of housing in the short term by having these restrictions upon how many houses you can buy, how you can get mortgages and the like. The downturn in the housing market has really led to slower growth than people would anticipate but the government is in the process of reversing those changes, allowing the housing market to recover.

So, in summary, I actually think that China is going to do a bit better than people anticipate and the people have got too pessimistic about it, but the good days where China grew at 6%, 7%, 8% I think are gone and probably growth rates of around 5% are more likely.

ROSE KERLIN: Great. Thanks, Mark. This next question is for Shawn Blackmore, and Shawn is actually our Chief Officer Retirement. And the question comes in from Phil. He says: "Last year Paul was asked a question about AustralianSuper offering annuities. He said they were thinking about this. Is there any update, Shawn?".

Shawn Blackmore, Chief Retirement Officer:

Great. Thank you, Phil, for your question. I'm Shawn Blackmore, the Chief Officer Retirement. So annuities are essentially a guarantee that will pay an income in retirement for life or a set term, also known as longevity products and also can be known as income guarantee products. Pleasingly, we've fast forwarded on our plans in designing what that longevity product could look like. We'll plan to have an announcement early next year and hope to have a product in members' hands in the next 12 to 18 months.

ROSE KERLIN: Great, Shawn. Another question for Alistair. This question comes from Margaret and she asks: "Why are the interest rates paid on cash investments much lower than the banks?".

Alistair Barker, Head of Asset Allocation

Thanks for the question, Margaret. The simple answer is: it looks lower but it's not. But why? "Why?", you would you ask. There's really two reasons. The first is that the returns that we disclose to you on cash are net of tax. Our returns look lower because we pay tax on most people's accounts.

The second is time. When you look at a term deposit, for example, if you were to go to your bank's website or go to their branch, they would quote you a forward-looking return. When we disclose and report to you our returns on cash, they look backwards. So in a period where interest rates have been rising, the future return on cash looks much higher than what has been in history. And those are really the two main reasons why the returns look lower, but I can assure you it's really more an appearance issue than it actually being lower. But thank you for the question.

ROSE KERLIN: Great. I'll give this next question from Margaret to Anthony Smolic, and Anthony is one of our Education Managers in my team. The question from Margaret is: "To whom can I seek answers from regarding setting up of an income stream?"

Anthony Smolic, Education Manager:

Thank you for your question, Margaret. First and foremost, for any general information, please visit the website australiansuper.com for all collateral relating to our income stream products, under the 'Retirement' tab. For some simple super advice around our Transition to Retirement or Choice Income products, you can call us on the 1300 300 273 number and speak with our over the phone advice team and they'll be able to provide you with potentially a strategy around setting up the TTR or Choice Income accounts, upon which there may be a small fee payable. If you're looking for more comprehensive financial advice, also through that 1300 Call Centre number or through the website, you will be able to complete a contact form and ask to speak with, either virtually or in person, one of our financial advisers or a financial planner in your local area that you can find through the Find Adviser tool. Thanks for your question, Margaret.

ROSE KERLIN: Great. Anthony. OK, Mark, you're lucky. You're getting another question. This one's from Gregory: "How likely do you think it is that Australia will enter into a recession next year?"

Mark Delaney, Chief Investment Officer:

We think Australia's going to face a slowdown. High interest rates will generate that. Whether that's big enough to cause a recession, I just don't know. The complicating factor is that people have still a large amount of money in their bank accounts and have prepaid their mortgages in their offset accounts during that period of low interest rates during COVID. So how good these buffers are to offset the impact of higher interest rates will determine how well the Australian economy goes. So I think a slowdown is the safer call and we'll have to wait and see how things pan out.

ROSE KERLIN: Thanks, Mark. I will give this question to Richard Land, who's our Head of Insurance Product and Pricing, and, Richard, the question comes from Johann: "When will you implement binding nominations for super beneficiaries in the case of death?"

Richard Land, Head of Insurance Product:

Thanks very much, Johann, and currently we do have binding death benefit nominations at the moment. They're on the AustralianSuper website, www.australiansuper.com/beneficiary. And, yes, we are looking at ways to make it more obvious on the website. Thank you.

ROSE KERLIN: Great. Alright. We'll go to a question now for Philippa and this comes from Dave: "Why aren't you investing more in Australia?"

Philippa Kelly, Independent Director and Investment Committee Chair:

Thank you, Dave. I've already mentioned that we actually have the largest active fund manager in Australian Equities on the ASX but, in fact, half of the Fund's assets are currently invested in Australia, so \$150 billion amongst infrastructure, public and private market assets. So we are a very significant investor in the Australian context.

If we think about what happens in the future, we've committed to continually review active investment in Australia but again it's on the basis of the best risk adjusted returns for investors, and particularly as we look at our global footprint expanding, there'll be a balance between global investment and ongoing Australian investment. Thanks.

ROSE KERLIN: Alright. We've got a question now from Janet, which I'll provide to Mark. Janet would like to know: "Why are you staying in bonds, which have been negative for so long?"

Mark Delaney, Chief Investment Officer:

Yes, good question, Janet. Thank you for that. You're dead right about it being negative for so long. I've got some numbers here in front of me. In 2020, fixed interest earned 1.3%. In 2021, it earned 2.2%. It lost 4.5% in 2022 and lost another 0.5% in 2023. So given that track record, why would you leave your money there? I'll give you the answer.

So what's happened is that, as interest rates have risen, bonds make capital losses because you have a higher discount rate on those coupon payments on the Government bond. When interest rates peak out and interest rates start going down, those capital losses then become capital gains. So if we think interest rates are likely to decline from here over the medium term, we're likely to recoup some of those losses we made in fixed interest as you make capital gains. That's why we're staying in bonds, because interest rates have risen a lot and we think that they'll be a very good investment.

One thing to note is that if you go back to 2021, 2022 particularly 2021 we had a very low allocation to bonds, so we almost owned no bonds before interest rates started to rise, and as they rose, we've been buying bonds. So we think they're better to buy when rates are up and good to avoid when rates are very low.

ROSE KERLIN: Great. A question now for Paul from Michael. Michael would like to know: "Does AustralianSuper have annual financial reports published and, if so, where can we view these reports?"

Paul Schroder, Chief Executive:

Thank you, Michael. Yes, we do. And as I've said all evening and I think many of the other speakers have as well this is your Fund, so we want to be completely transparent about that and we want you to know everything that's coming and going, wherever and however we can. If you go to the website [australiansuper.com/about us](https://australiansuper.com/about-us), you'll see 'Governance and reporting' and so you can find all of the financial reports there. Thanks.

ROSE KERLIN: Alright. We're not going to let Mark draw breath, so he's got another question. This one's from David. David would like to know: "Is the size of the Fund restricting your ability to outperform the market?"

Mark Delaney, Chief Investment Officer:

Thanks, David. I don't think so. I've been asked this question I think for the 20 years I've been managing money for members of the Fund, and particularly over the last 10 years. And I just don't think so. I think there's winners and losers as the Fund gets bigger but, by and large, there's more winners than there are losers. So to pick a couple of examples, we're able to do bigger unlisted investments, act more directly, have large shareholdings in companies like Origin which get subject to a takeover offer, manage all our Australian Equities internally and drive down costs. All those are benefits of scale. Sure, there's some things which are a little bit harder to do, like owning investments in Small Caps in Australia, but there's not that many things which we're really kept out of the market because of scale.

The key thing I think in managing scale is to focus on the advantages and change your operating model to make sure that the constraints don't limit what you can do. So, in short, no, I don't think it's the case. I think history has been that it hasn't been the case but we need to continue to evolve and look for the opportunities.

ROSE KERLIN: OK. A question now for Paul from Fook: "The Government often makes adverse changes to our pension funds. How do we stop them?"

Paul Schroder, Chief Executive:

Yes, good question. I always worry that members are going to be members of the Fund for 30, 40, 50 years and in that time there might be 12 or 13 Federal Treasurers, so it's very important that we always advocate for good policy and stable policy because everybody needs confidence that what they're building today will be there for their future. We do in our own right advocate and speak up for stability and security and confidence in the system. But during the course of the year, with a great many other funds, we've created a new entity called the Super Members Council, and it's the coming together of a great many profit to member super funds because we are, on your behalf, a large fund and we are taken seriously but we're talking about the entire system here that should be stable and underpinned by confidence. We've decided that working closely with other funds on advocating for good policy and protecting stability is very important, and I'm delighted to say that a range of other funds are active participants in that process and we work very closely with them. To be very careful about that, we compete aggressively with each other. We compete aggressively with each other to make the most money. We compete with each other to attract the best talent and to buy the right assets. But on some things, cooperation is better. I like to call it 'coopetition'. Cooperation on policy and advocacy and the system settings is really important. Yes, we're always advocating for good policy, for stable policy, and we think our ability to do that will be improved by working closely with other good funds of goodwill.

ROSE KERLIN: Thanks, Paul. We've probably only got time for a couple more questions. This one I'll give to Mark from Ilya: "What criteria is used to select investments in infrastructure such as Canada Water?".

Mark Delaney, Chief Investment Officer:

Yes, thanks for that. Canada Water is a large-scale urban regeneration project just south of the river in London. It's on the way to Canary Wharf and just south of the Central Business District. It's an old area with a lot of mixed-use offices, retail and some entertainment venues and the Council went to tender to basically redevelop that area into new housing, new offices, a whole new retail precinct.

The criteria we looked at was: will we make a strong return out of this over the long term? And when we looked at the plans and how it's going to evolve, we think this is going to be a very strong returning investment over the next 10 years. Now, the key thing about any development of this size and it's not quite as big as King's Cross but a pretty big investment is that it's going to take 10 years to come to fruition, but we think if you stay the course, it's going to be a very good investment.

ROSE KERLIN: Great, Mark. This next question I'll give to Anthony Smolic from Sergei: "How can I use my super to buy a house?".

Anthony Smolic, Education Manager:

Thanks for your question, Sergei. There's a couple of things here. One, if you're looking at purchasing your first home, then you can utilise the First Home Super Saver Scheme where the Government allows you to contribute up to \$15,000 per financial year, and you can do that over multiple years and then withdraw up to \$50,000. Basically, if you're thinking of doing that to purchase, if you haven't owned a property before, were you to try to save that money in a bank account, if you're in the tax bracket of between \$45,000 to \$120,000 a year, \$15,000 trying to save it through your wages and put it into a bank you would attract close to \$5,000 of income tax, whereas if you put in \$15,000 before tax, it would be about \$2,250 contribution tax, which is a saving of close to \$2,600.

It is possible that you might be able to save your money quicker through the First Home Super Saver Scheme rather than through a bank account. If you're thinking about purchasing an investment property or commercial property, then it may be time to speak with a financial professional to have a look and see whether a self-managed super fund may be an option for you.

Conclusion and thanks

Ms Kerlin announced the end of the question-and-answer session and Annual Member Meeting, thanking all people who submitted questions and advised that the recordings of the presentations, SuperTalks and the minutes of the meeting including the answers to all questions would be made available on the AustralianSuper website within one month of the meeting.

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Please note in some instances similar questions have been grouped together where they have the same answer.

1 Cryptocurrency

1.1 When will I be able to allocate a percentage of my portfolio to Bitcoin?

AustralianSuper does not have any plans to invest directly in crypto-currencies at this time. In our view, crypto-currencies carry significant risks and have little to no regulation. As fiduciaries for members' retirement savings, we don't think it's prudent to invest super in speculative financial instruments.

1.2 Is the fund planning to start investing into Crypto/digital funds?

AustralianSuper does not have any plans to invest directly in crypto-currencies at this time. In our view, crypto-currencies carry significant risks and have little to no regulation. As fiduciaries for members' retirement savings, we don't think it's prudent to invest super in speculative financial instruments.

1.3 How much money I lost and why. How you will give me that money back with interest? Why you do not invest in property or Crypto more as others making more money there? Why do not give minimum guarantee for losses?

Your investment return is based on the investment option(s) that you invest in. Updated returns available at: australiansuper.com/compare-us/our-performance

AustralianSuper does not have any plans to invest directly in crypto-currencies at this time. In our view, crypto-currencies carry significant risks and have little to no regulation. As fiduciaries for members' retirement savings, we don't think it's prudent to invest super in speculative financial instruments.

Investments that have a minimum guarantee are often insurance products, which can have higher costs with lower potential returns, than comparable growth investments. However, AustralianSuper is exploring the options for products which would provide longevity protection and complement our existing retirement products.

2 Environmental Social Governance (ESG)

2.1 Given that AustralianSuper has recently increased its investment exposure to companies developing new or expanded coal, oil and gas projects, does this not undermine the commitment to net zero carbon emissions?

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieving net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

When assessing investment opportunities in these portfolios, the Fund considers material issues that can impact the valuation of the company, such as climate change. This can include assessing companies on their management of climate change risks and their net zero strategies. We seek to address issues identified through our stewardship actions during the ownership phase.

You can find out more about our progress and approach to Climate Change at australiansuper.com/ClimateChange

2.2 Can you ensure continued energy and resources investment in the balanced fund, despite activist pressure to cut emissions?

We invest to help members achieve their best financial position in retirement. AustralianSuper invests in a diversified portfolio of assets in different sectors of the economy, including in the energy and resources industries.

Climate change will impact economies, industries, societies and the environment. As such, climate change presents risks and opportunities for the investments in our portfolio.

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Governments, investors and companies around the world are working towards a net zero economic transition by 2050.

You can find out more about our Climate Change approach at australiansuper.com/ClimateChange.

2.3 Recent media reports (New Zealand Herald) had pointed out Australian Super had increased its holding in SkyCity in NZ from 7.27% to 8.38% stake. Been socially responsible for members interests, how is Australian Super ensuring that members against gambling corporates are not exposed to these stocks when buying into managed funds?

With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries, such as gambling. We apply a best of sector approach, which aims to identify companies that provide the best long-term value creation potential.

We believe companies with good ESG management provide better long-term returns. We engage with ASX listed companies either individually or with other investors to understand their governance practices and responsible gaming initiatives.

You can find out more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.4 Is the super fund divesting in fossil fuels or any other environmentally sensitive products?

We invest to help members achieve their best financial position in retirement. With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries, such as fossil fuels.

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

When assessing investment opportunities in these portfolios, the Fund considers material issues that can impact the valuation of the company, such as climate change. This can include assessing companies on their management of climate change risks and their net zero strategies. We seek to address any identified issues through our stewardship actions during the ownership phase.

We recognise that as the global economy transitions to net zero, the composition of the world energy mix will change. While fossil fuels will continue to play a role in the energy mix early in the transition, this will diminish over time as renewable energy sources become a larger proportion of the mix and other climate change solutions are developed.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.5 Will there be a shareholder poll on the ESG as it seems to be a profit assassin?

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.6 How much focus is going into investing in renewables going forward?

We invest to help members achieve their best financial position in retirement. The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes.

You can find out more about our Climate Change approach at australiansuper.com/ClimateChange

2.7 What is the appetite to only invest in companies that focus on reducing their carbon emission by 2030?

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing the net zero transition in the portfolio includes the way we invest and our actions as owners. For more information on our climate change approach, visit australiansuper.com/ClimateChange

2.8 Does the board resist calls for investment in green and/or ESG related “opportunities” which do not return the same (high) yield as the more “conventional” investments?

We invest to help members achieve their best financial position in retirement. New investment opportunities are considered if they are in the best financial interests of members. Our investment team uses research and insights and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks and ESG considerations.

2.9 Do you have plans to provide more granular detail on ESG metrics of your Pre-mix and DIY investments and portfolios (scope 1, 2, 3 GHG emissions; water usage; gender equality; modern slavery risks etc.)?

GHG emissions data covering scope 1, scope 2, other direct emissions, and non-electricity first tier supply chain emissions for the Australian shares, international shares and fixed interest asset classes are published in our Climate Change report. Our 2023 Climate Change report will be available soon on our website. Please visit australiansuper.com/ClimateChange

You can find our more information about our approach to managing modern slavery risks in our Modern Slavery Statement published at australiansuper.com/-/media/australian-super/files/about-us/other-reports/modern-slavery-report-fy22.pdf

We plan to review disclosures of ESG metrics as reporting standards are developed.

2.10 Does ESG investing set the fund members back in their efforts to build funds for retirement?

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.11 Your position on ethical investments. Environmental organisations what areas are you ‘deinvesting’ in, to protect living and environments?

We invest to help members achieve their best financial position in retirement. With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries. AustralianSuper invests in a diversified portfolio of assets in different sectors of the economy and seeks to identify companies that provide the best long-term value creation potential within their sector.

We believe companies with good ESG management provide better long-term returns. AustralianSuper considers a range of ESG issues but prioritises those which we believe are likely to have the greatest financial impact on members’ investment returns. These issues can include climate change, workforce, board effectiveness and remuneration. Our approach is more developed on some issues than others and may vary depending on the asset.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.12 Why does the fund focus on woke activities ie the voice, LGBTI+ etc where you have systematically failed to deliver investment returns (ie at end of August ranked well beyond 30+) and now ASIC is coming for the fund [sure it was self-disclosed]. Maybe we need to focus on members ignore the rest??

We invest to help members achieve their best financial position in retirement. Our decisions are underpinned by this purpose.

2.13 Please outline how investments in any companies involved in greenhouse gas emissions is phased out.

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange

2.14 What steps is Australian Super taking to divest holding in fossil fuel companies? And when will this be completed?

AustralianSuper believes that, in most instances, advocating for change through stewardship activities will result in better outcomes on ESG issues than divestment. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange

2.15 Does Australian Super have plans to cease investments in fossil fuels?

AustralianSuper believes that, in most instances, advocating for change through stewardship activities will result in better outcomes on ESG issues than divestment. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We're also monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange

2.16 Does AustralianSuper regret their voting record in respect of Qantas Airways Ltd, especially voting in 2022 for the Remuneration Report and Incentive Plans for CEO, Alan Joyce given the organisation acted illegally when firing 1700 employees? How will AustralianSuper be using their shareholding to hold the board accountable for their support of the CEO in this illegal activity?

AustralianSuper has a relatively small holding in Qantas through an externally managed passive Index investment. We take our voting responsibilities seriously. Ahead of the Qantas AGM, we'll consider the issues and relevant information including AGM materials, engage via the Australian Council of Superannuation Investors (ACSI) and vote accordingly. Given the nature of our holding, engagement with Qantas is conducted through ACSI, which engages with ASX companies on behalf of industry superannuation funds.

2.17 Are we invested in Qantas and if so at what level? If we are invested in Qantas what is our board doing about the fact that the board of Qantas, which fell drastically short of good governance over the past few years, is denying responsibility? Apologising is not enough. They did not do their job. Is our super fund going to take action, as a major institutional investor, to signal to the Qantas board that their behaviour has not been acceptable and that there must be change at that level. Also, does our super fund apply due diligence in its analysis of the impacts of climate change on targeted investments? Do your analysts apply the recommendations of the internationally recognised Task Force on Climate-related Financial Disclosures? And is our super fund a member of the Australian Investor Group on Climate Change. If not, why not?

We have a relatively small holding in Qantas with an ownership stake of 0.4% through an externally managed passive Index investment. Given the nature of our holding, engagement with Qantas is conducted through Australian Council of Superannuation Investors (ACSI), which engages with ASX companies on behalf of industry superannuation funds. We take our voting responsibilities seriously. Ahead of the Qantas AGM, we'll consider the issues and relevant information including AGM materials, engage via ACSI and vote accordingly.

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We integrate climate change considerations into our investment process for certain asset classes and investments. Our approach varies by asset class and the characteristics of our investment, including whether we're investing directly or through external managers. AustralianSuper supports the Taskforce on Climate-related Financial Disclosures (TCFD), and advocates for TCFD aligned reporting in our investments. AustralianSuper has board membership of the Investor Group on Climate Change.

You can find out more about our climate change approach at australiansuper.com/ClimateChange

2.18 Whilst you may think your investment in Qantas is small, what message have you passed through to Qantas in terms of their poor performance, and have you pushed for Richard Goyder's resignation? And if not, why not?

AustralianSuper has a relatively small holding in Qantas through an externally managed passive Index investment. Given the nature of our holding, our engagement with Qantas is conducted through the Australian Council of Superannuation Investors (ACSI), which engages with ASX companies on behalf of industry superannuation funds.

2.19 I recently read that the fund with the most invested in new fossil fuels, by a big margin, was AustralianSuper at \$9.89 billion. Given our climate emergency and the inherent responsibility to aim for net zero carbon emissions, why aren't Aust Super getting out of fossil fuel and investing in sustainability and renewable technologies?

AustralianSuper believes that, in most instances, advocating for change through stewardship activities will result in better outcomes on ESG issues than divestment. AustralianSuper has committed to achieving net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities.

The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes.

Our portfolio holdings are available australiansuper.com/WhatWeInvestIn

You can read more about our climate change approach at australiansuper.com/ClimateChange

2.20 What strategies do you have in place to tackle the risks associated with climate change?

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange

2.21 How are we investing in renewables and helping the green energy transition?

The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes. Our current holdings are available at australiansuper.com/WhatWeInvestIn

For further information on our climate change approach visit australiansuper.com/ClimateChange

2.22 What is OZ Super's plan to get away from investing in Coal/Gas/Fuel industries? What is OZ super current plans for investing in new energy industry and Technically?

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieving net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are monitoring progress towards our net zero commitment through our internal carbon tracking activities. This analysis seeks to identify the largest contributors to emissions in the investment portfolio and helps to inform our stewardship approach. Our stewardship program includes direct and collective engagement (with other investors and industry groups). We're asking that companies develop credible plans to achieve their net zero goals.

The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy and climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes. You can find out more about our approach to managing climate change risks and opportunities and the net zero transition in the portfolio at australiansuper.com/ClimateChange

2.23 What is Australian Super strategy and timing to exit investing in fossil fuel stocks and technologies? What is Australian Super's strategy and timing to grow its investments in renewable energy? What is Australian Super's strategy and timing to co-invest with government and community housing organisations to grow more affordable housing in Australia?

AustralianSuper believes that, in most instances, advocating for change through stewardship activities will result in better outcomes on ESG issues than divestment. AustralianSuper has committed to achieving net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities.

The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy and climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes.

Our portfolio holdings are available at australiansuper.com/WhatWeInvestIn

You can read more about our climate change approach at australiansuper.com/ClimateChange

2.24 Will there be more investment in renewables?

The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy and climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes.

Our portfolio holdings are available at australiansuper.com/WhatWeInvestIn

You can read more about our climate change approach at australiansuper.com/ClimateChange

2.25 Are we focused of profit for super holders or a superior ESG

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members. You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.26 Why hasn't AustralianSuper divested from fossil fuels, tobacco and environmentally harmful investments? The harm to members long term (financially, mentally, physically) is worrisome and what is AustralianSuper doing to be a leader in this space? Stop with the empty words and do something about it.

Except for tobacco, we do not apply sector exclusions or screens to particular industries, such as fossil fuels. AustralianSuper aims to exclude companies that directly manufacture tobacco products from its investment options. (This exclusion doesn't apply to the use of derivatives that have an indirect exposure to tobacco, or investments in Member Direct.)

AustralianSuper invests in a diversified portfolio of assets in different sectors of the economy. Our approach aims to identify companies which provide the best long-term value creation potential within their sector. We include ESG considerations in our integration and stewardship activities. This includes engaging with ASX listed companies (either directly or through investor networks) to encourage positive management of ESG issues that we believe can impact members' investment returns.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.27 As a significant shareholder in companies such as QANTAS, what action does Australian Super take to represent shareholders interest not the personal political interests of some Woke COE's & boards.

AustralianSuper's holding in Qantas is relatively small and is externally managed through a passive index investment. Given that nature of our holding in Qantas, our engagement with Qantas is conducted through the Australian Council of Superannuation Investors (ACSI), which engages with ASX companies on behalf of industry superannuation funds.

As part of our ESG and Stewardship program we exercise our rights and responsibilities as asset owners to seek positive management of ESG issues that we believe can impact members' investment returns.

You read more about our stewardship activities in our FY23 annual report and our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.28 AustralianSuper has been accused of helped large resource companies influence its climate policies. Please can the board respond clearly how it maintains integrity and separation from influences on longer term policies.

We invest to help members achieve their best financial position in retirement. Our decisions are underpinned by this purpose. AustralianSuper has made a board-approved commitment to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. You can find out more about our climate change approach at australiansuper.com/ClimateChange and our ESG and stewardship program, including our ESG and Stewardship policy and Stewardship Statement at australiansuper.com/ResponsibleInvestment

2.29 Why is Australian Super investing in gambling companies that cause so much harm and hurt to the Australian community?

We invest to help members achieve their best financial position in retirement. To enhance investment returns over the long term, AustralianSuper invests in a diversified investment portfolio. This means that our holdings include exposure to a variety of industries around the world. We integrate the consideration of ESG risks and opportunities into our investment processes to support long-term value creation for members. Our ESG approach is more

developed in some asset classes and also varies by the characteristics of our investment, including whether we're investing directly or through external managers, or whether our investment is actively or passively held.

We regularly engage with ASX-listed companies either individually or with other investors to better understand their initiatives to deliver high standards of responsible gaming and appropriate governance practices.

You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.30 For how long is AustralianSuper anticipating being invested in Gas?

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

We believe gas has a role to play in meeting the global community's energy demands as we transition to a low-carbon economy. We expect companies involved in this industry will help to maintain energy security and reliability as the world shifts away from higher emitting energy sources, such as coal and oil, to cleaner, renewable technologies.

We integrate climate change considerations into our investment process for certain asset classes and investments. Our approach varies by asset class and the characteristics of our investment, including whether we're investing directly or through external managers. When assessing these investment opportunities, the Fund considers material issues that can impact the valuation of the company, such as climate change. This can include assessing companies on their management of climate change risks and their net zero strategies. We seek to address any identified issues through our stewardship actions during the ownership phase.

You can find out more about our climate change approach at australiansuper.com/ClimateChange

2.31 What is the CO2 emissions of Australia in % in regards to the global CO2 emissions and what impact has this in your investments?

Australia is responsible for around 1 per cent of global carbon emissions. * AustralianSuper has made a commitment to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We monitor progress towards our net zero commitment through our internal carbon tracking activities. You can find out more about our approach at australiansuper.com/climatechange

*<https://www.csiro.au/en/research/environmental-impacts/climate-change/climate-change-qa/sources-of-co2>

2.32 So if we go to net zero all will be lost when China uses coal, oil and gas and burns it all of our gains up from the other end.

Climate change is one of the most significant investment issues today. Climate change will impact economies, industries, societies and the environment. As such, climate change presents risks and opportunities for the investments in our portfolio. We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. Find out more about our approach to climate change at australiansuper.com/climatechange

2.33 Is climate change a George Soros hoax to make China rich and the rest of the world poor?

Climate change is one of the most significant investment issues today. Climate change will impact economies, industries, societies and the environment. As such, climate change presents risks and opportunities for the investments in our portfolio. We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. Find out more about our approach to climate change at australiansuper.com/climatechange

2.34 China India and Russia do not support climate change. What are you going to do about it.

China has committed to carbon neutrality by 2060 and India has committed to be net zero by 2070. We acknowledge that different countries will have different transition pathways, particularly developing economies. Climate change presents risks and opportunities for the investments in our portfolio. You can find out more about our climate change approach at australiansuper.com/climatechange

2.35 I'm a big fan of Australian Super, but it seems a bit inconsistent to talk about your climate credentials while blocking a deal for Origin that is supported by Origin's management and was approved by the ACCC on the grounds the climate benefit outweighed the competition cost. What use is a compound annual return of 8% pa to members if the climate is cooked? You've got more funds under management than the market cap of the biggest company in Australia. Why can't you show some leadership?

We invest to help members achieve their best financial position in retirement. For more information on our position in relation to Origin and the energy transition, please refer to the media releases available on our website <https://www.australiansuper.com/about-us/newsroom>

2.36 Blackrock recently announced that it would introduce optional voting directions from its beneficiaries. Given we all use computers these days, has AustralianSuper considered polling its membership around controversial votes, for example on directors who are ignoring climate science? They are our shares and we should have a say how you vote them.

We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. We make voting decisions based on what we believe will promote long-term company value and investment outcomes for members. We value transparency in our voting and we publish details on the way we vote every quarter on our website. We also publish our share voting approach which includes our principles on voting on director elections, board accountability, board gender diversity and executive remuneration.at <https://www.australiansuper.com/investments/how-we-invest/esg-management>.

2.37 Who conducted AustralianSuper's last climate change physical risk assessment, and what kind of data did it produce? Does AustralianSuper think this is important information for members to know?

Our latest physical risk assessment analysis will be available in the Climate Report which will be available soon at australiansuper.com/climatechange We have used Moody's Physical Climate Risk Analytics for this assessment.

2.38 Australian Super stopped investing in Tabaco due to the impact on people's health, climate change is having and will continue to have escalating impacts on people's health. Is Australian Super taking the health impacts of climate change into account? If so how?

Climate change will impact economies, industries, societies and the environment. We also recognise the increasing health risks the physical impacts of climate change pose for people in the future. Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. You can find out more about our approach at australiansuper.com/climatechange.

2.39 Why are you not considering scope 3 emissions?

2.40 What about Scope 3 emissions? What's AS doing to mitigate this?

2.41 Why not address scope 3 emissions? As these are often the largest emissions when fossil fuels are actually burnt.

The focus of our integration of ESG considerations in the investment process and stewardship activities is on the measurement and management of scope 1 and scope 2 emissions of the investments in the portfolio. From an economy wide perspective, we expect that scope 3 emissions will reduce as scope 1 and scope 2 emissions are managed to net zero across the economy. We may engage with investments on their scope 3 emissions where: - they have relevance to the expected risk and/or returns to the investment. This is based on the level of transition risk scope 3 emissions present to the company, and if the company has the ability to influence scope 3 emissions. Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. Given the scale of political, economic and societal change required, and given the inherent challenges associated with long-term forecasts, there is some unavoidable uncertainty as to whether the commitments of policymakers and portfolio companies will be met in a timely manner.

2.42 The International Energy Agency's 2023 NZ2050 report had to increase its forecast for solar because it had already exceeded the trajectory in the report published just two years earlier. Why do IEA reports persistently underestimate the potential of solar energy?

Please refer to <https://www.iea.org>

2.43 Tamboran Resources recently told their Annual General Meeting that gas restrictions have caused coal use to increase. Yet thermal coal use continues to decline as firm renewable energy continues its unstoppable rise. Does AustralianSuper believe that claims made by companies to the market should be based on evidence, and what would our fund do if a company was reckless about whether what they were telling the market is true?

We believe that company communications and announcements should be accurate and evidence based. We have an engagement program for companies in our internally managed fundamental portfolios in the Australian shares asset class. For the larger contributors to emissions in these portfolios, we are seeking that they develop credible plans to achieve their net zero goals. You can find out more about our ESG and Stewardship program and climate change approach at australiansuper.com/ResponsibleInvestment

2.44 Funds the size of AustralianSuper or larger have been seeking out decarbonisation projects and mounting takeovers so they can bring in a greater pot of capital to transform those businesses, in an effort to protect long-term value from climate change. Is AustralianSuper big enough to be able to do this?

AustralianSuper may assess investment opportunities in companies positioned well for the energy transition, if they make investment sense and help members achieve their best financial position in retirement. You can find out more about how we're investing in the energy and business transition in our climate change report which will be available soon on our website at australiansuper.com.au/climatechange

2.45 This year the government finally published its consultation paper on mandatory climate-related disclosures. Does AustralianSuper believe that mandatory nature-related disclosures are coming, and is this a good or bad thing for our fund? Are we ready for nature-related disclosures?

The development of nature-related disclosures is important to address systemic nature-related risks, such as global nature decline and ecosystem loss. Given global GDP is highly dependent on nature, and we are a long-term investor in the global economy, we are supportive of developments in disclosures which encourage nature positive outcomes, such as the TNFD.

2.46 Australia was a significant contributor to the Global Biodiversity Framework, where the world agreed to adopt policies to halt, reverse and restore nature and require businesses and financial institutions to report their nature-related risks and opportunities. Does AustralianSuper see environmental decline as a risk impacting on our portfolios, and if so will it report against the Taskforce on Nature-related Financial Disclosures to prepare for what will eventually become a legal requirement?

The need to address biodiversity loss is recognised by governments around the world as a systemic global risk. Nature-related risks have the potential to materially impact the economy we invest in, and our portfolio companies' financial performance. As such, AustralianSuper recently added 'nature' as one of our priority ESG themes. We're currently engaging in research and industry forums to explore connections between biodiversity, other ESG issues and investment value such as:

- the systemic financial risks of nature and biodiversity loss. Research shows that the loss of healthy ecosystems could cause a decline in GDP of \$2.7trn annually by 2030. (<https://www.worldbank.org/en/news/press-release/2021/07/01/protecting-nature-could-avert-global-economic-losses-of-usd2-7-trillion-per-year>) This is because over 50% of GDP and economic value generation is moderately or highly dependent on biodiversity. (<https://www.weforum.org/press/2020/01/half-of-world-s-gdp-moderately-or-highly-dependent-on-nature-says-new-report/>)
- at the company-level, activities which generate negative impacts on nature can create regulatory, reputation and other risks. Companies may also be exposed to risks from their dependencies on nature.
- the interrelationship between and risks from environmental decline and climate change. For example, biodiversity loss and extinction exacerbate the physical impacts of climate change, and vice versa. We have been following the development of the TNFD and are a member of the TNFD forum. The final TNFD recommendations were released in September 2023 and we are currently reviewing these along with broader changes in the disclosure environment.

2.47 AustralianSuper talks about a reduction in its portfolio emissions, or on-paper emissions. But our retirement savings are also impacted by real-world emissions. Can AustralianSuper demonstrate that reducing our portfolio emissions has made a significant difference in the real world?

On members' behalf, we're a large investor in Australian and international markets with investments that touch many areas of the global economy. Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. The focus of our integration and stewardship activities is on the management and measurement of scope 1 and scope 2 emissions of the investments in our portfolio. As our investee companies are part of the real economy, reductions in their emissions also have an impact on real world emissions. We can also advocate for emissions reductions in the broader economy through the work we do with other investors. For example, we're one of the five original founding members of Climate Action 100+, which is the world's largest investor-led engagement initiative on climate change, with 700 investor signatories globally representing almost US\$70 trillion in assets under management. Through this initiative, investors are engaging with 170 companies which the initiative has identified as being critical to the net zero emissions transition. You can find out more about the work we're doing at [australiansuper.com/climate change](https://www.australiansuper.com/climate-change) and through CA100+ at <https://www.climateaction100.org>

2.48 Does AustralianSuper believe that members have a right to know how the principles that will guide our funds voting prior to Annual General Meetings?

We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. We make voting decisions based on what we believe will promote long-term company value and investment outcomes for members. We value transparency in our voting and we publish details on the way we vote every quarter on our website. We also publish our share voting approach which includes our principles on voting on director elections, board accountability, board gender diversity and executive remuneration at <https://www.australiansuper.com/investments/how-we-invest/esg-management>.

2.49 As we can tell from our electricity bills, gas is now far more expensive than it has ever been. Does AustralianSuper think high gas prices have accelerated electrification, and what will this mean for our retirement savings?

Maintaining energy certainty and affordability for a growing world population will be a major challenge as the world transitions to a net zero 2050 economy. We are watching the energy transition closely, and in addition to our internal analysis, are consulting with external energy transition experts to assess and validate the outlook and likely transition pathways for different energy sources. The changing geo-political environment and economic factors have driven stronger value in the LNG sector which has supported returns to members. We believe gas has a role to play in meeting the global community's energy demands as we transition to a low-carbon economy. We expect companies involved in this industry will help to maintain energy security and reliability as the world shifts away from higher emitting energy sources, such as coal and oil, to cleaner, renewable technologies.

2.50 VisionSuper produces a stewardship report every year that lists the conversations and outcomes that they've had with hundreds of companies. It's really good - VisionSuper also file their own shareholder resolutions rather than leaving the work to activist groups. Can AustralianSuper also please start providing us with stewardship reports? This will make it much easier for members to understand how much impact funds are having. Has our fund also considered filing shareholder resolutions to address problematic companies?

Stewardship is a core pillar of our ESG and Stewardship program. As Australia's largest super fund, AustralianSuper has large, direct ownership stakes in many companies and assets. AustralianSuper values transparency and believes it's important to keep members informed of our stewardship activities. We are looking to expand the range of resources currently available on our website, which includes: our ESG and Stewardship Policy; stock voting approach and quarterly Australian and international voting records; Stewardship Statement, and the Responsible investment section in our Annual Report.

2.51 Many big emitters don't change their strategy much as a result of meetings with investors or negative Say on Climate votes. Yet two years ago pressure from super funds and other investors completely transformed AGL. What was different about the way that investors shifted AGL?

Various factors can influence a company's climate strategy, including shareholder pressure, board and management renewal, government policy, global regulatory environment and customer demand and preferences. We use our shareholder rights to engage with companies, either directly or via collaborative networks such as

ACSI, to provide shareholder perspectives on investee company climate change strategies and vote on issues that can materially impact members' investment outcomes. You can find out more about our climate change approach at australiansuper.com/climatechange

2.52 Is it more effective for AustralianSuper to disclose its voting intentions before an Annual General Meeting, or report its votes afterwards? Has AustralianSuper ever done this, and if so, could you provide an example?

We do not generally announce our voting intentions in advance. We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. You can view our voting approach at <https://www.australiansuper.com/investments/how-we-invest/esg-management>. Our voting records are available here: <https://www.australiansuper.com/investments/how-we-invest/esg-management>.

2.53 Does AustralianSuper have dedicated capacity to engage companies on nature and biodiversity?

AustralianSuper considers a range of ESG issues but prioritises those which we believe are likely to have the greatest financial impact on members' investment returns. Nature is one of our priority ESG themes within ESG & Stewardship program, alongside related issues such as climate change and circular economy. Our ESG & Stewardship program includes engaging with companies we own on material ESG issues that may impact investment outcomes (either directly or with other investors). We're currently engaging in research and industry forums to explore nature-related risks opportunities, impacts and dependencies and the potential impacts on investee companies. Insights from this analysis will inform our stewardship approach.

2.54 The Barossa Gas Export Pipeline pipeline poses significant risks to Tiwi underwater cultural heritage that was not assessed in the original Environment Plan. Santos has been tied up in legal cases for over a year, reportedly losing the company up to a million dollars a day. Given the serious financial, cultural heritage and environmental risks Santos' Barossa project faces, why does AustralianSuper continue to invest our retirement savings into this company?

AustralianSuper has a small shareholding in Santos, with a 0.23% ownership stake in the company as at 31 August 2023. This holding represents 0.02% of the Fund's total assets, or 0.08% of the Australian Shares asset class as at 31 August 2023. Our holding is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI)

2.55 I'm very concerned that Aus Super is investing in gas. We have to get off fossil fuels ASAP. Gas was a transition fuel in 2005 - we've moved on since then.

We believe gas has a role to play in meeting the global community's energy demands as we transition to a low-carbon economy. We expect companies involved in this industry will help to maintain energy security and reliability as the world shifts away from higher emitting energy sources, such as coal and oil, to cleaner, renewable technologies.

2.56 How is AustralianSuper tracking the changes of the major fossil fuel companies we are invested in against the Paris agreement? Is there a report that keep track records of these data? Thank you.

We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. You can find out more at australiansuper.com/climatechange and in our Climate Report, which will be available soon.

2.57 Net zero is a crock, why are you wasting our money on woke, unrealistic options? /

2.58 Please explain Net Zero?

The Intergovernmental Panel on Climate Change (IPCC) proposed that achieving net zero emissions by 2050 would be required to limit the average global temperature increase to 1.5 degrees by 2100 (which aligns with the more ambitious Paris Agreement temperature limit). Scenario modelling undertaken by the global central banks indicates that a net zero by 2050 scenario results in the lowest economic cost outcome in the long term. This is consistent with our purpose to help members achieve their best financial position in retirement. To read about Net Zero and our approach to Climate Change please see <https://www.australiansuper.com/investments/how-we-invest/climate-change>

2.59 As shareholders, AS don't manage the companies they invest in, but doesn't it carry a very big stick to instigate changes in managements approach to mitigating the effects of climate change?

AustralianSuper has made a commitment to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our stewardship program is a key pillar of our ESG approach. Through it we seek to communicate our investment interests to companies in a way that is consistent with maximising long-term value for members. We also seek to understand how companies are managing material ESG issues, such as climate change. The application of our Stewardship program varies based on the characteristics of our investment, including the particular asset class, whether we're investing directly or through external managers, or whether our investment is actively or passively held. For Australian listed companies in our internally managed fundamental portfolios, we have an engagement program where we discuss material ESG issues with company management and boards. For example, for the larger contributors to emissions in these portfolios we're asking that they develop credible plans to achieve their net zero goals. We also engage with ASX listed companies via collaborative networks with other investors for companies we don't hold directly, or to amplify our voice on certain issues. We also use our shareholder vote to vote on issues that can materially impact members' investment outcomes. You can find out more in our latest Annual Report via the Reports tab on <https://www.australiansuper.com/about-us>

2.60 If you have identified a small group of high emitters why are you not focused on divesting those?

We believe companies with good ESG management provide better long-term returns. Our carbon foot printing analysis helps us to identify the largest contributors to current and future portfolio emissions and informs our stewardship approach. Our stewardship approach includes engaging with the higher-emitting companies in our internally managed fundamental portfolios in the Australian shares asset class. We're asking that they develop credible plans to achieve their net zero goals. AustralianSuper also engages with ASX listed companies through the Australian Council of Superannuation Investors (ACSI) and for international listed companies through our subscription to EOS at Federated Hermes. You can find out more about our climate change approach at australiansuper.com/climatechange

2.61 Given the IPCC predictions for the impact of climate change, how can you justify your slow progress to decarbonisation by 2050 rather than say 2030?

We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. Scenario modelling undertaken by the global central banks indicates that a net zero by 2050 scenario results in the lowest economic cost outcome in the long term.* We recognise that the economy-wide transformation will take time, particularly for carbon-intensive energy sectors and hard-to-abate industries, which need to transform their business models, adapt to new technologies, and transition their workforces to align with a net zero economy. You can find out more about our climate change approach at australiansuper.com/climatechange *Network for Greening Financial System: NGFS Scenarios for central banks and supervisors, September 2022. Scenarios show the transition and physical risk impacts on GDP deviation at 2050 and 2100. https://www.ngfs.net/sites/default/files/medias/documents/ngfs_climate_scenarios_for_central_banks_and_supervisors_.pdf

2.62 Will AusSuper become a member of Nature Action 100?

We have engaged with the NA100 investor engagement initiative to discuss nature-related issues, share learnings and discuss how the initiative is progressing, and will continue to monitor the development of NA100.

2.63 Why do you still have only a small set of environmentally friendly socially responsible options across the risk spectrum?

We understand that members have diverse values, preferences and attitudes when it comes to investing. To help understand what's important to members we undertake member surveys. We consider this research in the investment options we offer. We have a range of investment options for members to choose from, including the Socially Aware option. To view our investment options please see:

<https://www.australiansuper.com/investments/your-investment-options> You can also find out more about our ESG and Stewardship program at [australiansuper.com/ResponsibleInvestment](https://www.australiansuper.com/ResponsibleInvestment)

2.64 Will you be providing annual stewardship reports to your members like VisionSuper does so that members can understand how much impact funds are having?

Thanks for your suggestion. Stewardship is a core pillar of our ESG and Stewardship program. As Australia's largest super fund, AustralianSuper has large, direct ownership stakes in many companies and assets. AustralianSuper values transparency and believes it's important to keep members informed of our stewardship activities. We are looking to expand the range of resources currently available on our website, which currently includes:

- ESG and Stewardship Policy;
- stock voting approach and quarterly Australian and international voting records;
- Stewardship Statement;
- the Responsible investment section in our Annual Report.

You can find out more about our ESG and Stewardship activities in our FY23 Annual Report available at <https://www.australiansuper.com/-/media/australian-super/files/about-us/annual-reports/2023-annual-report.pdf>

2.65 Investment returns in the long term will be meaningless in a world that has warmed by 3 degrees. If your objectives are long term doesn't that require immediate and urgent action on global warming?

Climate change is one of the most significant investment issues today. AustralianSuper has made a commitment to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. We recognise that the economy-wide transformation will take time, particularly for carbon-intensive energy sectors and hard-to-abate industries, which need to transform their business models, adapt to new technologies, and transition their workforces to align with a net zero economy. You can find out more about our climate change approach at [australiansuper.com/climatechange](https://www.australiansuper.com/climatechange)

2.66 Has AusSuper modelled the impact of global warming on its portfolio?

AustralianSuper conducts annual scenario testing in the strategic asset allocation process to test the potential performance impacts on our investment strategy. We have also conducted physical risk assessments of its Australian shares, international shares, unlisted property and unlisted infrastructure portfolios. You can read more about this analysis in our Climate Change report which will be available soon at <https://www.australiansuper.com/investments/how-we-invest/climate-change>

2.67 What is your objective for reduction in emissions by 2030?

2.68 What is your emissions target for 2030?

AustralianSuper has not set a 2030 emissions reduction target. AustralianSuper has made a commitment to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. You can find out more at [australiansuper.com/climatechange](https://www.australiansuper.com/climatechange) and in our Climate Report, which will be available soon.

2.69 Given the ESG statement - why is less than 3% of your funds under management (according to recent press) invested in companies that have a focus on climate improvement / renewables and environment sustainability?

We are not aware of the source of the article you are referencing. The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. AustralianSuper currently invests in a range of clean energy solutions, across markets and technologies. AustralianSuper invests over \$2.5 billion in energy solutions, which includes \$1.4 billion in renewable energy as at 30 June 2022. We also recognise the business transition required to transform non-energy sector company operations to net zero emissions by 2050. You can find out more about assets exposed to the energy and business transitions in our soon to be published climate change report at australiansuper.com/climatechange

2.70 How do you balance ESG targets with the best possible financial returns for members?

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members. You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

2.71 Thank you for the update on your ESG policy. It seems fair and reasonable. One concern I have is the coal investments. You continue to invest in Coal Mines that are expanding or opening new mines. These coal mines underestimate their Green House Gas emissions and ASIC is moving forward to stop this. But why don't you lend your weight to ensure they report GHG emissions in planning and in operation properly.

AustralianSuper invests in a diversified portfolio of assets across different sectors of the economy, including fossil fuel companies. AustralianSuper recognises climate change as a very important issue. We have committed to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. We recognise that as the global economy transitions to Net Zero, the composition of the world energy mix will change and shift away from fossil-fuel related energy generation to renewable sources. We believe that managing the transition in a smooth and orderly way over time will minimise the economic costs of climate change and produce the best investment outcomes for members. We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. You can find out more at australiansuper.com/climatechange and in our Climate Report, which will be available soon.

2.72 Mark, why do you think gas will play an important role in the energy transition? Why does Australian Super not put more of our money into renewables, to help push the energy transition faster? Many of us are very worried about the world we pass on to our grandchildren. Its not just about the money!

We believe gas has a role to play in meeting the global community's energy demands as we transition to a low-carbon economy. We expect companies involved in this industry will help to maintain energy security and reliability as the world shifts away from higher emitting energy sources, such as coal and oil, to cleaner, renewable technologies. For Australian listed companies in our internally managed fundamental portfolios, we have an engagement program where we discuss material ESG issues with company management and boards. For example, for the larger contributors to emissions in these portfolios we're asking that they develop credible plans to achieve their net zero goals. You can find out more about our climate change approach at australiansuper.com/climatechange

2.73 How can Australian Super claim to be aligned with the Paris agreement 1.5degree target when you exclude scope 1 and 2 emissions, that allow you to invest in companies like Ampol and Woodside Petroleum. How is a 1.5degree alignment possible when over the last year Australian Super have now spent a total of \$2.1Billion of investors' funds purchasing upwards of 61Million shares in Australia's most polluting company, Woodside Petroleum? Burrup Hub which is planned to operate to 2070 is Australia's single largest polluting project and is not at all aligned with net Zero by 2050.

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. We have engaged with Woodside several times this year, including both directly and via the Australian Council of Superannuation Investors (ACSI), to discuss the company's net-zero strategy, including its capital allocation and carbon reduction initiatives. We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment. We are monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange

2.74 The Australian Academy of Science says that "to be consistent with the Paris Agreement goal of limiting global warming to 1.5°C, Australia's 2030 emissions reduction target must be 74% below 2005 levels, with net-zero emissions reached by 2035." Given the science, why is Australian Super investing in Santos when their business plan is to hook NSW on Narrabri gas we don't need, which plans to raise Scope 1, 2 and 3 GHGs in NSW and which plans to continue mining gas and increasing GHG emissions beyond 2035?

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members. You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment. AustralianSuper has a small shareholding in Santos, with a 0.23% ownership stake in the company as at 31 August 2023. This holding represents 0.02% of the Fund's total assets, or 0.08% of the Australian Shares asset class as at 31 August 2023. Our holding is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI).

2.75 Santos' board has linked the CEO's bonuses to new gas development, despite volatility in gas prices and changing policy both in Australia and overseas. This is poor governance, an abrogation of fiduciary obligations, a risk to our retirement savings as well as the climate. Nevertheless, will Australian Super provide some advance indication about how it will approach the vote on Santos directors who approved the executive remuneration package? As members, we have a right to know how our shares will be voted.

AustralianSuper has a small shareholding in Santos, with a 0.23% ownership stake in the company as at 31 August 2023. This holding represents 0.02% of the Fund's total assets, or 0.08% of the Australian Shares asset class as at 31 August 2023. Our holding is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI). We do not generally announce our voting intentions in advance. We consider shareholder resolutions on their individual merits through the members' best financial interests' lens, will assess both these resolutions on their potential effectiveness in driving investment value for members. We value transparency in our voting and we publish details on the way we vote every quarter on our website. You can find out more about our ESG and Stewardship program and view our voting records at www.australiansuper.com/ResponsibleInvestment

2.76 When are we going to divest all fossil fuels from our portfolios? Fossil fuel use is threatening our future, betting on our demise is madness. Also please explain why funds are still being invested in fossil fuels contrary to policy on sustainability and emission reduction.

With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries, such as fossil fuels. We apply a best of sector approach, which aims to identify companies which provide the best long-term value creation potential, including strong performance on the management of ESG factors. All investment decisions, including decisions to exit any holdings we have, are underpinned by our purpose to help members to achieve their best financial position in retirement. We have committed to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. We recognise that as the global economy transitions to Net Zero, the composition of the world energy mix will change and shift away from fossil-fuel related energy generation to renewable sources. We believe that managing the transition in a smooth and orderly way over time will minimise the economic costs of climate change and produce the best investment outcomes for members. We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. You can find out more at [australiansuper.com/climate change](https://australiansuper.com/climate-change) and in our Climate Report, which will be available soon.

2.77 Australian Super acknowledges increasing its exposure to Woodside this year. As super is a long term proposition and all the scientific evidence is that there is a need to reduce the use of fossil fuels as soon as possible, how does Australian Super justify such an investment as being truly in the long term interests of members?

AustralianSuper has increased its exposure to Woodside over the past 12 months, consistent with our commitment to delivering strong, long-term investment returns to members. The changing geo-political environment and economic factors have driven stronger value in the LNG sector which has supported returns to members. We believe gas has a role to play in meeting the global community's energy demands as we transition to a low-carbon economy. We expect companies involved in this industry will help to maintain energy security and reliability as the world shifts away from higher emitting energy sources, such as coal and oil, to cleaner, renewable technologies. We have engaged with Woodside several times this year, including both directly and via the Australian Council of Superannuation Investors (ACSI), to discuss the company's net-zero strategy, including its capital allocation and carbon reduction initiatives. Following engagement with shareholders, Woodside's board announced a commitment to a Say on Climate vote every three years starting in 2024 and to continue to engage with shareholders on their reporting and management of climate-related risks and opportunities. The Say on Climate vote will provide an opportunity for AustralianSuper to formally communicate our views on Woodside's climate strategy. In light of these commitments from the company we supported the three directors seeking re-election. We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment.

2.78 What documented evidence is there to support that ESG investing provides better returns to shareholders?

There are a range of research studies which demonstrate the positive connection between better ESG practices and long-term performance. As an example, 63% of 2,200 studies show a positive correlation between corporate financial performance and ESG. Source: Friede, Busch and Bassen "ESG and financial performance: aggregated evidence from more than 2000 empirical studies" (Nov 2015)

2.79 Does the board support climate change action and, if so, how is the board planning the green future?

The Board is ultimately responsible for the Fund's Enterprise Risk Management Framework (ERmf). The ERmf is the totality of systems, structures, policies, processes and people within the business operations that seek to identify, assess, manage, mitigate and monitor all internal and external sources of inherent risk that could have a material impact on AustralianSuper's business operations or purpose. It encompasses the linkage between AustralianSuper's strategy and business planning. AustralianSuper groups risks into three tiers: Enterprise Risks, Material Risks and Business Risks. Investment Objective risk, which is associated with ensuring investment

performance meets AustralianSuper's investment objectives, is one of the nine identified Enterprise Risks. The Fund's Investment Governance Framework is the governing framework for the Fund's investment activities and associated risks, including the management of ESG and climate change risks. Our ESG and Stewardship approach is documented in our ESG and Stewardship Policy which is available to download at australiansuper.com/ESGPolicy. The Framework defines the roles and responsibilities of AustralianSuper's Board, Investment Committee and Investments Group. The Board has approved an investment delegation framework that promotes timely decision-making, transparency and accountability. As with any other material investment issue, responsibility for the management of climate change risks in the portfolio falls within the delegation framework. AustralianSuper has made a Board-approved commitment to achieve net zero emissions by 2050 in its investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). The Fund is taking actions to manage climate change risks and opportunities in the portfolio including implementation of net zero transition actions in our integration, stewardship, disclosure and advocacy activities. You can find out more about our climate risk governance and activities in our climate change report which will be available soon at australiansuper.com

2.80 What is the fund's plans to invest in sustainable and green investments?

AustralianSuper currently invests in a range of clean energy solutions, across markets and technologies. Our investment team monitors developments in new technologies and technology pathways consistent with a net zero 2050 economy. AustralianSuper invests over \$2.5 billion in energy solutions, which includes \$1.4 billion in renewable energy as at 30 June 2022. AustralianSuper jointly established the Sustainable Development Investments Asset Owners Platform (SDI-AOP) in 2020 with three other global asset owners. The platform uses a unique taxonomy that maps investments to the SDGs and their subgoals on global sustainability issues such as climate change, hunger, education, clean water and health. The SDI-AOP assigns a Sustainable Development Investment rating based on their level of contribution to the SDGs. We've measured the contributions of our investments in the Australian shares, international shares and fixed interest asset classes to the SDGs. As at 30 June 2023, our investments in these asset classes contributed \$16.8 billion to the SDGs. SDG contribution is based on % of company revenue aligned to an SDG multiplied by the value of AustralianSuper's holding (\$million invested). Only companies with SDI status of Majority or Decisive with confidence levels of 3 or above (out of 5) have been included. Does not consider negative contributions. Find out more at <https://www.sdi-aop.org/sdi-classification/>

2.81 What are you doing to try and reduce the amount of investment in fossil fuel, and what are you doing to help us reduce our carbon footprint. Stop supporting the ALP and their push to keep coal and gas alive. We need to act now and as one of the largest investors in the country, we as a group need to do better. How soon will you divest the shares you hold in polluters?

With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries, such as fossil fuels. We apply a best of sector approach, which aims to identify companies which provide the best long-term value creation potential, including strong performance on the management of ESG factors. All investment decisions, including decisions to exit any holdings we have, are underpinned by our purpose to help members to achieve their best financial position in retirement. We have committed to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. We recognise that as the global economy transitions to Net Zero, the composition of the world energy mix will change and shift away from fossil-fuel related energy generation to renewable sources. We believe that managing the transition in a smooth and orderly way over time will minimise the economic costs of climate change and produce the best investment outcomes for members. We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. You can find out more at australiansuper.com/climate change and in our Climate Report, which will be available soon.

2.82 What proportion of members' FUM are invested in organisations primarily engaged in the production of fossil fuels?

AustralianSuper invests in a diversified portfolio of assets across different sectors of the economy, including fossil fuel companies. We invested around \$3.7 billion (as at 21 November 2023) in companies in the Australian shares,

international shares and listed infrastructure asset classes which derive 50% or more of their revenue from any combination of the following activities: - thermal coal-based power generation - mining of thermal coal - extraction and production of oil and gas This represents less than 1.5% of the Fund's total FUM.

2.83 How is Australian Super planning on engaging in Woodside's AGM in 2024? Will you use your power as an investor to vote down directors blocking climate targets and a transition to renewable energy?

We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment. We do not generally announce our voting intentions in advance. We consider shareholder resolutions on their individual merits through the members' best financial interests' lens, will assess both these resolutions on their potential effectiveness in driving investment value for members. We value transparency in our voting and we publish details on the way we vote every quarter on our website. You can view our share voting approach here:

<https://www.australiansuper.com/-/media/australian-super/files/about-us/governance/share-voting-approach.pdf>

2.84 Given we are now in a Climate Emergency, can Australian Super show leadership, by divesting from Fossil Fuels? /

2.85 Does Australian Super have a policy on investing in fossil fuels? If so what kinds of investment in fossil fuels is Australian Super divesting money? If Australian Super is investing in the fossil fuel business is there plans to move away from such investment.

We invest to help members achieve their best financial position in retirement. With the exception of companies that directly manufacture tobacco products, we do not apply sector exclusions or screens to particular industries, such as fossil fuels. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. When assessing investment opportunities in these portfolios, the Fund considers material issues that can impact the valuation of the company, such as climate change. This can include assessing companies on their management of climate change risks and their net zero strategies. We seek to address any identified issues through our stewardship actions during the ownership phase. We recognise that as the global economy transitions to net zero, the composition of the world energy mix will change. While fossil fuels will continue to play a role in the energy mix early in the transition, this will diminish over time as renewable energy sources become a larger proportion of the mix and other climate change solutions are developed. You can read more about our climate change approach at [australiansuper.com/climatechange](https://www.australiansuper.com/climatechange)

2.86 Woodside have done little to address our funds' concerns about climate change. With that in mind, how does AustralianSuper intend to vote on Richard Goyder's bid for re-election next year?

We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment. We do not generally announce our voting intentions in advance. We consider shareholder resolutions on their individual merits through the members' best financial interests' lens, will assess both these resolutions on their potential effectiveness in driving investment value for members. We value transparency in our voting and we publish details on the way we vote every quarter on our website. Our voting approach is also available on our website:

<https://www.australiansuper.com/investments/how-we-invest/esg-management>.

2.87 Many oil and gas companies are claiming that they will use carbon capture and storage to bury emissions from new gas projects. Yet despite decades of research, no oil and gas company has come close to burying more than a fraction of their emissions. Does AustralianSuper think it's safe for oil and gas companies to put all of their hopes in the CCS basket, given experts warn it is being used as an excuse for inaction?

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals, including identification and articulation of transition pathways. We are also engaging in research and industry initiatives to understand the likely transition and technology pathways for different energy sectors.

2.88 Earlier this year, the Australian Retirement Trust announced an escalation strategy to tackle big emitters. Does AustralianSuper believe that escalation tools like public statements, voting, publishing alternate business plans and even takeover bids are useful, and if so will it exceed ART's commitment by published a timebound escalation framework?

AustralianSuper is engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. We have developed Ownership Plans for companies in these portfolios which are designed to capture the primary ownership considerations for companies including performance on key ESG factors and stakeholder considerations, such as climate change risk where relevant, which includes transition and physical risk. The plans include engagement strategies, which enable us to conduct focused engagements with companies on issues that can impact long-term value. We also use other stewardship activities, such as voting, to communicate our investment interests to companies in a way that is consistent with maximising long-term value for members. You can find out more about our stewardship strategies in relation to climate change in our soon to be published climate change report at [australiansuper.com/climatechange](https://www.australiansuper.com/climatechange) You can view our share voting approach here: <https://www.australiansuper.com/-/media/australian-super/files/about-us/governance/share-voting-approach.pdf>

2.89 Australian Super recently claimed that its engagement had encouraged Woodside to have another "Say on Climate" vote. Yet Woodside also plans to significantly increase their emissions through projects like Pluto LNG and the Scarborough Gas Project. Given these assets will have to be eventually stranded as the world continues to tackle climate change, shouldn't we be demanding more than just another say given these assets are being built with our money?

We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment.

2.90 Earlier this year, the ABC reported that Woodside's advertisements in the West Australian had pressured the Premier to force the Environment Protection Agency to stop its work on climate change. This is extremely undemocratic behaviour by a corporation that risks damaging the world for future generations. Has AustralianSuper expressed any concerns about this kind of behaviour to Woodside?

We have engaged with Woodside several times this year, including both directly and via the Australian Council of Superannuation Investors (ACSI), to discuss the company's net-zero strategy, including its capital allocation and carbon reduction initiatives. We intend to actively assess Woodside's climate strategy as disclosed in its forthcoming Say on Climate report and vote accordingly. We also intend to continue to engage with the company in order to understand how the company plans to transition its operations to deliver long-term value in a low-carbon environment.

2.91 Like many public servants and retired public servants, I have been a member of Australian Super since the establishment of its public sector division in 2013. I have tracked its performance, and attended member briefings, and been convinced that it was an ethical, well-run fund. However, I have not seen to date, our fund take a convincing or principled position commensurate with its size, on the greatest dilemma now facing our country, climate change. The science of climate change is clear, and Australia's position as one of the top ten global per capita carbon emitters is quite clear. It is becoming very clear to the many Australians who have experienced the extreme weather events of recent years that dramatic reduction in our emissions is needed. The approaching summer will see Australians swelter in extreme heat, one of the world's leading causes of death, and probable significant damage to agricultural production, and domestic and industry infrastructure. What does our fund see as the climate change impact on productivity and have productivity impacts been included in climate risk modelling that our fund could share with members?

Climate change is one of the most significant investment issues today. Climate change will impact economies, industries, societies and the environment. As such, climate change presents risks and opportunities for the investments in our portfolio. We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. Our climate risk analysis does not cover productivity modelling. We have conducted physical risk assessments of our Australian shares, international shares, unlisted property and unlisted infrastructure portfolios. You can read more about this analysis in our Climate Change report which will be available soon at <https://www.australiansuper.com/investments/how-we->

invest/climate-change. The Australian Productivity Commission has published a research report on the impacts of climate change on productivity at <https://www.pc.gov.au/inquiries/completed/productivity/report/productivity-volume6-climate-transition.pdf>

2.92 I have been a member for over 20 years, while appreciate that Aust Super's investment returns will give me a comfortable retirement, I am concerned that in a climate emergency, having money will not protect me. I would like Aust Super to use its shareholdings to bring its energy company investments to bring about a fast and early transition to renewable energy. Can you reassure me that you will do this?

We invest to help members achieve their best financial position in retirement. We invest in a diversified portfolio of assets in different sectors of the economy, including in the energy and resources industries. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. You can find out more about our progress and approach to Climate Change at australiansuper.com/ClimateChange.

2.93 My funds are invested in the Socially Responsible option. Can Aust Super guarantee my funds are not funding mining and/or environmentally damaging operations? When will Australian Super commit to all its investments being clean, green and upholding human rights?

Exclusions in the Socially Aware option are applied to the Australian shares and international shares asset classes and the corporate securities component of the fixed interest asset class based on environmental, social and governance screens. The option also invests in a range of other asset classes that are not screened. Asset classes that are not screened include private equity, unlisted and listed infrastructure, unlisted and listed property, credit, cash and other assets. For details of the screens please go to the Socially Aware tab at <https://www.australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice> and read 'what's excluded'

2.94 Will AustralianSuper join Nature Action 100, a global collaboration to challenge companies to disclose and reduce their impacts on nature?

We have engaged with the NA100 investor engagement initiative to discuss nature-related issues, share learnings and discuss how the initiative is progressing, and will continue to monitor the development of NA100.

2.95 I have read a lot of media reports that show that AustralianSuper has a weak voting record on climate change, and has been able to secure little more from emissions-intensive companies than mere consultation. Why should I stay with a fund that seems to lack so much ambition? The climate crisis is upon us now - we have to be bold and act urgently!

Our Stewardship program is a key pillar of our ESG approach. Through it we seek to communicate our investment interests to companies in a way that is consistent with maximising long-term value for members. We also seek to understand how companies are managing material ESG issues, such as climate change. Our stewardship activities can include direct and collective engagement with other investors (via groups including the Australian Council of Superannuation Investors and Climate Action 100+) and voting on company and shareholder resolutions.

In FY23 we voted: on over 880 shareholder resolutions supporting approximately 49%, of 156 climate-related shareholder resolutions we supported over 68% and on 33 'Say on climate' resolutions globally we supported almost 85%.

In FY23, we held 92 direct engagement meetings with 48 S&P/ASX 300 companies and discussed climate change in 57% of these meetings.

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals.

We're one of the five original founding members of Climate Action 100+, the world's largest investor-led engagement initiative on climate change, with 700 investor signatories globally representing almost US\$70 trillion in assets under management. Our approach to managing climate change risks and opportunities and the net zero

transition in the portfolio includes the way we invest and our actions as owners. We are also monitoring progress towards our net zero commitment through our internal carbon tracking activities. You can read more about these activities at australiansuper.com/ClimateChange.

2.96 Why is Australian Super trying to stop renewable energy and delay the closure of Eraring coal power station?

We invest to help members achieve their best financial position in retirement. We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. We disagree with the sentiment in your question regarding our position on renewable energy. We believe members can benefit from quality investments exposed to the energy transition. The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. You can find out more about our climate change approach and investments in energy solutions at australiansuper.com/climatechange and in our soon to be published Climate Change report.

2.97 Which sectors does Australian super think can have the greatest impact on stopping deforestation?

We are currently developing our understanding and knowledge of nature and biodiversity as an investment risk. With regards to deforestation, we note that the EU recently implemented the EU Deforestation Regulation (EUDR) which covers seven commodities (i.e. cattle, cocoa, coffee, oil palm, rubber, soya, and wood), and derived products.

2.98 Like many oil and gas companies, Santos is basing much of its hopes on carbon capture and storage, despite the industry's failure to significantly scale up the technology after decades of attempts to do so. CCS is also energy intensive and therefore leads to an increase in emissions as long as our energy systems are fossil fuel dependent. Does AustralianSuper believe it is prudent for companies like Santos to throw most of their eggs into the CCS basket, rather than returning dividends to us from money that is otherwise wasted on new gas projects?

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals, including identification and articulation of transition pathways. We are also engaging in research and industry initiatives to understand the likely transition and technology pathways for different energy sectors. Our holding in Santos is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI).

2.99 The Australian Retirement Trust recently doubled the size of their sustainability team to 14, to increase their ability to manage systemic risks to the portfolio. How many sustainability staff does our fund have, and is it enough, given the thousands of companies we invest in?

We have a dedicated ESG and Stewardship team of 15, with three members located in the UK/Europe, and one in the US.

2.100 Leading barrister Sebastian Hartford-Davis recently released a landmark legal opinion stating that directors can be held legally liable under existing corporations law for failing to address nature-related risks. Has this been discussed by AustralianSuper's board, and how will our fund tackle nature-related risks?

We view nature-related risks as having the potential to materially impact both the economy we invest in, and our portfolio companies' financial performance. As a long-term investor in the global economy, managing the risks of

environmental loss is important for investment outcomes. We have been following the evolution of the TNFD throughout its development and are a member of the TNFD forum. The final TNFD recommendations were released in Sept 2023 and we are currently considering these along with broader changes in the disclosure environment. We recently added nature as one of our strategic ESG themes. The ESG and Stewardship team reports to the Board on the key activities of the ESG and Stewardship program.

2.101 How much does AustralianSuper have invested in renewable energy?

We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes. As at 30 June 2022, AustralianSuper invested over \$2.5 billion in energy solutions, including \$1.4 billion in renewable energy. For more information on our clean energy investments please read our climate change report available soon at www.australiansuper.com/ClimateChange

2.102 Australia's fire season are getting more and more dangerous' precisely in line with the science. Yet corporate Australia is asleep at the wheel and is still spending money on combustion- based energy projects rather than renewable energy systems. Is it perhaps time for a clean out of the boardrooms of corporate Australia to make a change happening.

AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals, including identification and articulation of transition pathways. The transition in the energy mix will create investment opportunities across a range of technologies, including renewable energy, climate change solutions with new technologies developed as the world decarbonises. We currently invest in energy solutions, including renewable energy, energy efficiency and supporting infrastructure, in the Australian shares, international shares, and unlisted infrastructure asset classes.

2.103 What are the plans for share voting guidelines to take into account climate risk?

We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. The Fund supports resolutions that enhance value, promote or require appropriate disclosure, ensure effective board composition and operation, and encourage appropriate pay-for-performance remuneration outcomes. Stocks within the voting coverage universe will be voted by the ESG and Stewardship team and may be voted directly or according to the voting approach for different holding types as noted in our published share voting approach document. To read more about our voting approach, see <https://www.australiansuper.com/investments/how-we-invest/esg-management>. In FY23 we voted: on over 880 shareholder resolutions supporting approximately 49%, of 156 climate-related shareholder resolutions we supported over 68% and on 33 'Say on climate' resolutions globally we supported almost 85%. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. You can find out more about our climate change approach at australiansuper.com/climatechange

2.104 When will AustralianSuper start polling the membership around controversial votes? For example, does the membership support investment, that is our money, in gambling companies, who arguably are worse for our society than tobacco companies; and the seemingly blanket endorsement AustralianSuper gives to voting with oil and gas companies such as Woodside and Santos. When will AustralianSuper take action against such companies due to climate change especially if this is what the membership wants?

We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. The Fund supports resolutions that enhance value, promote or require appropriate disclosure, ensure effective board composition and operation, and encourage appropriate pay-for-performance remuneration outcomes. Stocks within the voting coverage universe will be voted by the ESG and Stewardship team and may be voted directly or according to the voting approach for different holding types as noted in our published share voting approach document. To read more about our voting approach, see <https://www.australiansuper.com/investments/how-we-invest/esg-management>.

2.105 What are you doing to try and reduce the amount of investment in fossil fuel, and what are you doing to help us reduce our carbon footprint. Stop supporting the ALP and their push to keep coal and gas alive. We need to act now and as one of the largest investors in the country, we as a group need to do better. How soon will you divest the shares you hold in polluters?

We invest to help members achieve their best financial position in retirement. AustralianSuper has committed to achieve net zero emissions by 2050 in our investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our ability to achieve the net zero commitment is dependent on policymakers and portfolio companies making and delivering on their own net zero commitments. We recognise that as the global economy transitions to Net Zero, the composition of the world energy mix will change and shift away from fossil-fuel related energy generation to renewable sources. We believe that managing the transition in a smooth and orderly way over time will minimise the economic costs of climate change and produce the best investment outcomes for members. We monitor progress towards our net zero commitment through our internal carbon tracking activities. Our analysis as at 30 June 2022 measures the current and estimated 2050 emissions (scope 1 and scope 2) of approximately 65% of our investment portfolio, including investments in the Australian shares, international shares, unlisted and listed property, and unlisted and listed infrastructure asset classes based on their current commitments. This analysis seeks to identify the largest contributors to emissions in these asset classes and informs our stewardship approach. We are engaging with the larger contributors to portfolio emissions in our internally managed fundamental portfolios in the Australian shares asset class and asking that they develop credible plans to achieve their net zero goals. We have been measuring the carbon intensity of the Australian shares and international shares asset classes portfolios using an external carbon consultancy since 2013. The carbon intensity of our portfolios in these asset classes has reduced by 45% between 2013 and 2021. You can read more about our progress here: <https://www.australiansuper.com/investments/how-we-invest/climate-change> and in our Climate Report, which will be available soon.

2.106 Are you investing in nuclear globally seeing that is an energy sector that supports net zero?

AustralianSuper invests in a diversified portfolio of assets across different sectors of the economy, including international companies that own or operate nuclear power plants. For details of our portfolio holdings, please visit: <https://www.australiansuper.com/investments/what-we-invest-in>

2.107 On what scientific or mathematical basis will investing in companies committing to net zero CO2 emissions result in better returns to members, given latest estimates are it will cost the Aust economy \$1.5 trillion

AustralianSuper aims to manage the risks and opportunities of climate change, which we believe are likely to have a significant impact on members' investment returns, including through our consideration of ESG issues in the investment process and stewardship activities. We believe a smooth and orderly net zero transition over time will deliver the best investment outcomes for members. Scenario modelling undertaken by the global central banks indicates that a net zero by 2050 scenario results in the lowest economic cost outcome in the long term*. This is consistent with our purpose of helping members achieve their best financial position in retirement. A disorderly transition caused by a failure to address climate change risks has been identified as a major risk to the global economy and financial system in the 2022 Global Risks Report ([weforum.org/agenda/2022/01/global-risks-2022-disorderly-net-zero-transition](https://www.weforum.org/agenda/2022/01/global-risks-2022-disorderly-net-zero-transition)): 'Industries may disappear if their business models are incompatible with a net-zero future'.⁴ weforum). In this report the World Economic Forum stated that: "Just looking at it through a financial lens, the world economy could lose up to 18% of GDP if no mitigating actions are taken to combat climate change."

*Network for Greening Financial System: NGFS Scenarios for central banks and supervisors, September 2022.

Scenarios show the transition and physical risk impacts on GDP deviation at 2050 and 2100.

ngfs.net/sites/default/files/medias/documents/ngfs_climate_scenarios_for_central_banks_and_supervisors_.pdf

2.108 What is AustralianSuper doing about investments in Israel and their potential impact to the Palestinian people?

The current situation in the Middle East is deeply concerning for those impacted. Our thoughts remain with everyone affected by this conflict. We invest to help members achieve their best financial position in retirement. To enhance investment returns over the long term, AustralianSuper invests in a globally diversified investment portfolio. This means that our holdings include exposure to a variety of industries and countries around the world. We monitor ESG developments, trends and emerging risks in our investment jurisdictions, including the Middle East, to identify issues that may impact investment returns for members.

2.109 Has AustralianSuper conducted an assessment of climate change skills on our Fund's Board?

The AustralianSuper Board is committed to ensuring that all Directors appointed to the Board have appropriate skills and experience and share the values of the Fund.

The Board has developed the AustralianSuper Board & Board Committee Skills Matrix which outlines 10 key areas of skill and experience that the Board is seeking to achieve in its membership. Director and Board Committee Member skills are reviewed annually against the skill domains and the Skills Matrix document is publicly available on the AustralianSuper website. The Skills Matrix includes both the understanding of investment risk management and the ability to identify, assess and manage a broad range of material risks, including ESG risks.

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members. You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

AustralianSuper has made a commitment to achieve net zero carbon emissions by 2050 in the investment portfolio (based on scope 1 and scope 2 emissions of portfolio investments). Our approach to managing climate change risks and opportunities and the net zero transition in the portfolio includes the way we invest and our actions as owners. You can find out more at [australiansuper.com/climate change](https://australiansuper.com/climate-change)

For more information on the Board, including the Board Skills Matrix, please refer to the How We Work section of the AustralianSuper website via <https://www.australiansuper.com/about-us>

2.110 Is any Australian Super money directly invested in thermal coal or in Adani companies?

As at 21 November 2023, AustralianSuper has a small exposure to Adani Group companies (representing less than 0.10% of the portfolio) primarily through one of our external investment managers, which is focused on investing in emerging markets. There are also very small exposures outside of this mandate invested in the Indexed Diversified (externally managed) and Socially Aware options (internally managed).

With regards to our thermal coal exposure (as at 21 November 2023), we have provided details of our exposure to companies within the Australian shares and international shares asset classes below which own thermal coal reserves.

- in our internal fundamental portfolios*, there are two companies held in the Australian shares asset class and none in the international shares asset class.
- in our other internal portfolios, we hold 11 companies in these asset classes.
- we also have exposure in externally managed portfolios in the Australian shares, international shares and listed infrastructure asset classes.

* Our fundamental portfolios are actively managed by our in-house investment team. Our team uses research and insights and applies their expertise and judgment to assess the quality and value of individual companies on a range of factors. These can include company financial information, management quality, market and industry outlooks and ESG considerations.

We publish a list of our holdings in each investment option twice a year at:
<https://www.australiansuper.com/investments/what-we-invest-in>

2.111 Santos' climate is heavily reliant on CCS. If their plans succeed, they would be the first oil and gas company in the world to achieve CCS at that scale. Their plan does not include Scope 3 emissions, which represent ~90% of their GHGs. Limited geological storage space means that any space used by oil and gas would no longer be available to genuinely hard-to-abate sectors. Given the industry's lack of success in achieving large-scale CCS at scale despite decades of efforts, does our fund believe it is prudent for a gas company to rely so heavily on CCS to meet its climate goals?

2.112 Like many oil and gas companies, Santos is basing much of its hopes on carbon capture and storage, despite the industry's failure to significantly scale up the technology after decades of attempts to do so. CCS is also energy intensive and therefore leads to an increase in emissions as long as our energy systems are fossil fuel dependent. Does AustralianSuper believe it is prudent for companies like Santos to throw most of their eggs into the CCS basket, rather than returning dividends to us from money that is otherwise wasted on new gas projects?

AustralianSuper has a small shareholding in Santos, with a 0.23% ownership stake in the company as at 31 August 2023. This holding represents 0.02% of the Fund's total assets, or 0.08% of the Australian Shares asset class as at 31 August 2023. Our holding is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI). We are also engaging in research and industry initiatives to understand the likely transition and technology pathways for different energy sectors. Deploying carbon capture, utilisation and storage (CCUS) at the pace and scale that's needed will be contingent upon investment in the technology by governments and companies. The International Energy Agency (IEA) sees the oil and gas industry playing a critical role in the future success of all types of CCUS.*

*International Energy Agency, Special Report - The Oil and Gas Industry in Net Zero Transitions

2.113 What investments does the fund have in China? Have these investments been subject to ESG processes and, if so, what was the outcome of the ESG analysis, especially with regard to social and governance issues?

As at 30 June 2023, AustralianSuper had \$2.2 billion of member assets invested in China, which is less than 1% of total Fund assets.

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when a global event occurs. We conduct an ESG due diligence assessment for companies held in our internal fundamental portfolios in the international shares asset class prior to investment. External managers may also conduct integration activities in relation to security selection.

2.114 What proportion of members' FUM are invested in organisations primarily engaged in the production of fossil fuels?

AustralianSuper invests in a diversified portfolio of assets across different sectors of the economy, including fossil fuel companies. We invested around \$3.7 billion (as at 21 November 2023) in companies in the Australian shares, international shares and listed infrastructure asset classes which derive 50% or more of their revenue from any combination of the following activities:

- thermal coal-based power generation
- mining of thermal coal
- extraction and production of oil and gas

This represents less than 1.5% of the Fund's total FUM.

2.115 I have been a member of Australian Super (AS) for many, many years. During that time, I have regularly requested that AS take notice of the scientific evidence that the burning of fossil fuels is causing climate change, and global warming, and that AS should aim to eliminate any investments in fossil-fuel companies, to protect my retirement investment in AS. On each occasion of writing to AS, I have received a reply that AS feels that it can better achieve a reduction in greenhouse-gas (GHG) emissions by being 'at the table' of companies like Santos and Woodside, putting pressure on them to lower their emissions and transition to renewable energy. Not having seen any evidence that this is so, but, in fact, evidence to the contrary, where AS has supported policy decisions that lead to an increase in GHG emissions, my question to AS is: "Can AS supply its members with at least 2 examples of where AS has been able to achieve positive outcomes for fighting climate change by applying pressure to highly-polluting companies like Santos and Woodside to reduce their GHG emissions?"

Through our stewardship activities we seek to communicate our investment interests to companies in a way that is consistent with maximising long-term value for members. We also seek to understand how companies are managing material ESG issues, such as climate change.

The application of our stewardship program varies based on the characteristics of our investment, including the particular asset class, whether we're investing directly or through external managers, or whether our investment is actively or passively held. For Australian listed companies in our internally managed fundamental portfolios, we have an engagement program where we discuss ESG issues with company management and boards. For example, for the larger contributors to emissions in these portfolios we're asking that they develop credible plans to achieve their net zero goals.

It is impossible to attribute particular outcomes to individual investor engagement activities. We provide the following examples of companies that have developed their climate change approach:

1. As you mentioned Woodside in your query, we refer to the Woodside Board's announcement to commit to a Say on Climate vote every three years starting in 2024 and to continue to engage with shareholders on their reporting and management of climate-related risks and opportunities. Both these actions followed engagement with shareholders ahead of the 2023 AGM.
2. As the Climate Action 100+ co-lead investor for BHP, we note the development of BHP's climate change approach over time. This includes BHP's commitment to achieve net zero emissions by 2050, reduce its operational scope 1 and 2 emissions by at least 30% by 2030 aligning its portfolio to the Paris Agreement temperature limit goal of 1.5 degrees. BHP has also set a goal of achieving net zero scope 3 emissions by 2050 and support for industry to develop technologies and pathways capable of 30% emissions intensity reduction in integrated steelmaking.

2.116 Which sectors does Australian super think can have the greatest impact on stopping deforestation?

We are currently developing our understanding and knowledge of nature and biodiversity as an investment risk. With regards to deforestation, we note that the EU recently implemented the EU Deforestation Regulation (EUDR) which covers seven commodities (ie. cattle, cocoa, coffee, oil palm, rubber, soya, and wood), and derived products.

2.117 ART, Aware Super and ESSSuper accepted Traditional Owners' invitations to meet on Country, AustralianSuper said it would "consider carefully...the possibility of having one of its representatives attend" any meeting between ACSI and Traditional Owners. Has any progress been made on this? Wouldn't it make sense for AustralianSuper to hear concerns directly from Tiwi Traditional Owners given how much they are impacted by this project?

AustralianSuper is continuing to engage via ACSI on this issue. AustralianSuper has a small shareholding in Santos, with a 0.23% ownership stake in the company as at 31 August 2023. This holding represents 0.02% of the Fund's total assets, or 0.08% of the Australian Shares asset class as at 31 August 2023. Our holding is part of an externally managed index strategy, which seeks to replicate a particular index to efficiently track the market. A smaller exposure is held as part of an internally managed quantitative strategy, which uses a model-based, systematic approach to select companies. Given the nature of our holding, our stewardship program is applied to our holding in Santos through the ongoing efforts of the Australian Council of Superannuation Investors (ACSI)

2.118 Unlike many super funds, AustralianSuper only tells us how our shares are voted in an annual report. Other funds report in near real-time. Why can't AustralianSuper do this, or even better, tell us ahead of time? It seems like basic accountability to members, given you are managing our funds.

We do not generally announce our voting intentions in advance. We consider shareholder resolutions on their individual merits through the members' best financial interests' lens. Further information on share voting can be found in the 'Share Voting Approach' document via <https://www.australiansuper.com/investments/how-we-invest/esg-management> which details when and which voting disclosures are made on our website.

3 PHD

3.1 What kind of investments are you investing the super contributions into?

AustralianSuper publishes a comprehensive list of investments twice a year on our website. You can find the list of investments here: [australiansuper.com/investments/what-we-invest-in](https://www.australiansuper.com/investments/what-we-invest-in)

3.2 I would like Australian Super to publish the top 10 investments (by value) in each Investment Option so that I can make a more informed choice on where my money is invested.

AustralianSuper publishes a comprehensive list of investments twice a year on our website and you can filter the list by value. You can find the list of investments here: [australiansuper.com/investments/what-we-invest-in](https://www.australiansuper.com/investments/what-we-invest-in)

3.3 Why do you only update what we invest in June and December? In this tech world you think can update more often.

AustralianSuper was the first Australian super fund to publish a comprehensive list of its investments twice a year in 2016. We did this before government regulations were introduced requiring all super funds to publish their investments. Government regulations now currently require all superannuation funds to publish this information twice yearly. The current timing means we can provide comprehensive investment information while minimising the chance of a negative impact on returns by revealing market sensitive information. In addition, the process of publishing portfolio holdings partially relies on data provided by third parties that we can only obtain periodically.

4 Advice

4.1 Can I withdraw my super to invest in a property? If so what are the limits?

A person's superannuation benefits are generally preserved (i.e. not accessible or able to be withdrawn) until a 'condition of release' has been met. Once a condition of release {with no restrictions} has been met, a member can then consider withdrawing some or all of their funds from super if they wish to do so and use the funds as they see fit.

The following link also contains additional information: [australiansuper.com/retirement/access-super](https://www.australiansuper.com/retirement/access-super)

4.2 How do I know what to invest my Super in?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Nonetheless, on the whole, there is a link between investment risk and return – investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return. Please visit our website to learn more about the investment options we offer: [australiansuper.com/investments/your-investment-options](https://www.australiansuper.com/investments/your-investment-options)

However, if you're not sure how to go about investing your super, it's a good idea to seek advice which you can obtain over the phone by calling 1300 300 273.

Please visit our website to understand your advice options: [australiansuper.com/tools-and-advice/your-advice-options](https://www.australiansuper.com/tools-and-advice/your-advice-options)

4.3 When will you implement binding nominations for Super beneficiaries in case of death?

AustralianSuper members can elect to place a binding nomination on their holdings to their desired beneficiaries.

A binding nomination is a formal written direction to AustralianSuper, whereby a member nominates who they wish to receive a payment when they die.

A binding nomination is legally binding instruction and comes into effect from the date AustralianSuper accept it. Nominations expire three years from the date you sign the form.

4.4 advice around retirement. not enough free support

AustralianSuper schedules regular retirement seminars to provide general and free information on retirement matters. They are typically well attended and appreciated by members because they offer an excellent source of relevant information for members on their retirement planning journey. There is also a great deal of general information available on the AustralianSuper website. This is regularly updated with retirement planning-related material.

We also offer limited personal advice, which you can receive by calling us on 1300 300 273.

If your advice needs are more complicated, please note that we can produce a Statement of Advice that addresses your personal goals. We make no profit from fees charged to provide you with this advice.

4.5 What will be the age of accessing my super without be taxed and the progression for the amoyof payout with the current contribution? I'm paying into my super fund.

The following link provides guidelines for accessing super in retirement:
australiansuper.com/retirement/access-super

You can also obtain additional information by calling us on 1300 300 273. For your superannuation savings to be tax free, you need to be above the age of 60 and have your money held in our Choice Income product, also known as an account based pension. Other superannuation funds offer account based pensions.

4.6 I am considering downsizing my home. Can I withdraw a significant amount of cash from my Choice account and deposit the amount or more back into my Choice Account within a max of 12 months? Also is there an advantage in holding two accounts, a Choice and a Super account as is my case?

You are not able to add new funds to our Choice Income account or any account based pension. All contributions need to be made first into a superannuation account. Once the funds are in your super account, you can rollover these funds to a new Choice Income account. This is a complicated topic and there are limits on how much you can recontribute back into superannuation. We highly recommend you seek personal advice from a qualified professional. We offer such services, which you can access by calling us on 1300 300 273. The following links also contain additional information:

australiansuper.com/retirement/retirement-income-account

australiansuper.com/superannuation/grow-your-super/make-after-tax-contributions

4.7 What is the best investment strategy/balance for someone in their late 40's?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return – investors who are willing to take on higher levels of risk are potentially rewarded with a higher level of return over the long term. You can learn more about the investment options we offer on our website at australiansuper.com/investments/your-investment-options

If you're not sure how to invest your super, you can obtain free advice by calling us on 1300 300 273. You may also visit our website to understand your advice options within AustralianSuper: australiansuper.com/tools-and-advice/your-advice-options

4.8 I'm going to 60 years old this 5th December. If I reach 60 can I apply retirement? Or what is the benefits of retiring people?

A person's superannuation benefits are generally preserved (i.e. not accessible or able to be withdrawn) until a 'condition of release' has been met. Once a condition of release {with no restrictions} has been met, a member can then consider withdrawing some or all of their funds from super if they wished to do so and use the funds as they see fit.

The following link also contains additional information: australiansuper.com/retirement/access-super

As to the benefits of retiring, this is a personal and complicated question to answer. We highly recommend you seek personal advice from a properly qualified professional. We offer such services, which you can access by calling us on 1300 300 273.

4.9 Can you make a contribution to the Retirement Fund for a tax deduction?

You are not able to add new funds to our Choice income account or any account based pension. All contributions need to be made first into a superannuation account. It is at this point that you may be able to make a tax deduction contribution to superannuation. This is a complicated topic and there are limits on how much you can recontribute back into superannuation. We highly recommend you seek personal advice from a properly qualified professional. We offer such services, which you can access by calling us on 1300 300 273. The following links also contain additional information:

australiansuper.com/retirement/retirement-income-account

australiansuper.com/superannuation/grow-your-super/make-after-tax-contributions

4.10 If you have a HECS debt, does it affect your super?

A HECS debt does not affect your superannuation. You generally cannot access your super to pay a HECS debt as it would not on its own constitute a condition of release of your super funds.

4.11 How can I use Superfund to buy a house?

There is a scheme available to assist with saving and using your super to buy your first home. The following link has additional information: australiansuper.com/superannuation/superannuation-articles/2021/09/using-super-to-buy-your-first-home

4.12 As a retiree how can I better manage the current volatility?

With any investing, it's fair to expect periods of increased short-term volatility from time to time, and it's important to remember that ups and downs are a normal part of investing. In periods of increased market volatility, remember, super is usually a long-term investment. While it can be tempting to switch options when markets become volatile, being invested in a diversified portfolio over the long run can help grow your super.

Certain assets like infrastructure, private equity and cash can help cushion the portfolio during market downturns, while still positioning the fund to enjoy future upside when the markets recover. Diversification is a cornerstone of AustralianSuper's long-term investment strategy and a key factor in maintaining resiliency in the face of market volatility. The Fund repositions the portfolio as necessary throughout market cycles.

If you're concerned about changes to your balance and the impact on your retirement plan, consider speaking to an accredited financial adviser. We offer such services, which you can access by calling us on 1300 300 273.

Professionals can help you review your retirement goals and identify the investment options that are best suited to you and your circumstances. australiansuper.com/investments/how-we-invest

4.13 Is it best to stay in balanced fund when 64 years of age?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return – investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return.

However, if you're not sure how to go about investing your super, it's a good idea to seek advice which you can obtain over the phone by calling 1300 300 273. Please also visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

4.14 Does AustralianSuper have a direct local phone number for reversionary beneficiaries to speak with in what is very likely be trying circumstances?

We don't have a specific phone number but beneficiaries can call our main contact centre number and will be directed to the team that can assist them. The number is 1300 300 273 and our team are available 8am – 8pm AEST/AEDT weekdays. Other ways to contact us can be found here <https://www.australiansuper.com/contact-us>

4.15 How to claim insurance and withdraw super

Please call us on 1300 300 273.

4.16 What do you advise members looking to access their Super at 60 in a few years?

This really depends on an individual's personal circumstances. We would suggest you start with a call to our contact centre on 1300 300 273 to speak with one of our phone based advisers for an initial chat at no cost. You can access these services at any age, and invariably, the earlier you start, the better prepared you will be for the future.

4.17 Can I add up to three years contributions into my super as the result of a capital gains event?

If you meet the eligibility criteria, you can do this. Please refer to the following information australiansuper.com/superannuation/grow-your-super/make-after-tax-contributions or contact us on 1300 300 273 for assistance.

4.18 How can I invest with my super and can I also have super that can be added for a home?

Your super is invested in the default option unless you advise us differently. How you invest your super has to do with your goals and investment timeframe. A great place to start is obtaining simple super advice over the phone by calling 1300 300 273. Please visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

You can add money to super from the sale of a home. It can be down via two contribution types, a non-concessional contribution and/or a downsizer contribution. You can find out more about growing your super via our website australiansuper.com/superannuation/grow-your-super

4.19 How can I improve my investment and gain good profit?

This is a very personal question and what's right for you depends upon your individual situation. There are many ways to improve your investment, such as contributing and reviewing your underlying investments. A great place to start is obtaining simple super advice over the phone by calling us on 1300 300 273.

Please visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options.

Generally speaking, having a higher growth investment portfolio will allow for stronger long-term returns. You can choose from a range of Pre-Mixed and Do It Yourself (DIY) Mix investment options, so you can tailor your investments within your account – whether you're a hands-on investor or someone who's happy to leave investment decisions to experts.

Not sure what type of investor you are? Find out how to choose the right option: australiansuper.com/investments/choosing-the-right-option

You can also learn more about different investment options via this link: australiansuper.com/investments/your-investment-options

4.20 What can I benefit from my super now for my future?

Generally speaking, there are many benefits to superannuation before actually retiring. These can be the tax benefits of contributing to superannuation, before tax, such as salary sacrifice. You may also be eligible for tax rebate/offset by making a spouse contribution. You have the benefit of dollar cost averaging, by making regular contributions, and investing funds in a concessional tax environment. You have the benefit of investing at a low cost, with exposure to an extremely well diversified portfolio. You can also organise personal insurance. Please call us on 1300 300 273 should you require any additional information.

4.21 What happens if I go to work abroad, what happens to my fund?

If you're an Australian permanent resident or citizen heading overseas, your super remains subject to the same rules, even if you are leaving Australia permanently. This means your super must remain in your super fund/s until you reach preservation age and are eligible to access it. An exception applies if you are migrating permanently to New Zealand — you may be able to transfer your Australian super to a New Zealand KiwiSaver scheme. If

you're a temporary resident who has earned super while working and living in Australia, you can apply to have your super paid to you as a Departing Australia Superannuation Payment (DASP) after you leave. If you're eligible, you can claim your super online or by lodging a paper form. To apply online or download a form, visit the Australian Taxation Office (ATO) website [ato.gov.au/Depart Australia](https://ato.gov.au/Depart%20Australia).

4.22 Buying property from your super. How much do I need to retire, I'm 44 now. How can I achieve this with my super?

4.23 What is the best amount \$ to put in each year for an optimal retirement super fund? And from what age is recommended?

This is a very personal question and depends on your personal situation because we all have different spending habits and tolerances to investment risk.

A great place to start is obtaining simple super advice over the phone by calling us on 1300 300 273.

Please visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

4.24 How do we assess the amount of concessional super that we allowed to deposit in our super account?

Before-tax contributions are also known as concessional super contributions. They're super contributions you or your employer make from your before-tax income.

Before-tax contributions include:

- employer contributions (and any insurance costs or administration fees they pay for you)
- salary sacrifice contributions you make, and
- any after-tax contributions you make and claim a tax deduction for

You can contribute a total of up to \$27,500 (concessional contributions cap) before tax each financial year from 1 July 2021.

Before-tax contributions are generally taxed at 15%, unless you:

- earn more than \$250,000 p.a1.
- haven't given your TFN to your super fund
- go over the concessional contributions cap.

In the above situations, extra taxes may apply.

More information can be found here <https://www.australiansuper.com/superannuation/how-your-super-is-taxed>.

4.25 I want to invest in in super

4.26 How can I make money with my super?

4.27 What are the best investment strategies in Australia super?

4.28 Show me the best way to invest my super!

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return – investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return.

However, if you're not sure how to go about investing your super, it's a good idea to seek advice which you can obtain over the phone by calling 1300 300 273. Please also visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

4.29 How if a person not have enough money to a car for work can we take money from super

There are very strict rules in obtaining access to your superannuation savings. Please read the information contained in the following link: australiansuper.com/retirement/access-super

4.30 Want to know more about Self managed super funds and how super investment works.

We do not offer advice on SMSFs.

You can speak to one of our registered advisers to understand your advice options on: australiansuper.com/tools-and-advice/your-advice-options.

Depending on what you are seeking to do you may also want to check whether Member Direct meets your needs. Learn more at australiansuper.com/MemberDirect

For more information on superannuation investments and options visit <https://www.australiansuper.com/investments>

4.31 If I want my super to earn more and last longer is there a difference if invested from conservative balance to the balance option?

Broadly speaking, there is a link between investment risk and return – investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return. The Balanced option invests in a wide range of assets, including shares, private equity, infrastructure, property, fixed interest, credit and cash. Designed to have medium- to long-term growth with possible short-term fluctuations. The Conservative Balanced option includes a higher allocation to fixed interest and cash than the Balanced option. It's designed to have medium-term growth with a balance between capital stability and capital growth. May also have some short-term fluctuations.

For more information on superannuation investments and options visit <https://www.australiansuper.com/investments>

You can also contact us on 1300 300 273. For more information on your advice options visit: australiansuper.com/tools-and-advice/your-advice-options

4.32 Do you offer any special investment plans for single parents? Like more percentage of investment returns, easy super fund release to children in the occasion of account holders death/physical disability. There should be easy and hassle free schemes for single parents super fund release.

AustralianSuper does not offer specific options for single parents. With respect to investments broadly speaking, there is a link between investment risk and return – investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return.

Please visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

4.33 What is the best way to invest if you are planning retirement in the next 5 years as I have lost money on the more risky investment options?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return. Generally, the closer you get to retirement people tend to become more conservative because they will be drawing down from their savings and if the financial markets drop in value at or near retirement, this can affect how long your funds will last in retirement.

If you would like advice for your situation please call us on 1300 300 273. You can also visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

4.34 How can I use my super to invest into my investment property?

4.35 Can I use my superannuation for investment property please?

4.36 In view of the uncertainty in world markets is it best to keep super funds in cash?

This is a very personal question and depends on your individual situation.

Visit our website to understand your advice options and ways in which we can help: australiansuper.com/tools-and-advice/your-advice-options

4.37 The information on making top up payments (lump sums) is confusing ie what are the tax ramifications, are there forms to be provided to ATO? Can we have some clarity.

The following link contains additional information that may answer your questions:
australiansuper.com/superannuation/grow-your-super/make-after-tax-contributions

4.38 As a member in the Choice Pension fund, and noting the performance of international shares at present (as at 21/9/23), should I be allocating a percentage of my account here now to get better returns?

There are different options to look at when deciding how to invest your super. How your funds are invested can have a big impact on returns. You can find out more about the different options and their long-term average returns at australiansuper.com/investments

You may also want to look at receiving some financial advice relating to how your super is invested. AustralianSuper offers a few different options, including over-the-phone and face-to-face. You can find out more about our different advice options via the following link: australiansuper.com/tools-and-advice/your-advice-options

4.39 Can we withdraw our all super after 10 years?

There are very strict rules in obtaining access to your superannuation savings. Please read the information contained in the following link: australiansuper.com/retirement/access-super

4.40 I'm 36 none home owner, no children or debit, how do I maximise my super?

4.41 I would like to boost my super savings. Can Australian Super assist with advice? I would also like to look into investing (shares).

There are a few different options to look at when boosting your super savings. You can look at things such as contributions to super and how it is invested. AustralianSuper offers mixed and single sector investment options as well as the Member Direct investment option which allows investments into some direct shares and Exchange Traded Funds. You can find out more about the different options, including Member Direct, at australiansuper.com/investments

You can find further information relating to different types of contributions here:
australiansuper.com/superannuation/grow-your-super

If you require advice on how to invest and/or how best to make contributions to super, we have a few different options, including over the phone and face-to-face. You can find out more about the different advice options here australiansuper.com/tools-and-advice/your-advice-options

4.42 What are the restrictions for the funds withdrawal for person above the age of 70 years?

Generally, there are no cashing restrictions for super for individuals above the age of 65. Visit the website for more information <https://www.australiansuper.com/retirement/access-super>

4.43 What options are being considered for people over 60 to work full time without impacting their superannuation benefits?

There is no obligation to start drawing on your super account at any age. A member may leave their funds in super for as long as they like and the funds will continue to grow in line with the investment option they are invested.

Members who are over age 60 have different options relating to accessing their super, depending on their work status. While a person is working, generally their employer will continue to make further contributions to their super and so it will continue to grow. You can find out more about the different investment options at australiansuper.com/investments

You may also want to look at receiving financial advice relating to your super and how to manage it on the lead up to retirement and beyond. AustralianSuper offers different investment options, including over-the-phone and face-to-face advice. You can find out more australiansuper.com/tools-and-advice/your-advice-options

4.44 How can I, as an Australian citizen in my late 30s, maximise my investment potential within the AustralianSuper fund to achieve the highest returns?

There are a few different options to look at when deciding how to invest your super. AustralianSuper offers mixed and single sector investment options. How your funds are invested can have a big impact on returns. You can find out more about the different options and their long-term average returns at australiansuper.com/investments

You may also want to look at receiving some financial advice relating to how your super is invested. AustralianSuper offers a few different options, including over-the-phone and face-to-face. You can find out more about the different advice options here: australiansuper.com/tools-and-advice/your-advice-options

4.45 After covid 19, some rules have been changed. In accordance with this, when we can use our super? Because I need my money to cover some expenses or repay my student loan eg I would like to pay my help loan or dental care!

Super is a long-term investment to fund retirement. Accessing super early is strictly limited to special circumstances.

If eligible, you may be able to access some of your super before retiring due to:

- severe financial hardship
- compassionate grounds
- terminal illness or permanent incapacity
- permanently leaving Australia.

It is also important to note that there can be tax payable on any withdrawn super, depending on your age and other circumstances.

The Coronavirus early access to super scheme is no longer operating. You cannot apply to access super due to COVID-19 related hardship.

You can find further information relating to when you can access your super early, and the required criteria, on our website here: australiansuper.com/superannuation/access-your-super-early

4.46 How does the tax work if before-tax contribution involves previous years cap?

Please refer to information contained in the following link: australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/superannuation/fact-sheets/tax-and-super.pdf

If you have further questions, please call us on 1300 300 273.

4.47 Is it allowed to invest your superannuation to business? Than to keep money on Bank, without interest.

There are strict rules around what your super can be invested in. Please refer to information on the website: australiansuper.com/superannuation/grow-your-super.

If you have further questions, please call us on 1300 300 273 to discuss your advice options.

4.48 Please I want to find out something. If I want to get my super to buy a new home with it be okay?

There are very strict rules for obtaining access to your superannuation savings. Please read the information contained in the following link: australiansuper.com/retirement/access-super.

For more information, please call us on 1300 300 273.

4.49 What opportunities and threats do we see in the next few years that will impact our returns? What is the advised annual contribution for somebody in their early 30s with a current balance of \$60k and a pre tax salary of \$85k?

Investing in super is often considered a long-term investment in which to build wealth over time. Various factors can impact the superannuation returns over time, such as economic conditions, interest rate pressures, global and domestic share market performance and so forth. For further information, please visit the web page below:

- Impact on your super: australiansuper.com/investments/investment-articles/2023/03/key-factors-that-can-affect-your-super-balance

Regarding the second part of your question, there are many options to help you grow your super. Please refer to the page below:

- Growing your super (contributions): australiansuper.com/superannuation/grow-your-super

Depending on your position, age and needs, and to ensure you receive accurate personalised advice tailored to your situation, it may be a good idea to discuss your situation with the Fund directly. For more personalised support or advice, this can be sourced via 1300 300 273, OR visit the following page: australiansuper.com/tools-and-advice/your-advice-options

4.50 I'm in a Balanced fund. Do I need to adjust my fund when Cash component reaches \$0?

At AustralianSuper, our premixed investments (including balanced fund) invest in various asset classes including shares, private equity, infrastructure, property, fixed interest, credit and cash for the purpose of diversification. The percentage of each asset class for each investment option is dependent on various factors. Each asset class, including cash, are adjusted and rebalanced accordingly to ensure they remain within the investment strategy for that particular investment option. Therefore, it is not necessary for individual members to actively adjust their investments.

Please refer to the below article on how your super is investment at AustralianSuper:
australiansuper.com/investments/investment-articles/2022/04/understand-your-super-investment

4.51 How do I know what to invest my Super in?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Investing in super is often considered a long-term investment in which to build wealth over time. To consider how and where to invest your super, it may be a good idea to visit:

- Your investment options: australiansuper.com/investments/your-investment-options
- Investment performance information: australiansuper.com/compare-us/our-performance
- Choosing the right super option (investment): australiansuper.com/investments/choosing-the-right-option

If you require more personalised support or advice, this can be sourced via 1300 300 273, or visit:
australiansuper.com/tools-and-advice/your-advice-options

4.52 Choice Income Acc- When cash component reaches 0 dollars do I need to adjust my super percentages. Or do I let it draw from the next component?

What your investment portfolio strategy should be depends upon your individual and financial situation and overall. This would depend upon how your account has been set up as payment order and options. Investment choice and switching options and amounts is available. To find out more, please contact us at <https://www.australiansuper.com/contact-us>

4.53 What is the best strategy to employ if volatile markets?

Markets frequently encounter periods of heightened volatility and is part of the investment process. How you elect to invest your financial assets is a relative consideration: what is a suitable portfolio for one person at any given point may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return over the long term however this may come with more volatility. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. For more information visit <https://www.australiansuper.com/investments/choosing-the-right-option> If you are unsure how to invest your super, it's generally a good idea to seek professional advice. Find out more by calling us on 1300300273 or visit the following website: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.54 Why should I keep my super with AustralianSuper?

As Australia's largest, most-trusted super fund, we use our size and scale to help keep admin fees low. Super accounts are currently charged \$1 per week plus 0.10% pa of your account balance (up to \$350 pa). Our expert global investment team manage over \$300 billion in assets on behalf of over 3.2 million members. We've been ranked among the top 20 largest pension funds globally. Our Balanced option has consistently delivered strong long-term performance for members with an average annual return of 7.68% over the last 10 years and 9.16% since inception as at 31 Oct 2023. You can compare AustralianSuper to other funds here: <https://www.australiansuper.com/compare-us>

4.55 Do we wait for the long term to draw money. What do we do in the short term to live daily?

For advice, please go to <https://www.australiansuper.com/tools-and-advice> AustralianSuper members who are retiring and eligible to withdraw super can: request a part or full withdrawal by logging into their AustralianSuper account online (not via mobile app) and selecting 'withdrawal.'

4.56 IS RENTAL RECEIVED FROM AN INVESTMENT PROPERTY CONTRIBUTE TO SUPER SIMILAR TO CONTRIBUTION BEFORE TAX BY EMPLOYER FROM A JOB? I.E TAX AT 15% INSTEAD AT A HIGHER PERSONAL MARGINAL TAX RATE IF DECLARED AS GROSS RENTAL INCOME?

Super contribution rules apply to individuals and vary depending upon your situation, including income. Find out more about types of contributions with our fact sheet here <https://www.australiansuper.com/-/media/australiansuper/files/tools-and-advice/forms-and-fact-sheets/superannuation/fact-sheets/add-to-your-super-and-retire-with-more.pdf>

4.57 Will the increase in tax from 15% to 30% on interest earned in the accumulation phase be for the amount over \$3 million or on the whole amount in the accumulation phase? Does it take account of what is also in the pension phase?

Please note that this topic has not yet been legislated. In October 2023 the government released Draft legislation for consultation, which would apply additional 15% (on top of existing 15%) tax on super earnings that correspond to a member's total superannuation balance above \$3million from the 2025-26 year. This tax would be known as 'Division 296 tax'.

4.58 Where should risk averse retirees best put their money as you are performing so poorly?

That would depend upon your priorities, needs, investment time horizon, comfort level around seeking return and capital preservation. There are a number of considerations to take into account. You can find out more about choosing the right investment option for you here: <https://www.australiansuper.com/investments/choosing-the-right-option>

4.59 Can we access and withdraw our super after age 60? The whole amount.

There are conditions of release to access (withdraw) your super, so it does depend on your age and work status. At age 65 super is accessible irrespective of work status. There are other things to consider as well such as tax implications, lump sum or income stream withdrawal, Centrelink impact, etc. You can find out more detail here: <https://www.australiansuper.com/retirement/access-super> If you prefer to speak to someone about accessing your super funds, please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.60 In view of the uncertainty in the world is it better to retain one's super funds in the cash portfolio to avoid losses in any other portfolio?

Markets frequently encounter periods of heightened volatility and is part of the investment process. How you elect to invest your financial assets is a relative consideration: what is a suitable portfolio for one person at any given point may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return over the long term however this may come with more volatility. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. For more information visit <https://www.australiansuper.com/investments/choosing-the-right-option> You can have a look at the different investment options available at <https://www.australiansuper.com/investments/your-investment-options> If you are

unsure how to invest your super, it's generally a good idea to seek professional advice. You can call us on 1300300273 or visit our website to understand your advice options:
<https://www.australiansuper.com/investments/choosing-the-right-option>

4.61 I am hoping to retire in the next 2-5 years. My Super is currently in Balanced Growth and is not performing well. Am I better moving to high growth given the time left to retire?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return over the long term however over the short term the trade-off is that this comes with more volatility with higher growth assets. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. You can have a look at the different investment options available at <https://www.australiansuper.com/investments/choosing-the-right-option> In any case, it's a good idea to consider seeking advice. Find out more <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.62 In light of the high amount of challenges Philipa mentioned, what are some key items (musts) for people that anticipate exiting the funds in the next 3 years or less.

Super is a long term investment. In retirement, you can keep your funds invested. Many people choose to do this and as a result, may keep their funds invested and draw a regular income from their super. With this in mind, it's important to ensure your funds are invested in line with your tolerance to risk. More information can be found via the following links: <https://www.australiansuper.com/investments/choosing-the-right-option>
<https://www.australiansuper.com/retirement>

4.63 is super tax increasing?

You may be referring to the Government's proposed Draft legislation for consultation which would apply an additional 15% tax on super earnings that correspond to a member's total superannuation balance above \$3million from the 2025-26 year. For more information see <https://treasury.gov.au/consultation/c2023-443986>

4.64 For 50 year old person who wants to retire at the age of 67, which fund option is better?

Super is a long term investment. Even after retirement, for most people, their funds may remain invested for the long term where a regular income from their super. With this in mind, it's important to ensure you are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. Generally speaking, the more growth assets you have in a portfolio, the stronger the return is, over the longer term. Your balance can go up and down with movements in investment markets and the investment returns credited to your account. Negative returns will correspond to investment losses. Investment returns and risk will vary depending on the investment option you have selected. Investing in a mix of investments (diversification) could help protect your investments against market ups and downs. Spreading your investments across a variety of companies, industries and regions in different asset classes could help reduce the risk of negative returns. Our PreMixed options are diversified across different asset classes and this is one of the ways we help protect your retirement savings against market ups and downs. Find out more about our different investment options. <https://www.australiansuper.com/investments/choosing-the-right-option> Find out more about planning for retirement here: <https://www.australiansuper.com/retirement/planning-your-retirement>

4.65 How can I get free financial advice through my super fund?

For most over-the-phone advice about your AustralianSuper account regarding making an investment choice, adding extra to your super, personal insurance, there's no additional cost, as it's included in your membership. You can call the contact centre on 1300 300 273 who will assess your needs and discuss the options available to you. Please see this link for further information <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.66 Do you offer financial advice to members about to retire that is free and more than basic advice? If not, what is the typical cost of advice?

You can call the contact centre on 1300 300 273 who will assess your needs and discuss the options available to you. There is no additional cost for simple needs such as making an investment choice, adding extra to your super, personal insurance and retirement income options. For more detailed retirement advice, a fee may apply. The cost

of preparing your advice will be quoted (one-off fee). Find more information here:
<https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.67 As someone just about to retire I have kept my super account in cash option, until the markets recover. Is this a good strategy.

This is a very personal question and depends on your individual situation. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. If you want to know more about choosing the right investment option/s see <https://www.australiansuper.com/investments/choosing-the-right-option> or find out more about our advice options here: <https://www.australiansuper.com/tools-and-advice/your-advice-options>.

4.68 I'm nearing retirement (currently 60) and plan on ceasing work in 5 years. Based on the balanced growth option I'm in and its mediocre performance, is it wise to move to a high growth option?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return over the long term however over the short term the trade-off is that this comes with more volatility with higher growth assets. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. You can have a look at the different investment options available at <https://www.australiansuper.com/investments/your-investment-options> In any case, it's a good idea to seek advice which you can obtain over the phone by calling us on 1300300273. Please also visit our website to understand your advice options:
<https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.69 Hi I'm 55 and have a current super balance of 250k as of today and am wondering if I'm on track for an average retirement super amount of I work until I'm 65 years old and keep paying super at the same rate that I am currently which is my employers required amount?

You may like to use our super projection calculator at <https://www.australiansuper.com/tools-and-advice/calculators/super-projection-calculator> You are able to look at the accumulation and drawdown phase. The calculator can help you:

- work out if you'll have enough income for your retirement needs
- estimate how long your super could last
- see the difference adding to your super now could make to your retirement in the long run.

If you prefer to speak to someone about retirement affordability, please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.70 Issues around inheritance of my Super after death when family live O/S. how easy to pass on my money to them.

We are unable to answer this question because it depends on where your beneficiaries reside. We suggest you seek advice from a properly qualified professional who is aware of how Australian superannuation funds are treated in the country (s) your beneficiaries live.

4.71 How much can top up your super per year once your retired?

4.72 How much money after tax can I put into my super account?

That depends upon your age, Total Super Balance, previous contributions and in some cases if you could/have met the 'work test' and the type of contribution as there are a number of conditions, caps and rules that apply. Should you be interested in downsizing your home and contribute the proceeds to super, then this link will help you learn more <https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/retirement/fact-sheets/downsize-your-home-and-grow-your-super.pdf>

4.73 I am a retired 68 year old male, all my super is in Balanced. Is this still the best fund for me given its current volatility?

4.74 With inflation and cost of living so high, how do you think one should invest to maximise on the return?

4.75 Next year I am turning to 65 so which fund is suitable for me?

4.76 Which one will be the best investment option for people over 50's? Australia Shares and International Shares will be better option?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. See also:

<https://www.australiansuper.com/investments/choosing-the-right-option> However, if you're not sure how to go about investing your super, it's a good idea to seek advice which you can obtain over the phone by calling 1300 300 273. Please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.77 Can you use your super when you are over 60?

There are conditions of release to access (withdraw) your super, so it does depend on your age and work status. At age 65 super is accessible irrespective of work status. Between age 60-64 when member leaves or stop working for an employer. There are other things to consider as well such as tax implications, lump sum or income stream withdrawal, Centrelink impact, etc. You can find out more detail here:

<https://www.australiansuper.com/retirement/access-super> If you prefer to speak to someone about accessing your super funds, please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.78 I have 300k in super 62 years of age. I own my house but no savings. How can I retire by 67 years?

To properly answer your question, we would need to know more about your personal situation, such as your family situation, living expenses, etc. As a start, the following links may help: <https://www.australiansuper.com/tools-and-advice/calculators/super-projection-calculator> <https://www.australiansuper.com/compare-us/how-much-super-should-i-have> <https://www.australiansuper.com/tools-and-advice/events-and-seminars> If you prefer to speak with one of our representatives, please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.79 What is the recommended distribution of funds for maximum return?

How you invest your super is a relative consideration: what is a suitable portfolio for one person may be unsuitable for another. Broadly speaking, there is a link between investment risk and return - investors who are willing to take on a higher level of risk are potentially rewarded with a higher level of return over the long term however over the short term the trade-off is that this comes with more volatility with higher growth assets. It's important to ensure your funds are appropriately invested, for your specific tolerance to risk, financial goals and timeframe. You can have a look at the different investment options available at <https://www.australiansuper.com/investments/your-investment-options> In any case, it's a good idea to seek advice which you can obtain over the phone by calling us on 1300300273. Please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.80 I'm a young person who has only just started to be conscious of my super. What are the key takeaway points for young people who are starting to think about retirement?

There are quite a few different factors to consider when looking at super. Things you may wish to look at are: how you are invested, whether you want to make additional contributions, etc. This is quite a personal area and what you do in any of those areas depends on your individual situation because we all have different retirement plans and tolerances to investment risk. There are some useful calculators on our website that you may wish to look at as well as information regarding investment options and contributions. <https://www.australiansuper.com/tools-and-advice/events-and-seminars> A great place to start is obtaining simple super advice over the phone by calling us on 1300300273. Please also visit our website to understand your advice options: <https://www.australiansuper.com/tools-and-advice/your-advice-options>.

4.81 Do you have anyone who understands the issues around retiring in New Zealand, transfer (or not) of super etc? Thanks

If you're an Australian permanent resident or citizen heading overseas, your super remains subject to the same rules, even if you are leaving Australia permanently. This means your super must remain in your super fund/s until you reach preservation age and are eligible to access it. An exception applies if you are migrating permanently to New Zealand — you may be able to transfer your AustralianSuper to a New Zealand KiwiSaver scheme. If you're a temporary visa holder who has earned super while working and living in Australia, you can apply to have your super paid to you as a Departing Australia Superannuation Payment (DASP) after you leave. Find more information here: https://search.australiansuper.com/s/redirect?collection=australiansuper-search&url=https%3A%2F%2Fwww.australiansuper.com%2F-%2Fmedia%2Faustralian-super%2Ffiles%2Ftools-and-advice%2Fforms-and-fact-sheets%2Fsuperannuation%2Ffact-sheets%2Fclaiming-super-when-you-leave-australia.pdf&auth=AyYhDTNd9qvaLrP76JjiwA&profile=_default&rank=2&query=DASP If you require advice pertaining to your personal situation (e.g. transferring super, Centrelink benefits, etc), please register your details via the following link. We will subsequently contact you to discuss how we can help in further detail: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.82 AustralianSuper Balance to receive Government Full Pension.

Your superannuation balance is not the only asset that is included when the Government calculates how much you may receive in Age Pension entitlements. Find more information here: <https://www.australiansuper.com/retirement/super-and-the-age-pension> If you require advice pertaining to your personal situation, please register your details via the following link. We will subsequently contact you to discuss how we can help in further detail: <https://www.australiansuper.com/tools-and-advice/your-advice-options>

4.83 What options are available for retired member? How to access virtual information booths hosted by your super experts?

The virtual information booths are now closed but if you are seeking formation, may I suggest you click on the following link: <https://www.australiansuper.com/tools-and-advice/events-and-seminars>. Here, you will find general information and if you require advice pertaining to your personal situation, please register your details via the following link. <https://www.australiansuper.com/tools-and-advice/your-advice-options> We will subsequently contact you to discuss how we can help in further detail: Our website also contains a lot of information about superannuation: www.australiansuper.com

5 Economic Outlook

5.1 How are Australian super adapting to a new and changing macro environment?

5.2 How are you balancing the risk of a global depression with requirements to also get good returns?

5.3 What impact a prolonged Ukraine war to investment. Reversely how would an end of war in Ukraine affect the investment in short term and medium term?

The Investment team analyses the evolving trends that are expected to dominate economic and market conditions in the future. These include factors such as: technological disruption, climate change, geopolitics, government influence, and global and regional economic growth. These factors may contribute to higher inflation, interest rates and macro volatility in the years ahead.

As a result of this analysis, positioning the PreMixed options towards asset classes and investment opportunities that provide returns that exceed inflation is expected to enable AustralianSuper's investment options to achieve their investment objectives.

5.4 How do see the economic situation in China unfolding in the next 12-18 months and what impact is that likely to have on global economics?

The economic growth of China is an area that our investment team analyses. As a substantial part of the global economy and a significant trade partner with Australia, the level of Chinese demand for commodities and consumer goods can have effects on the prices and volume in global trade. The investment team incorporates this analysis in our asset allocation and security selection processes.

5.5 Will the US enter a recession in the short term?

The effects of monetary tightening often have a lagged impact on economic conditions and can have an uncertain impact on labour conditions, wages, household finances and business pricing decisions. With the current central bank tightening cycle there are signs that inflation is moderating, however prices remain elevated.

Both the US Federal Reserve and the Reserve Bank of Australia have noted that further monetary tightening may be necessary to bring inflation into their long-term target range of 2%. This signal from central banks led investment markets to refocus on the "higher interest rates for longer" scenario, leading to an increase in market interest rates and market volatility for listed equities.

5.6 How's the economy globally looking – is a recession looming? How can we be ready to face it if yes?

The Investment team has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help cushion the impact on returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

5.7 What is your global macro outlook – especially considering property and the potential affect of the Chinese property demise (with evergrande wealth fund managers being prosecuted – of course this may be significantly different by the time we have the meeting)?

The effects of monetary tightening often have a lagged impact on economic conditions and can have an uncertain impact on labour conditions, wages, household finances and business pricing decisions. With the current central bank tightening cycle there are signs that inflation is moderating, however prices remain elevated.

Both the US Federal Reserve and the Reserve Bank of Australia have noted that further monetary tightening may be necessary to bring inflation into their long-term target range of 2%. This signal from central banks led investment markets to refocus on the "higher interest rates for longer" scenario, leading to an increase in market interest rates and market volatility for listed equities.

5.8 What are the specific steps taken to manage my funds to ensure good growth in this current climate of uncertainty?

AustralianSuper's global investment team of more than 330 people continually monitor and assesses economic and investment data to understand how different asset classes, sectors and companies are likely to be impacted through the stages of the market cycle. This enables the team to actively manage the asset allocation for each PreMixed option. By forecasting the next phase of the cycle, we are able to adjust the portfolio to take advantage of investment opportunities and manage the level of risk in the portfolio.

The asset allocation and portfolio adjustment decisions are made based on each option's investment objectives that include both return and risk objectives. For example, the Balanced option will be positioned to meet its objective of outperforming CPI + 4 % pa and the median balanced fund over the medium to longer term. By actively adjusting the asset allocation, AustralianSuper seeks to achieve these investment objectives and grow members' retirement savings over the long term.

5.9 With some economists predicting a fall in interest rates next year, how far down can they realistically go?

The effects of monetary tightening often have a lagged impact on economic conditions and can have an uncertain impact on labour conditions, wages, household finances and business pricing decisions. With the current central bank tightening cycle there are signs that inflation is moderating, however prices remain elevated.

Both the US Federal Reserve and the Reserve Bank of Australia have noted that further monetary tightening may be necessary to bring inflation into their long-term target range of 2%. This signal from central banks led investment markets to refocus on the "higher interest rates for longer" scenario, leading to an increase in market interest rates and market volatility for listed equities.

5.10 How is my investment being protected from impact of China's bearish economy?

The economic growth of China is an area that our investment team analyses. As a substantial part of the global economy and a significant trade partner with Australia, the level of Chinese demand for commodities and consumer goods can have effects on the prices and volume in global trade. The investment team incorporates this analysis in our asset allocation and security selection processes.

5.11 How have rising interest rates affected our Super fund performance and fees?

The effects of monetary tightening often have a lagged impact on economic conditions and can have an uncertain impact on labour conditions, wages, household finances and business pricing decisions. With the current central bank tightening cycle there are signs that inflation is moderating, however prices remain elevated.

Both the US Federal Reserve and the Reserve Bank of Australia have noted that further monetary tightening may be necessary to bring inflation into their long-term target range of 2%. This signal from central banks led investment markets to refocus on the "higher interest rates for longer" scenario, leading to an increase in market interest rates and market volatility for listed equities.

Investment fees and costs are based the costs of managing an investment option and are not directly linked to the level of interest rates.

5.12 What is the expected growth in next 3 years?

It is difficult to predict specific returns, regardless of time horizon. The AustralianSuper investment team is focused on generating the best possible investment returns for members. For each of the investment options, the portfolios are managed to meet the investment objectives.

For the Balanced option, the investment objectives are to outperform the median balanced fund and the CPI + 4% per annum over the medium to longer term. After more than a decade of strong growth, our outlook suggests we're entering a period of weaker economic growth and may continue to see lower returns than in previous years.

As the economic cycle progresses and markets respond, the investment team will continue to adjust the portfolio to manage risk and take advantage of long-term investment opportunities. By adjusting the allocation to different asset classes, we can control the level of risk in the portfolio and reduce the impact of volatility on returns while positioning the portfolio to participate in market recoveries.

Our outlook remains cautious, as high interest rates have the potential to impact corporate earnings and slow economic growth. Nevertheless, we continue to seek assets that may be mispriced by the market and make investments that will support strong long-term performance.

The Investment team has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact on returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

5.13 Are you in a position to forecast a realistic 'approximate' return for members over the next 10 years?

It is difficult to predict specific returns, regardless of time horizon. The AustralianSuper investment team is focused on generating the best possible investment returns for members. For each of the investment options, the portfolios are managed to meet the investment objectives. For the Balanced option, the investment objectives are to outperform the median balanced fund and the CPI + 4% per annum over the medium to longer term.

After more than a decade of strong growth, our outlook suggests we're entering a period of weaker economic growth and may continue to see lower returns than in previous years. As the economic cycle progresses and markets respond, the investment team will continue to adjust the portfolio to manage risk and take advantage of long-term investment opportunities. By adjusting the allocation to different asset classes, we can control the level of risk in the portfolio and reduce the impact of volatility on returns while positioning the portfolio to participate in market recoveries.

5.14 What is the investment outlook and dangers for 2024?

The Investment team analyses the evolving trends that are expected to dominate economic and market conditions in the future. These include factors such as: technological disruption, climate change, geopolitics, government influence, and global and regional economic growth. These factors may contribute to higher inflation, interest rates and macro volatility in the years ahead.

5.15 How are our investments tracking, given the economic climate? What is the outlook?

As at 30 June 2023, the AustralianSuper Balanced option returned 8.22% for 1 year, 8.60% per annum over 10 years and 8.12% per annum over 20 years.

AustralianSuper has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

5.16 I just my super portfolio from balanced to high growth and also added 10% of my super on shares, now the superfine is having an annual meeting, I want to ask about how the shares performing in next year and how China economy will impact on superfunds and shares. Dear Superfund Board, At the upcoming annual meeting, I would like to ask the following questions: Shares How is the expected performance of shares in the next year? What are the key factors that will impact the performance of shares in the next year? How will the Chinese economy impact superfunds and shares in the next year?

The Investment team analyses the evolving trends that are expected to dominate economic and market conditions in the future. These include factors such as: technological disruption, climate change, geopolitics, government influence, and global and regional economic growth. These factors may contribute to higher inflation, interest rates and macro volatility in the years ahead.

As a result of this analysis, positioning the PreMixed options towards asset classes and investment opportunities that provide returns that exceed inflation is expected to enable AustralianSuper's investment options to achieve their investment objectives.

5.17 What impact on economy and Super Fund do you see of the war between Israel and Hamas

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

5.18 If there is a third world war what negative returns are we to expect?

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred. It is difficult to predict specific returns, regardless of time horizon or potential significant event.

5.19 Outlook and challenges: "What challenges does the fund foresee in the coming year, and what steps are being taken to address them?"

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

5.20 Do you see geopolitical risks worsening next year, i.e .Ukraine/Russia, Israel/Palestine, US/China?

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred.

5.21 How likely do you think Australian will enter into a recession next year?

5.22 What's Aus Super view on Aus economy and share market in next 1-2 years?

5.23 How is the investment market looking for this financial year?

5.24 Are we going to see more QE to prevent a recession. Is the cow bell about to ring? or are we in fore more pain.

5.25 Hi, my super currently is in the high growth option. What do you see as the headwinds in the coming 12-24 months?

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

5.26 Do you think inflation will continue to come down next year?

AustralianSuper has a history of strong long term performance. Over 10 years we are ranked 2nd among Australia's largest 50 superannuation Balanced investment options. The Balanced option has returned an average of 8.6% each year for the 10 years to 30 June 2023. HostPlus' Balanced investment option is ranked first with an average return of 8.93% each year, a difference of 0.33% each year, on average. We use the poorest performing

fund, the average of super funds and AustralianSuper to demonstrate the difference of choosing a fund that performs well over the long term can make to your retirement balance and to highlight that what may seem like a relatively small difference in investment returns, can have over the long term. We could include a comparison to the best performing fund but given the very small difference in returns, compared to AustralianSuper, the long term impact on account balances is not as stark and we believe does not have the same impact and may dilute the message we are trying to communicate.

6 Education

6.1 In what way Can young adults just graduated learn asset management?

Here is a link to information on how we invest at the AustralianSuper website:

australiansuper.com/investments/how-we-invest This includes information about the asset allocation process.

We also have a number of ways you can learn about many topics, including attending a live webinar or watching a video: australiansuper.com/tools-and-advice/events-and-seminars

6.2 1- Investing my super How to boost your super? // 2- contribution types, age limits and requirements // 3- When I can access my super Tax // 4 - What happens to my super when I die.

We offer various ways to learn about your super, covering numerous topics, adding more to super, accessing super and estate planning: australiansuper.com/tools-and-advice/events-and-seminars

I have also attached links on the topics you have requested:

- Investing your super: australiansuper.com/investments/choosing-the-right-option
- Adding to Super: australiansuper.com/superannuation/grow-your-super
- Accessing Super: australiansuper.com/retirement/access-super
- What happens to my super when I die: australiansuper.com/superannuation/superannuation-articles/2019/09/what-happens-to-my-super-when-i-die

6.3 How to grow my super money?

6.4 How to build up my super

There are a number of ways to boost your super: australiansuper.com/superannuation/grow-your-super.

We also offer a number of live webinars and videos that are helpful to help understand some of the small steps you can take to help improve your retirement outcome: australiansuper.com/tools-and-advice/events-and-seminars

6.5 Is an international resident so what is the benefit of this super? If you can brief on benefits for non residency and on how we can use this money and when?

Here is a quick video that explains the basics of super and its purpose: <https://youtu.be/q8UR2uwwb-I>

Super is a long-term investment to fund retirement. Accessing super early is strictly limited to special circumstances. More information can be found here: australiansuper.com/superannuation/access-your-super-early including detailed information on temporary residents.

6.6 Most of your super tools all cater for people over 60 years. For example, the calculator online has 60 years as the minimum retirement age. Could this parameter be decreased to allow for people who meet a preservation criteria (such as TPD eligibility) to plan/project their super balance longevity?

Thank you for your question. Our Super Projections Calculator retirement age can be set between 60 - 75 years of age. This also includes Government Age Pension eligibility such as your assets outside of Super and any additional income. As with all tools & calculators there are limits on the personalisation that can be provided however thank you for your suggestion and we'll take it into consideration when building new features. Here at AustralianSuper we are building new tools for our members to be delivered before the end of financial year. As there may be a number of complex factors to consider when accessing super under Total & Permanent Disability,

we recommend members consider seeking financial advice. To learn more about access to different advice options visit <https://www.australiansuper.com/tools-and-advice/your-advice-options>.

6.7 Can AustralianSuper develop a calculator to show the point where the pension comes into effect depending on the super balance and whether the person is single or couple. This can be done surely.

Thank you for your question. Our Super Projections Calculator retirement age can be set between 60 - 75 years of age and includes Government Age Pension, depending on your eligibility. You can edit this with super balance, assets and income and more. Your Government Age Pension payments are automatically included in your retirement income. Entitlement to age pension is impacted by several factors that can be viewed here: <https://www.australiansuper.com/retirement/super-and-the-age-pension/age-requirements#am-i-eligible>. As with all tools & calculators there are limits on the personalisation that can be provided however thank you for your suggestion and we'll take it into consideration when building new features. Finally, if you would like to seek advice on your own personal situation, we offer access to a range of advice options that are available here <https://www.australiansuper.com/tools-and-advice/your-advice-options>

6.8 How to maximise my super and how to reduce the fees.

There are a number of factors to consider when it comes to maximising super. These include performance, fees, insurance, investment options available, access to help and advice. Here are some other things that you may want to explore to help determine which hold importance for you when it comes to your super. Checking your employer contributions, if/when you want to consider adding extra contributions and ways to do so. Find out more <https://www.australiansuper.com/tools-and-advice/events-and-seminars>
<https://www.australiansuper.com/superannuation/grow-your-super>
<https://www.australiansuper.com/investments/choosing-the-right-option>

7 Insurance

7.1 I need to clarify about income protection insurance and how it is working in case I lose my income.

Income Protection can provide monthly payments to help you get by if you become ill or injured (at work or outside of work) and can't work. Income Protection Insurance:

- Is available from age 15 up to age 70.
- Benefit payment periods may be up to two years, up to five years or up to age 65, depending on the type of cover you have.
- Benefits are paid monthly in arrears.
- Your waiting period may be 60 days or 30 days depending on the type of cover you have.
- Your Income Protection benefit payments may be reduced if you're receiving income from other sources
- Basic age-based Income Protection may be unsuitable if you're a low-income earner and the cover amount for your age is more than 85% of your salary.

Income Protection covers partial or total disablement only. It does not provide benefits by reason of losing your job or not receiving any shifts.

More information can be found in the Insurance guide. You can find the details pertaining to your own insurance in your member portal or App.

7.2 Why disallow life insurance after 70 years old while still working & employer is contributing on ones behalf?

AustralianSuper aims to provide affordable, good value insurance. The cost of insurance increases with age and becomes much less affordable at older ages, with a much greater risk of the insurance premiums eroding members' retirement account balances. By that age, many members have built up their retirement account balances and are less likely to have commitments such as mortgages and dependants. Members are able to access their superannuation after age 65 as a source of funds.

8 Investments

8.1 What is the most remunerative option for say 5 years 2023 to 2028? I'm 77.

AustralianSuper offers a range of PreMixed and DIY Mix investment options with different investment objectives. Options with a higher investment in growth assets have the potential for higher returns over the long term, however they also have more risk of losses in the short term.

Key areas to focus on when investing include:

1. Understanding your investment strategy, which includes your investment objectives and level of risk tolerance.
2. Diversifying your assets and choosing an asset allocation that meets your investment strategy. Our PreMixed options provide broad diversification and range of risk levels to consider.
3. Recognising that short-term fluctuations are a normal part of investing when saving for retirement. The day-to-day performance of investment markets is often driven by investor sentiment and can lead to large fluctuations in value.

At AustralianSuper, we invest in a diversified mix of assets to grow members' savings over time and balance this with an understanding of the risks we need to take to achieve this goal. We seek to balance strong long-term investment returns and volatility reduction to meet the investment objectives of each investment option.

8.2 Given the behemoth size of Aust Super, and the increasing share of funds invested in private equity investments, isn't it time for Aust Super to publish quarterly reports to members of the placement of all of its funds for transparency and accountability reasons?

As part of our commitment to transparency, AustralianSuper was the first superfund in Australia to publish a comprehensive list of members' assets. We have done this twice yearly since 2016. It was only in 2021, that new government regulations were introduced that require all Australian superannuation funds to disclose their assets in a prescribed and consistent way.

When we were determining what information to provide when we first disclosed our holdings, we took into consideration members' information needs, what can be provided in a timely manner and how to ensure that returns weren't negatively impacted by revealing market sensitive information. This timing allows us to increase the amount of information we can provide and minimise the chance of a negative impact on returns.

Subsequently, government legislation requiring all superfunds to disclose their investments asked funds to disclose holdings as at 30 June and 31 December, which acknowledges the challenges and complexities associated with procuring and publishing such comprehensive data. While we actively manage the portfolio on an ongoing basis, many of our investment strategies are positioned to hold over an extended period and it is often the case that asset holdings and asset allocations do not change significantly in the short term.

AustralianSuper recognises that there is an increasing focus on the level of disclosure by financial services institutions, including industry super funds. Whilst we currently meet legislative and accounting disclosure requirements, there might be further scope for transparency, such as some members preference for more frequent updates and enhanced dynamics, particularly in relation to performance and holdings data on our website.

8.3 How do we know the unlisted asserts in the fund are being valued appropriately?

The Understanding Valuations article provides a summary of our approach:
australiansuper.com/investments/investment-articles/2023/05/understanding-valuations

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): <https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.4 Please list the non-tradeable investments. How are they valued?

You can view a list of investments in each option on our website at:
australiansuper.com/investments/what-we-invest-in

The Understanding Valuations article provides a summary of our approach:
australiansuper.com/investments/investment-articles/2023/05/understanding-valuations

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf

8.5 Who is the portfolio manager for the Pre Mixed Indexed Diversified option? It used to be disclosed as Vanguard but Australian Super have redacted this disclosure from their website. Please do not tell me to refer to the Annual Report, Website or contact you. I have already done so. Have Australian Super moved the portfolio management of the Indexed Diversified option in-house?

The Indexed Diversified option underlying investment managers are IFM for Australian shares and cash asset classes and State Street Global Advisors for international shares and fixed interest asset classes.

The manager change occurred in February/March 2022 as part of an ongoing review of managers in the portfolio. The update was disclosed in the 2022 annual member statements to members invested in the option.

8.6 Does Australian super invest in social housing? If so how much funds are invested?

As Australia's largest super fund, we believe we can be part of a broader solution to housing affordability while delivering on our purpose to help members achieve their best financial position in retirement.

AustralianSuper does have an investment in Assemble Communities to assist with housing affordability challenges in Australia. Assemble Communities has an innovative build to rent to own model and financial coaching initiatives to provide a supported pathway to home ownership. Our investment in Assemble Communities is part of a broader investment in property. The investment in Assemble Communities is less than 0.05% of total Fund assets and less than 1% of the property portfolio.

8.7 What is dollar value of Australian super invested in China? Does board have a view on risk to funds invested there?

As at 30 June 2023, AustralianSuper had \$2.2 billion of member assets invested in China, which is less than 1% of total Fund assets.

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when a global event occurs.

8.8 Thank you for this opportunity to ask these questions. Q1. There are often news items published in the AFR about Australian Super. This includes information that is not provided to members. I recall a recent article quoting the CIO and some poor investment choices in retail property that will take some time to unwind. Why is this type of information reported in the media but not to members? Q2. What is the impact of a low Australian Dollar on investment returns? Thankyou

AustralianSuper does provide a range of communications to members that includes information about performance. These include: quarterly performance articles on the website, semi-annual investment update webinars, Mark Delaney's investment perspectives in the annual report, Mark Delaney's briefing in the annual member meeting.

australiansuper.com/superannuation/superannuation-articles/2023/07/june-23-performance-update

australiansuper.com/tools-and-advice/events-and-seminars

australiansuper.com/-/media/australian-super/files/about-us/annual-reports/2023-annual-report.pdf

8.9 What was the final outcome of the Kingswood golf course in Dingley Village, VIC. Can you provided reasoning behind the final outcome?

AustralianSuper announced that it has commenced an Expression of Interest (EOI) process to divest the former Kingswood Golf Course site.

The Fund acquired the site in 2014 and, since then, has sought planning approval to deliver a major residential and community development.

Following the approval of its new Property Investment Strategy late last year, the Fund has been actively reviewing its property portfolio to ensure that it remains aligned with the strategy and its purpose to help members achieve their best financial position in retirement.

The review identified several assets globally that no longer aligned with the new strategy and should be considered for divestment. The former Kingswood Golf Course site is one such investment.

australiansuper.com/-/media/australian-super/files/about-us/media-releases/australiansuper-divests-former-kingswood-golf-course-site.pdf

8.10 How much exposure to private investment vehicles does the Balanced and High-Growth pre-mix options have in percentage terms?

Private markets or unlisted assets in the PreMixed options includes the private equity, unlisted infrastructure, unlisted property and credit asset classes.

The High Growth option has about 22% of assets and the Balanced option has about 29% of assets invested in private markets as at 30 June 2023.

The strategic asset allocation for each investment option is available at this website:
australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice

The actual asset allocation is available at:
australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf

8.11 Can we have a quarterly report showing how our funds are performing compared to other funds?

The performance page of the website provides a spreadsheet of each investment options performance compared to benchmark for the most recent quarter end and the latest financial year.

For some of the PreMixed options, the benchmark is the median peer fund benchmark.
australiansuper.com/compare-us/our-performance

The website also provides access to the Chant West AppleCheck tool that enables you to compare super funds:
australiansuper.com/compare-us

8.12 Please advise how Australian Super invests money under 'Index Diversified' option? What benchmark does it use? Is money invested directly or via a fund provider?

The What We Invest In section of the website provides details on the dollar value invested in each investment option and the portfolio holdings. australiansuper.com/investments/what-we-invest-in

The benchmark of the Indexed Diversified option is to achieve a return of CPI +3% over the medium to longer term.

The Indexed Diversified option underlying investment managers are IFM for Australian shares and cash asset classes and State Street Global Advisors for international shares and fixed interest asset classes. The holdings are managed through investment mandates with these external managers.

The asset class benchmarks are S&P/ASX 200 Index, MSCI All Country World ex Australia Index, Bloomberg AusBond Composite 0+ Yr Index and the Bloomberg AusBond Bank Bill Index.

The actual asset allocation is available at:
australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf

8.13 Why is the international shares on the superannuation side of Australian super performing so poorly compare to comparison super funds?

While the short-term performance for the International Shares option has underperformed the benchmark, the investment option has outperformed over the longer term, over 5 plus years. In the post COVID-19 downturn environment, there have been a number of macroeconomic and geopolitical factors that have impacted international shares performance based on the investment positioning of securities in the portfolio, compared to the benchmark.

In recent periods, the primary factor in the underperformance of the International Shares option compared to its benchmark has been its allocation among growth, value and defensive factors in the portfolio. We have tilted the portfolio to have a higher weight to defensive and value-oriented securities. This means that there was an

underweight to the technology securities that have strongly rallied over the past 6 months to 30 June 2023. Our portfolio positioning is based on the view of a potential material recession due to financial conditions that may be tighter for longer, i.e. higher central bank rates. International shares are trading at high valuations and the lagged effects of central bank policy still have the potential to impact the global share market. These tighter financial conditions may lead to slower economic growth and lower earnings for listed shares.

8.14 Last year, I asked about the cutoff time i.e. 4pm AEST on the business day before Investment Switches. You answered it but did not advise why it was 4pm rather than say, 6am on the day of the switch. For me, I cannot help thinking that the ASX is closed at 4pm and so you cannot invest before 10am the following business day anyway. Or am I wrong to assume that? If it is because staff end work at 5pm and so wish to get all switches completed by 5pm the day before the switch, then I question that motive. Surely they could do it at 9am or 8:30am on the day of the switch. If a switch to Australian shares is made the day before and the USA stock market goes down appreciably, then clients will lose money. However, if the switch could be made at 6am of the day of the switch, then a decision can be made to either invest in Australian shares or cash - whichever is the most suitable. This would be GREAT for me AND your reputation for returns on investment for your clients would be greatly enhanced. Cheers! Roger

Our crediting rate policy has taken into account legislative and regulatory requirements. This includes Section 52 of the Superannuation Industry (Supervision) Act 1993, duties under the Australian Financial Services, with considerations of the RG94 Unit Pricing: Guide to Good Practice (2008) published by APRA and ASIC.

Key reasons for the 4pm AEST/AEDT cut-off time is due to:

1. Industry best practice in the use of forward pricing
2. Processing consistency across investment options that have Australian and international assets. Using a single cut-off time for all options provides equity and consistency for all members that are transacting on a particular day.

The answer provided last year was:

The 4PM AEST/AEDT cut-off time for Investment Switches and Cash Transfers is set to align with the ASX close and provide AustralianSuper with sufficient notice to manage the subsequent changes required to each investment option's holdings to match member requests.

8.15 Do AustralianSuper have options for members to invest in EV project?

A thematic that AustralianSuper sees shaping the investment environment in the future is climate change and the energy transition. Within the portfolio, we do invest in assets that support the supply chain and production of electric vehicles.

One example is the investment in Generate Capital in our real assets portfolio. Generate Capital is a diversified infrastructure company specialising in distributed energy and sustainable infrastructure through its infrastructure-as-a-service model. Generate Capital is a market leader with an innovative business model that successfully leverages growing global demand for distributed energy and sustainable infrastructure solutions. Generate Capital is one of the largest owners and operators of behind-the-meter battery storage, community and rooftop solar, energy efficiency retrofits, biogas facilities, electric buses and hydrogen-electric vehicle fleets in North America.

For more information, go to australiansuper.com/investments/how-we-invest/climate-change

8.16 How is Balanced fund invested?

The Balanced option invests in a diversified mix of asset classes, including Australian shares, international shares, private equity, unlisted property, unlisted infrastructure, credit, fixed interest and cash. This diversity of exposures enables the investment option to meet its long-term investment objectives while providing a reduced level of portfolio volatility.

AustralianSuper performs an annual review for each investment option to determine the strategic asset allocation and expected ranges for each asset class in the investment options. We also review each option's investment objectives and risk tolerances to ensure they remain appropriate for members.

The Balanced option has a dual objective to beat CPI by more than 4% and to beat the median balanced fund over the medium to longer term. To achieve these objectives, we invest the portfolio actively relative to the strategic asset allocation. The strategic asset allocation is the starting portfolio for our active management decisions and broadly represents the risk and return profile that we expect to deliver on the CPI objective over the long run.

AustralianSuper's active management approach means that the amount we invest in each asset class can change throughout the year. The investment team analyses a range of investment factors to adjust the actual asset allocation of each investment option over the economic cycle. This asset allocation approach enables our investment team to respond to both risks and opportunities as the market environment changes.

8.17 What returns are expected from the \$2.5 billion invested in Vantage Data Centres and over what time frame?

AustralianSuper's purpose is to help members achieve their best financial position in retirement. Every investment decision we make is considered through that lens. As a long-term investor in assets, the returns that are received from an investment are often dependent on the relevant investment horizon for each asset, as well as the relative risk/return contribution to the whole portfolio. AustralianSuper does not disclose the projected return or realised return on an individual asset in the portfolio.

8.18 Could you please provide a detailed update in relation to Fixed Interest and Bond related returns.

While fixed interest securities are an important diversifier for investment portfolios and have historically provided portfolio stability when riskier assets are more volatile, there are times in the market and economic cycle when fixed interest securities can have negative returns. There is an inverse relationship between the price of fixed interest securities and interest rates. When market interest rates rise the value of a fixed interest portfolio can fall. As monetary policy tightened over the past 18 months, largely in response to inflationary pressures in developed market economies, interest rates trended higher, which put downward pressure on the value of fixed interest assets. Following the interest rate rises in recent periods, the return outlook for the fixed interest asset class has improved.

The portfolio positioning has been challenged by the impacts of inflation, interest rate volatility and resilience of credit securities. Key reasons for the recent underperformance of the fixed interest portfolio have been duration positioning and an underweight to credit securities. This positioning was based on heightened risks in the global economy and a concern for how credit spreads and defaults would play out in a softening of the markets. This concern did not eventuate as the global economy and credit securities remained resilient, leading to underperformance relative to the benchmark. Tactical duration positions around these views similarly dragged on performance.

8.19 How is the super performing compared to others.

8.20 How does aus super compare to other super funds currently?

Over the long-term the Balanced option has outperformed its benchmark, the median balanced fund. Over 10 years the average annual return of the Balanced option was 8.60% compared to its benchmark of 7.32% as at 30 June 2023. Over 20 years the average annual return of the Balanced option was 8.12% compared to its benchmark of 7.61% as at 30 June 2023.

Over the 1 year to 30 June 2023, the Balanced option did underperform its benchmark returning 8.22% compared to 9.05% for the median balanced fund. The Balanced option is positioned defensively due to the challenging investment outlook. The option has a reduced allocation to growth assets, such as Australian and international shares, while increasing the allocation to defensive assets like fixed interest. This defensive positioning has led to lower performance compared to many peer funds over the past year due to listed markets performing better than expected and the resiliency of economic growth in the face of increasing interest rates and high inflation.

8.21 Why is the conservative balanced option underperforming?

While the Conservative Balanced option is managed to be less volatile than the High Growth or Balanced option, it is still subject to risk, especially in the short term. We estimate that there could be a negative return in the option in about 4 out of every 20 years. The Conservative Balanced option is invested in a diverse mix of asset classes in order to meet the option's medium-term investment objectives of beating CPI + 2.5% and the median conservative balanced fund.

The returns of the PreMixed options reflect the returns of the underlying asset classes that are held in the portfolios, which include Australian shares, international shares, private equity, unlisted property, unlisted infrastructure, credit, fixed interest and cash.

A key factor that has affected the returns of each of these asset classes has been the level of interest rates. This has especially impacted the value of fixed interest assets in the portfolio. Conservative Balanced had 28.6% of the option invested in fixed interest assets as at 30 June 2023. While fixed interest securities are an important diversifier for investment portfolios and have historically provided portfolio stability when riskier assets are more volatile, there are times in the market and economic cycle when fixed interest securities can have negative returns. There is an inverse relationship between the price of fixed interest securities and interest rates. When market interest rates rise the value of a fixed interest portfolio can fall. As monetary policy tightened over the past 18 months, interest rates trended higher, which put downward pressure on the value of fixed interest assets. Following the interest rate rises in recent periods, the return outlook for the fixed interest asset class has improved. There have also been periods since January 2022 when both equity markets and fixed interest markets had negative returns at the same time. This negatively affected the returns of both the growth assets and the defensive assets in the Conservative Balanced option at the same time.

8.22 What is the balanced return estimate for the next financial year?

It is difficult to predict specific returns, regardless of time horizon. The AustralianSuper investment team is focused on generating the best possible investment returns for members. For each of the investment options, the portfolios are managed to meet the investment objectives. For the Balanced option, the investment objectives are to beat the median balanced fund and the CPI + 4% per annum over the medium to longer term. After more than a decade of strong growth, our outlook suggests we're entering a period of weaker economic growth and may continue to see lower returns than in previous years. As the economic cycle progresses and markets respond, the investment team will continue to adjust the portfolio to manage risk and take advantage of long-term investment opportunities. By adjusting the allocation to different asset classes, we can control the level of risk in the portfolio and reduce the impact of volatility on returns, while positioning the portfolio to participate in market recoveries.

8.23 Do you invest in artists?

AustralianSuper does not currently have a strategy to directly invest in artists or artwork.

8.24 How to understand about the investment of our super fund in different plans easily?

AustralianSuper offers a variety of areas to learn more about your investments.

Product Disclosure Statements and Target Market Determinations

australiansuper.com/tools-and-advice/learn/product-disclosure-statements

australiansuper.com/tools-and-advice/learn/target-market-determinations

Investment Guide: australiansuper.com/InvestmentGuide

How we invest: australiansuper.com/investments/how-we-invest

Investment holdings: australiansuper.com/investments/what-we-invest-in

Investment articles: australiansuper.com/investments/investment-articles

Webinars: australiansuper.com/tools-and-advice/events-and-seminars

8.25 How to invest in super? And what is the difference between premixed and DIYmixed?

PreMixed investment options are diversified investment options that are designed for members who want to be hands-off. These options are made up of more than one asset class and have different investment objectives, with varying levels of risk, investment timeframes and expected returns.

DIY Mix investment options are designed for members who want to be more hands-on in constructing their own investment portfolio to match their personal risk appetite and objectives by combining with other investment options. They provide investment exposure to specific asset classes (plus a small proportion of cash) and have different investment objectives, with varying levels of risk, investment timeframes and expected returns.

AustralianSuper offers a variety of areas to learn more about your investments.

Product Disclosure Statements and Target Market Determinations

australiansuper.com/tools-and-advice/learn/product-disclosure-statements

australiansuper.com/tools-and-advice/learn/target-market-determinations

Investment Guide: australiansuper.com/investmentguide

How we invest: australiansuper.com/investments/how-we-invest

Investment holdings: australiansuper.com/investments/what-we-invest-in

Investment articles: australiansuper.com/investments/investment-articles

Webinars: australiansuper.com/tools-and-advice/events-and-seminars

8.26 will AustralianSuper reduce unlisted asset holdings to improve unit prices for members in Accumulation phase. Unlisted assets inflate unit prices and therefore accumulators are contributing into inflated unit prices.

AustralianSuper's valuation approach has members' equity as an underlying objective. This means we seek to ensure equity across members over time as they enter the fund, add to their super, switch between options or perform withdrawals to spend their savings in retirement.

AustralianSuper's investment assets are valued in accordance with approved accounting standards and other applicable regulatory guides, which require that assets are measured at fair value. Fair value refers to the worth of an asset or its market value if it's bought or sold in an orderly transaction between hypothetical parties.

The Understanding Valuations article provides a summary of our approach:

australiansuper.com/investments/investment-articles/2023/05/understanding-valuations

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf

8.27 How do the unit values relate to returns. For example in 2022/23 the return on cash was 2.6% whereas the unit value increased from 43.2608 to 46.9642 or 8.6%; what am I missing?

These numbers are cumulative daily rates, not unit prices.

The following formula would be needed to calculate returns from cumulative daily rates:

The formula:

$$(1 + \text{Cumulative Return at end of period}/100) / (1 + \text{Cumulative Return at beginning of period}/100) - 1 = \text{total return}$$

See Using AustralianSuper Daily Rates document:

australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/using-australiansuper-daily-rates.pdf

8.28 Where do I find longer term (10+ years) performance? And why are some of the fees hidden in the back of the annual reports?

The following information is available to members on the website; super annual rates since 1987, Retirement annual rates since 2009, daily crediting rates since 1 July 2008

See below links:

australiansuper.com/compare-us/our-performance

australiansuper.com/api/graphs/annualrates/graph/download/super

All investment option fees and costs are disclosed in the Investment Fees and Costs guide: This includes administration fees and costs, investment fees and costs, and transaction costs.

See the following:

australiansuper.com/compare-us/fees-and-costs

australiansuper.com/-/media/australian-super/files/pdfs/ibr/ibr-industry-fees-1.pdf

8.29 Are account revaluations done in real time or overnight?

Crediting rates are calculated every business day and show the change in the value of assets held in each option between each business day.

See the How crediting rates and investment returns work document for more details:
australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/how-crediting-rates-and-investment-returns-work.pdf

8.30 Can we get more granularity about investment options? Presently, a member has no idea how much risk adjusted return managers will be targeting. There's also a concern that managers have no incentive to try to outperform benchmarks, erring instead on the side of caution. For instance, a member might have an outlook that is bullish on fixed income/credit but cannot assess whether the manager has a similar outlook. All of this is a well-documented dilemma. On the one hand managers cannot signal to financial markets what their strategy is; on the other members are being done a disservice by not being able to make informed choices. Also it's so equities centric. How about a conviction/geared credit option?

AustralianSuper invests in a manner that is appropriate to help members achieve their best possible retirement outcome. This is achieved by setting investment objectives and taking a sufficient level of risk to achieve each investment options' return objectives. A key objective for the Investment team is to drive outperformance of benchmarks through active asset allocation and security selection.

A method to stay updated on the investment positioning of the portfolio is the actual asset allocation positioning which is disclosed on a quarterly basis. Many of our investment strategies are positioned to hold over an extended period and it is often the case that asset holdings and asset allocations do not change significantly in the short term.

The strategic asset allocation for each investment option is available at this website:
australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice

The actual asset allocation is available at:
australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf

8.31 Why Australian Super doesn't provide the TOTAL \$value of positive return through the life of super fund to customers? Customers would like to know how much (in AUD) they have earned through the life of their Super from start of the super to the current FY. Monthly statement doesn't provide that and also only available to customer for last 10 years. so we cannot manually calculate our total positive return either.

Thank you for your feedback on our performance disclosure. While daily crediting rates are available since 1 July 2008 and annual performance since 1987, we recognise that there is not a personalised calculation based on an individual member's experience.

Crediting rate information is available at: australiansuper.com/compare-us/our-performance

8.32 How do you manage the downturn in the share market and minimise the loss?

AustralianSuper has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

Looking forward, the investment team is considering the next steps during this economic cycle. These aspects include valuation trends and how factors such as technological change, the energy transition and global geopolitics will affect long-term asset prices. As the economic cycle progresses, we expect to re-risk the portfolio when valuations for growth assets become more attractive or when the outlook for the global economy changes.

A material slowdown in the economy will create investment opportunities in growth asset classes, meaning that the fixed interest exposure in the portfolio will roll into growth-style investments such as listed shares, infrastructure, property or credit over time.

8.33 Why is my Super account keep on going backwards faster than it does moving forward?

It's natural for most of us feel a strong sense of loss aversion, where we experience losses more so than equivalent gains. With that said, it's important to remember that Super is a long-term investment. Even members in or approaching retirement could still be invested for another 20 years.

Although markets have been volatile during recent years, staying focused on the long term gives you a more realistic perspective of superannuation investment returns. The Balanced investment option is a top performer over the long-term.

8.34 I was invested in cash last financial year due to uncertainty in markets and with the expectation that the cash rate would be increasing in line with the increase in the reserve bank cash rate. Instead I received a very low return. I also had investment in a banks at call saver rate which gave me double the return to Australian Super's cash rate return. Why does your cash rate return provide less than half of a banks cash at call investment return? Are you mismanaging cash investments and shouldn't you be able to match the banks returns?

8.35 Why are the interest rates paid on cash investments much lower than the banks?

The Cash option's investment objective is to beat the return of the Bloomberg AusBond Bank Bill Index over one year. The option has achieved this objective over the 2022/23 financial year.

The Cash option holds a diversified blend of short-term money market instruments with a range of terms and maturity dates. As the money market instruments in the Cash option mature, they can be reinvested in securities at current market interest rates.

Differences in the returns between money market securities and the rate that banks pay to savers are due to the structure of the financial market. The RBA official cash rate target is a basis for short-term interest rates. Supply and demand for each of the money market instruments also impacts the rate of return on each security. Money markets include the cash, repo, bank bills, FX swaps and Treasury Notes markets. These markets provide banks and other entities with access to short-term funding and offer investors liquid, short-term instruments that are issued by highly rated counterparties. As a comparison, the rates that a bank pays on deposits is dependent on supply and demand and the bank's discretion to attract deposits from households and businesses. Since deposits are the main source of funding for banks, they will adjust rates paid to savers and lending rates to maintain profitability and competitiveness.

Recommended reading:

Banks' Funding Costs and Lending Rates:

rba.gov.au/education/resources/explainers/banks-funding-costs-and-lending-rates.html

Australian Money Markets through the COVID-19 Pandemic:

rba.gov.au/publications/bulletin/2022/mar/australian-money-markets-through-the-covid-19-pandemic.html

8.36 Given you're competing with large global pension funds, who hold a fraction of their assets in Aus assets, why are we so overweight in Aus?

AustralianSuper invests in both Australian and international assets with the aim to enhance member returns. While about 50% of members' assets are currently invested in Australia, the investment team will continue to look for investment opportunities in Australian and international markets.

One reason to invest a portion of assets in Australia is that for a majority of members, their expenses in retirement are largely linked to Australian inflation. Therefore, the risk/return profile of Australian assets provides alignment to the future liabilities of Australian retirees.

AustralianSuper is also expanding our investment team to invest additional assets in international markets. Building our international presence allows us to better understand global markets and grow our business relationships to provide better access to new investment opportunities and enable more agile and informed investment decisions. Today our offices in London, New York and Beijing have grown to over 100 employees. We anticipate these numbers will grow to around 300 colleagues over the next three years. As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside of Australia. Looking forward we expect around seven out of 10 new dollars invested by the Fund will likely be invested overseas.

8.37 The High performance superannuation option has returned a negative return in real terms (taking into account inflation). What is being done to address such a poor result. This is in the context of marketing expectation setting with members of 2 in 5 years expected negative returns.

The CPI investment objectives for the PreMixed options are based on a medium to long-term time frame. While the short-term performance of an option may underperform the CPI plus objective, especially during a period of high inflation, each of the PreMixed options is invested to outperform this objective over the medium to long term.

australiansuper.com/compare-us/superperformancecpi

australiansuper.com/compare-us/retirementperformancecpi

8.38 Is there any move to increase transparency of your unlisted assets - market-to-market valuations?

The Understanding Valuations article provides a summary of our approach:

australiansuper.com/investments/investment-articles/2023/05/understanding-valuations

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf

8.39 Performance during bad times has been poor (compared to others), can you assure us you're not just a fair weather friend?

At AustralianSuper, we invest in a diversified mix of assets to grow members' savings over time, balance this with an understanding of the risks we need to take to achieve this goal and consider macroeconomic factors as we progress through market cycles.

We believe that investing in a diversified portfolio of assets with a long-term outlook provides members the best opportunity for a good outcome in retirement. As interest rates have risen, AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods.

While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact on returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

8.40 How is the stability of the Australian Super last 10 years? What is the plan to keep the fund in a stable condition?

Our commitment to our long-term investment strategy and members' futures run hand in hand. Our robust investment strategy – centred on building our global presence, enhancing our internal investment capabilities and increasing the Fund's exposure to private market assets – underpins our approach to deliver future long-term performance for members.

Member assets at AustralianSuper have grown to \$300 billion and are expected to grow to more than \$500 billion in the next four to five years. Our investment capabilities are evolving to meet the global scale needed to support this growth and to deliver strong long-term performance for members.

Our annual report provides more details about our corporate strategy and commitment to helping members achieve their best financial position in retirement.

australiansuper.com/-/media/australian-super/files/about-us/annual-reports/2023-annual-report.pdf

8.41 Given that the investment mix for property was removed what is Australian super doing to provide us with an alternate option in that genre? E.g. specific building investments or property overall

At this time, AustralianSuper does not intend to re-introduce a property investment option. With that said, our PreMixed options are broadly diversified across asset classes including property and use the Fund's active asset allocation approach that provides the flexibility to adjust our exposure to risk and shift the portfolio's allocation to investment opportunities with the aim of enhancing long-term returns and reducing overall portfolio risk. This enables adjustments to the portfolio's asset allocation based on anticipated market conditions and stages of the economic cycle.

Investors seeking additional exposure to listed property investments can do so via Member Direct, which allows you to invest in shares, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), term deposits and cash.

8.42 Australia Super performance and cost verse other Super funds

We carefully manage our costs as we aim to keep them low and continue to provide the services members need and expect. AustralianSuper's administration fees are among the lowest in the industry.

This is based on the Chant West Super Fund Fee Survey June 2023 which compares administration fees and costs for MySuper products for a \$50,000 balance and Chant West Pension Fee Survey June 2023 which compares administration fees and costs for multi-manager growth options (61-80% growth assets) for a \$250,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.

8.43 How can I check the performance of my super?

Performance information is available at: australiansuper.com/compare-us/our-performance

8.44 Where does most of your investment return come from? Which sector in particular

Over the long-term, asset classes such as Australian shares, international shares and private equity provide significant contributions to the growth in many of the PreMixed options. While these asset classes have historically provided the most opportunity for growth, they also come with a higher level of risk.

The PreMixed options invest in a diverse mix of asset classes that include Australian shares, international shares, private equity, unlisted property, unlisted infrastructure, credit, fixed interest and cash. This diversity of exposures enables the investment options to meet their long-term investment objectives while providing a reduced level of portfolio volatility.

8.45 Q2. How much earnings as a whole are paid to AusSuper members for Fin year 2022/23.

In the financial year 2023, AustralianSuper's net investment income earned by all members was \$22.2 billion and \$12.7 billion was paid in benefits to members and beneficiaries.

Source:

australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf

The returns of each of the investment options is available at:

australiansuper.com/compare-us/our-performance

8.46 What the benefit of Australian super for employee and after retired?

AustralianSuper provides a range of investment options for members that are seeking to grow their super during the accumulation phase and provide regular income during retirement. AustralianSuper is a top long-term performer, profit for member fund that is a trusted brand.

australiansuper.com/compare-us

australiansuper.com/superannuation/superannuation-articles/2023/10/how-super-works

australiansuper.com/retirement/retirement-articles/2022/03/benefits-of-investing-in-retirement

8.47 Please advise what your plans are to take into account a possible worldwide catastrophe such as a war with China or a break up of the American banking system

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred.

8.48 You know about the number of "Chris" names in your fund. But I do not have the same knowledge on the data on the investment options. I would like to have more real-time information on the various investment options. Currently, I can only access this information if I am already invested in the option. The current info available is only FYTD, 1 yr, 3 yr, 5 yr & 10 yr. This is at too high a level of generality. I would like to have the info on ideally a daily return, but at least the last 5 day, 14-day, 30-day, 90-day & 180-day returns. Can access be given to us for ALL investment options?

The performance page of our website offers daily returns and information for how members can calculate a return for any customised period using the downloadable spreadsheet.

See the following locations:

<https://www.australiansuper.com/compare-us/our-performance>

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/using-australiansuper-daily-rates.pdf>

8.49 The data available for us to manipulate and see returns for the various investment options is very weak and not at all on par with what is offered by investment firms handling retirement monies in other countries such as the US and the UK. Can Australian Super improve its data which we can manipulate to check returns, etc ?

Thank you for your feedback. We will continue to seek ways to improve how information is portrayed on the website.

8.50 How do you value fixed asset investments, and if you revalue it annually how do estimate the increase/decrease.

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. These include investments in equities, fixed income and bonds. For all other financial instruments, the Fund determines fair value using other valuation techniques.

For more information see the Investments section in the Annual Financial Report:

<https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.51 When quoting yearly super fund returns do super funds quote them nett of member contributions?

Performance is calculated using time-weighted returns based on the fair value of assets, therefore return calculations are not impacted by cash flows into or out of an option.

8.52 What percentage of AustralianSuper's investment portfolio is exposed to Commercial Real Estate, in Australia and Globally? What are the risks of this exposure?

As at 30 June 2023, about 2/3rds of the property portfolio is invested in Australian assets with the remaining 1/3rd invested in the US and the UK. The portfolio's largest exposures are to retail (30%), office (44%) and industrial (18%) properties.

The property asset class has faced a range of challenges due to the pandemic, post-pandemic environment and rising inflation. The impact of higher interest rates on valuations across all property sectors and the ongoing structural headwinds from 'work from home' for offices and online retail mean the outlook for the asset class remains very challenged.

8.53 Does AustralianSuper's investment portfolio include opportunities in Africa?

African investments in the portfolio are limited, primarily due to the size of listed and unlisted markets in the region compared to other global opportunities.

8.54 Not all young audience drive autos - I always wanted to learn manual, so I could drive both - ** I have a question related to the investments of our superannuation - as the property premix option was removed there has been nothing to replace that in terms of investment 1option - is AustralianSuper looking at another option to replace this that we may have another means for investment - or an ability for us to chose which companies/properties that we can use our super to invest in?

At this time, AustralianSuper does not intend to re-introduce a property investment option. With that said, our PreMixed options are broadly diversified across asset classes including property and use the Fund's active asset allocation approach that provides the flexibility to adjust our exposure to risk and shift the portfolio's allocation to investment opportunities with the aim of enhancing long-term returns and reducing overall portfolio risk. This enables adjustments to the portfolio's asset allocation based on anticipated market conditions and stages of the economic cycle. Investors seeking additional exposure to listed property investments can do so via Member Direct which allows you to invest in shares, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), term deposits and cash.

8.55 Have you considered inflation in your figures using 6% withdrawal?

In our online calculator, inflation is considered in the calculations. These are described in disclaimer and assumptions. <https://www.australiansuper.com/tools-and-advice/calculators/super-projection-calculator>

8.56 What do you do with the dividends we derive from out super balances?

The crediting rate return of each of the investment options includes any capital growth, dividends, interest or other income. Dividends, interest and other income received assists portfolio liquidity and is used to manage member cashflows, rebalancing activities, or investing in additional assets.

8.57 When interest rates have gone up why is your return on cash so low?

When comparing returns, it is important to compare like for like. There are a range of differences which include: historic compared to current interest rates, tax treatment and the types of investments. The Cash option's historic return includes the daily return of when market interest rates were lower. Interest rates offered by banks are forward-looking interest rates. Many of these interest rates are also pre-tax, while the Cash option (for super accounts) is a post-tax return.

During times of increasing interest rates, the historic return of the Cash option may be lower than current interest rates offered by banks or the current RBA cash rate.

The Cash option holds a diversified blend of short-term money market instruments with a range of terms and maturity dates. As the money market instruments in the Cash option mature, they can be reinvested in securities at current market interest rates.

8.58 There has been much discussion about the valuation of unlisted assets. Is AustralianSuper confident it is correctly calculating the value/performance of its portfolio?

The Understanding Valuations article provides a summary of our approach:
<https://www.australiansuper.com/investments/investment-articles/2023/05/understanding-valuations>

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): <https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.59 Are the returns quoted this evening after-fee amounts?

AustralianSuper's crediting rate return is after investment fees and costs and transaction costs, the percentage-based administration fee deducted from returns from 1 April 2020 to 2 September 2022 and taxes.

Performance page:

<https://www.australiansuper.com/compare-us/our-performance>

MySuper dashboard shows net benefit returns, which is returns after administration fees, investment fees and costs and transaction costs.

<https://www.australiansuper.com/compare-us/mysuper-dashboard>

Net benefit article:

<https://www.australiansuper.com/superannuation/superannuation-articles/2020/03/net-benefit-and-your-super>

<https://www.australiansuper.com/compare-us>

8.60 Please provide examples of the portfolio resilience against cyclical changes.

At AustralianSuper, we invest in a diversified mix of assets to grow members' savings over time, balance this with an understanding of the risks we need to take to achieve this goal and consider macroeconomic factors as we progress through market cycles. We believe that investing in a diversified portfolio of assets with a long-term outlook provides members the best opportunity for a good outcome in retirement. As interest rates have risen, AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

8.61 Can you mark inflation over these 20 years on the same graph?

The return of the investment options compared to their CPI linked benchmarks is available here:

<https://www.australiansuper.com/compare-us/superperformancecpi>

<https://www.australiansuper.com/compare-us/retirementperformancecpi>

8.62 What are the controls over unlisted assets internal valuations (done in house not by an independent valuer)?

The Understanding Valuations article provides a summary of our approach:

<https://www.australiansuper.com/investments/investment-articles/2023/05/understanding-valuations>

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): <https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.63 Can you talk about why my choice account balance fluctuates so much day to day?

The returns of the PreMixed options reflect the returns of the underlying asset classes that are held in the portfolios, which includes Australian shares, international shares, private equity, unlisted property, unlisted infrastructure, credit, fixed interest and cash. This diversity of exposures enables the investment options to meet their long-term investment objectives while providing a reduced level of portfolio volatility, compared to investing in a single asset class such as Australian or international shares.

8.64 I compared the daily rate as on 30 June 22 and 30 June 2023. For high growth fund, the daily rate was 166.7371 and 194.6835 which translates to 16.8% growth in 2022-23. But as per your report, the growth for this fund is 10.5%. Similarly, for balanced fund, the daily rates were 159.1633 and 180.4751 as on 30 June 2022 and 30 June 2023 respectively which translates to 13.4%. As per report circulated, balanced fund grew by 8.2%. What is it I am missing here? Where am I going wrong.

These numbers are cumulative daily rates, not unit prices.

The following formula would be needed to calculate returns from cumulative daily rates:

The formula:

$$(1 + \text{Cumulative Return at end of period} / 100) / (1 + \text{Cumulative Return at beginning of period} / 100) - 1 = \text{total return}$$

See Using AustralianSuper Daily Rates document:

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/using-australiansuper-daily-rates.pdf>

8.65 Why does Socially Aware have lower returns than balanced. And will it improve in years to come?

In some market environments when materials or energy shares have strong performance, the Socially Aware option may underperform due to the exclusion criteria. This was a contributor to underperformance during the 2022 calendar year. Performance differentials between the Balanced option and Socially Aware can also occur from differences in how the options are managed. As an example, the options have a different mix of investment managers and portfolios for the listed shares and fixed interest asset classes.

8.66 For balanced portfolio what are some factors they constrain us from meeting the CPI - Linked performance objective Thanks?

The CPI + 4% pa benchmark is a medium- to long-term performance objective that should be considered over rolling 10-20 year periods. High inflation in the short term has impacted the ability of a diversified portfolio to outperform CPI linked benchmarks. Over the long-term, the Balanced options active asset allocation approach, investment in unlisted assets and security selection has contributed to its outperformance over its performance objectives.

The return of the investment options compared to their CPI linked benchmarks is available here:

<https://www.australiansuper.com/compare-us/superperformancecpi>

<https://www.australiansuper.com/compare-us/retirementperformancecpi>

8.67 For the 3 years figure, how is it calculated and what is the basis of average/ median calculations? I thought 2022 was negative if I saw right.

Performance is calculated using time-weighted returns of daily crediting rates.

See Using AustralianSuper Daily Rates document:

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/using-australiansuper-daily-rates.pdf>

8.68 Are people informed to reinvest if there is a down turn in the market why I say that a lot off people do not take much notice of there super investment?

Member education and advice options are available to members.

These are located at:

<https://www.australiansuper.com/investments/investment-articles>

<https://www.australiansuper.com/superannuation/superannuation-articles>

<https://www.australiansuper.com/tools-and-advice/events-and-seminars>

<https://www.australiansuper.com/tools-and-advice/your-advice-options>

8.69 Does the fund ever get involved with short selling of stock or derivatives?

AustralianSuper typically does not engage in short selling. AustralianSuper believes that over time, market values of shares return to a price based on profit achieved. However, we do invest with investment managers, that may sell securities short.

The Fund does engage in derivative strategies to manage investment exposures.

See the Derivatives section in the Annual Financial Report:

<https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.70 Please outline your expectations on interest rates and impact on Aust Super options?

High interest rates will have an impact sooner or later. It's inevitable. It's already causing slowing in Australia, in Europe and to some extent in Asia. The US has been holding up but slowing gradually. They had much more COVID stimulus and it's taking a while to work out of the system. But sooner or later it will work itself out of the system and high interest rates will start to bite.

We think higher interest rates will impact and will impact economies over the next one to two years, so we're likely to head toward a global economic slowdown. Both consumers and businesses will have higher debt servicing costs. Valuations of assets are not use to these level of interest rates and will gradually be reflected in the valuations. Many home owners must now face higher interest payments and higher mortgage payments with the belief probably now that they're never going to what they used to be around COVID and before. That means less disposable income to spend. And then as the economy slows and probably wages hold up a bit, we think corporates are going to face a bit of a squeeze. They won't be able to put up prices and their costs will be pushing into profit margins, so profits will come off over that period.

Reflecting this outlook, we've got the portfolio defensively positioned, and that means more fixed interest because when the economy starts to slow, we think interest rates will eventually come down and fixed interest will benefit, and less equities than we normally hold because we're worried about this profit squeeze starting to feed through the corporate sector. If this occurs, we'll be able to re risk the portfolio, buy more shares and sell the fixed interest, but we need the economies to slow first to hopefully provide an entry point of cheaper prices.

8.71 Does Aust Super get involved with arbitrage leverage opportunities to boost returns? Steven

Each asset in the portfolio is fully paid for or cash backed. Leverage is not allowed from an investment option perspective. The portfolio does have some exposures to relative value and global macro strategies.

From a look through perspective to the underlying asset, some directly owned assets in the portfolio may have a level of gearing and the investment strategies of some portfolios may include the use of leverage. This is managed so that there is no leverage at the investment option level.

8.72 is Aust SUPER Pactive TO BUILD MORE HPOUSING IN australia

As Australia's largest super fund, we believe we can be part of a broader solution to housing affordability while delivering on our purpose to help members achieve their best financial position in retirement.

AustralianSuper does have an investment in Assemble Communities to assist with housing affordability challenges in Australia. Assemble Communities has an innovative build to rent to own model and financial coaching initiatives to provide a supported pathway to home ownership. Our investment in Assemble Communities is part of a broader investment in property. The investment in Assemble Communities is less than 0.05% of total Fund assets and less than 1% of the property portfolio as at 30 June 2023.

8.73 Why should I not withdraw my super wildly in financial downturns? Just how does it make the lost ground up eventually?

While it can be difficult to focus on the long-term when there is market volatility, the economy goes through periods of growth and contraction and markets also rise and fall in cycles. Short-term fluctuations are a normal part of investing when saving for retirement. The day-to-day performance of investment markets is often driven by investor sentiment and can lead to large fluctuations in value. While this is a common occurrence, we are confident that the long-term returns of assets in the portfolio will be based on the profitability of companies which supports their company valuations.

8.74 For international shares, can you tell us what is the percentage of the fund that is currency hedged?

For the International Shares option, the portfolio is unhedged.

For the PreMixed options, currency is managed at the option level. Our currency management approach provides an opportunity to contribute to member returns and manage portfolio risks. Each investment option has a target currency exposure and any excess foreign currency exposure is hedged. More information available here:

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/how-we-manage-currency.pdf>

8.75 In Mark Delaney's presentation of \$476K balance after 20 years with initial investment of \$100K, what is the equivalent figure of the balance after inflation....ie what is the inflation adjusted figure please, can you show us a graph of it?

These figures are time-weighted performance numbers, not adjusted for inflation.

In our online calculator, inflation is considered in the calculations. These are described in disclaimer and assumptions. <https://www.australiansuper.com/tools-and-advice/calculators/super-projection-calculator>

8.76 With approximately 900,000 members estimated to retiring by 2030. What is the amount of new members required to sustain the retirement payments to those that retire.

Each dollar invested with AustralianSuper is member's money. New members' funds are not used to pay other members' pension payments. The portfolio is managed to ensure that there is sufficient liquidity to meet its liabilities, including payments to members.

A key focus of the Fund is to assist members with the transition between work and retirement. We are confident that we are well placed to manage this transition and can support members to make the most of their retirement.

8.77 My AustralianSuper investment is with Australian and International Shares. I check your listed Estimated Balance for my AustralianSuper investment on the AustralianSuper website after 8pm each business day. After each Australian and International trading day when does AustralianSuper update the website-listed Estimated Balance for my investments?

Crediting rates are calculated every business day and show the change in the value of assets held in each option between each business day.

Exact timing of publication is not guaranteed, as there may be occasions when the crediting rate timeframe is delayed or suspended.

See the How crediting rates and investment returns work document for more details:

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/investment/fact-sheets/how-crediting-rates-and-investment-returns-work.pdf>

8.78 Why are the reported 1 year returns for Australian shares 14.2% and international shares 19.5% not reflected in member returns, which are significantly less?

The asset class returns shown are before tax figures, while the returns for each of the investment options is a post-tax figure.

There is not a representative post-tax return calculated for the asset classes, as the after-tax components are performed at an option level.

8.79 How would this graph look if it was corrected for inflation/purchasing power?

These figures are time-weighted performance numbers, not adjusted for inflation.

In our online calculator, inflation is considered in the calculations. These are described in disclaimer and assumptions. <https://www.australiansuper.com/tools-and-advice/calculators/super-projection-calculator>

8.80 Can you inform me where the International Shares investment option is invested in the NYSE or elsewhere? What is the percentage distribution if it's multiple exchanges?

The International Shares option is managed based on investment exposure to different regions around the world that are included in the MSCI All Country World ex Australia Index. What exchange a security is listed on is not a key investment criteria. As at 30 June 2023, the option was invested in the following regions: 61.8% North America, 19.2% Developed Europe ex-UK, 9.9% Emerging Markets, 4.2% United Kingdom, 2.2% Japan, 2.8% Developed Asia Ex-Japan.

Holdings disclosure is available at:

<https://www.australiansuper.com/investments/what-we-invest-in>

8.81 Does the weak Australian dollars affect the international investment returns?

Changes in currency exchange rates can have an impact on the returns of international assets. The change in the exchange rate can increase or lower the return of an asset. This is a result of the difference in the pricing of the

asset in its local currency and its value when converted to Australian dollars. When the Australian dollar depreciates, the return of international assets is higher, while when the Australian dollar appreciates, the return of international assets is lower.

8.82 Please talk about the fact that many in Choice Income mode may NOT be in the BALANCED option due to the need to minimise risk!

AustralianSuper does offer a range of PreMixed options to enable members to adjust their risk level. These range from High Growth, Balanced, Conservative Balanced and Stable options. As the largest option with the most members, Balanced option is the starting point in our investment process, with the other PreMixed options (mentioned above) investing in the same mix of asset classes with different asset allocations based upon their investment objectives and level of risk.

More information available here:

<https://www.australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice>

8.83 Do you have any record of members ending up with less than the original investment at the end of 5, 10 and 20 years?

There have been 5 year periods where the performance of the High Growth, Australian Shares and International Shares options had negative returns after the Global Financial Crisis. No AustralianSuper option has had a negative return over a 10 or 20 year period.

8.84 In a high inflationary environment, how should we consider super returns on a long term inflationary basis?

There are a variety of factors that influence investment returns, including inflation, growth, risk sentiment and liquidity. Investment returns will not always have a stable relationship with inflation in the short term, but in the long term we aim to deliver an inflation plus return in line with the objectives specified for each option.

Over the long-run, we still expect growth assets to provide superior returns. They play an important role in achieving returns above inflation and ensuring funds grow during the accumulation phase and last longer in the retirement phase. However, there are times when growth assets underperform other assets and we actively manage the portfolio with the aim of adding value during these periods and improving long-term returns.

8.85 How the investment options will adjust their investment portfolio to face the challenge of high interest rate that haven't been seen for many years?

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

8.86 Where are our investments being invested in. Onshore? Offshore? Please provide examples.

About 50% of the Fund's investments are in Australia, with the remaining investments from international markets.

Holdings disclosure is available at:

<https://www.australiansuper.com/investments/what-we-invest-in>

8.87 Term Deposits are currently offering a 4.85% return and yet the Super cash rate is just above 1%. Apart from timing is there any reason for the difference.

When comparing returns, it is important to compare like for like. There are a range of differences which include: historic compared to current interest rates, tax treatment and the types of investments. The Cash option's historic return includes the daily return of when market interest rates were lower. Interest rates offered by banks are forward-looking interest rates. Many of these interest rates are also pre-tax, while the Cash option (for super accounts) is a post-tax return.

During times of increasing interest rates, the historic return of the Cash option may be lower than current interest rates offered by banks or the current RBA cash rate.

The Cash option holds a diversified blend of short-term money market instruments with a range of terms and maturity dates. As the money market instruments in the Cash option mature, they can be reinvested in securities at current market interest rates.

8.88 What is the current commercial property exposure of AustralianSuper? Do you expect to make further significant value write-downs?

As at 30 June 2023, about 2/3rds of the property portfolio is invested in Australian assets with the remaining 1/3rd invested in the US and the UK. The portfolio's largest exposures are to retail (30%), office (44%) and industrial (18%) properties.

Valuations are regularly updated in the portfolio, with the largest unlisted assets updated quarterly. These valuations reflect the current view of economic conditions and asset specific drivers, as well as discount rates and capitalisation rates. While market conditions do provide headwinds to some of the existing property holdings, we have focused our strategy for new assets in the portfolio to invest in areas where we see potential for growth, i.e. mixed used and development properties.

8.89 How much exposure does AustralianSuper have with declining Commercial "Business" Property valuations around the Globe due to the Work From Home/FH impact

As at 30 June 2023, about 2/3rds of the property portfolio is invested in Australian assets with the remaining 1/3rd invested in the US and the UK. The portfolio's largest exposures are to retail (30%), office (44%) and industrial (18%) properties.

Valuations are regularly updated in the portfolio, with the largest unlisted assets updated quarterly. These valuations reflect the current view of economic conditions and asset specific drivers, as well as discount rates and capitalisation rates. While market conditions do provide headwinds to some of the existing property holdings, we have focused our strategy for new assets in the portfolio to invest in areas where we see potential for growth, i.e. mixed used and development properties.

8.90 How do we invest our super in precious metals?

AustralianSuper does not have any direct holdings in precious metals. It does have some investments in mining companies that have exposure to precious metals.

Holdings disclosure is available at:

<https://www.australiansuper.com/investments/what-we-invest-in>

8.91 Why can't you guys do better! With all your knowledge investment should be at least getting a return of 15%. During covid when everyone was taking there super out, you produced a return of 20%. I think you need to lift your game!

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

8.92 Where can I invest?

There are many different ways to invest your money. How you decide to invest depends on your age, financial situation and personality. AustralianSuper offers a range of PreMixed and DIY Mix options for you to choose.

<https://www.australiansuper.com/investments/your-investment-options>

8.93 There were questions regarding “Cash” investment option In one of your recent surveys. Are there any plans to make any changes to this particular option please?

There are no current plans to change the Cash option.

The Cash option’s investment objective is to beat the return of the Bloomberg AusBond Bank Bill Index over one year. The option achieved this objective for FY23.

The Cash option holds a diversified blend of short-term money market instruments with a range of terms and maturity dates. As the money market instruments in the Cash option mature, they can be reinvested in securities at current market interest rates.

8.94 What alternative investment options do you provide for those who do not wish ESG to determine where funds are invested, and who wish to get the best returns possible, including returns from mining and 'non-renewables'.

We invest to help members achieve their best financial position in retirement. We believe companies with good environmental, social and governance (ESG) management provide better long-term investment returns. At AustralianSuper, investing responsibly means being active on ESG issues as an investor and steward with the aim of creating better long-term financial outcomes for members. You can read more about our ESG and Stewardship program at australiansuper.com/ResponsibleInvestment

8.95 Cash rate for 2024 financial year projections.

It is difficult to predict specific rates or returns, regardless of time horizon.

With the current central bank tightening cycle there are signs that inflation is moderating, however prices remain elevated. Both the US Federal Reserve and the Reserve Bank of Australia have noted that further monetary tightening may be necessary to bring inflation into their long-term target range of 2%. This signal from central banks led investment markets to refocus on the “higher interest rates for longer” scenario, leading to an increase in market interest rates and market volatility for listed equities.

8.96 Are the fixed infrastructure holdings held by Australian Super fairly valued and therefore will not leave members in the future open to valuation shocks?

AustralianSuper’s investment assets are valued in accordance with approved accounting standards and other applicable regulatory guides, which require that assets are measured at fair value.

The Understanding Valuations article provides a summary of our approach:

<https://www.australiansuper.com/investments/investment-articles/2023/05/understanding-valuations>

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): <https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.97 Please provide example of recent International investments that have secure yield in an volatile economy.

When investing, we consider the interaction of all the investments in the portfolio when designing a portfolio to meet the investment objectives of each option. We manage each option with a One-Portfolio approach. Therefore, it is challenging to isolate a single investment that is considered to provide a secure yield.

At AustralianSuper, we invest in a diversified mix of assets to grow members’ savings over time, balance this with an understanding of the risks we need to take to achieve this goal and consider macroeconomic factors as we progress through market cycles. We believe that investing in a diversified portfolio of assets with a long-term outlook provides members the best opportunity for a good outcome in retirement.

8.98 Does super for all members get invested to earn returns?

Choosing how your super is invested is important. It can affect how much your super balance grows and how long it lasts. You can decide to either leave your investment choice to us or make your own choice. The Balanced option is AustralianSuper’s MySuper option.

8.99 Do all super get invested for returns by default?

Choosing how your super is invested is important. It can affect how much your super balance grows and how long it lasts. You can decide to either leave your investment choice to us or make your own choice. The Balanced option is AustralianSuper's MySuper option.

8.100 What kind of allocation is venture capital getting in the portfolio? What is the split between local and overseas fund managers and what kind of returns do you expect of them?

AustralianSuper invests in private equity through funds, co-investments and co-underwrites. In the private equity portfolio, venture capital makes up about 5.6% of the portfolio as at 30 June 2023.

As at 30 June 2023, about 20% of the private equity portfolio was allocated to Australian assets and 80% allocated to international assets.

While future returns are not guaranteed, the private equity portfolio is positioned with the potential to outperform listed equities by about 3% per annum over the long term.

8.101 What percentage the balanced fund assets comprise leveraged products such as derivatives, futures contracts or option contracts?

See the Derivatives section in the Annual Financial Report:

<https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

8.102 How are dividends re-invested back into the portfolio? Is information available on how much of the growth is dividend re-investment vs share price growth.

The crediting rate return of each of the investment options includes any capital growth, dividends, interest or other income. Dividends, interest and other income received assists portfolio liquidity and is used to manage member cashflows, rebalancing activities, or investing in additional assets.

Since the crediting rate return is after-tax and there are no separate distribution payments for dividends, a growth/income split of returns is not available.

8.103 If the Aust shares option fund are mainly or nearly wholly managed inhouse where the staff are paid, can and should the investment fee be less than 0.10% rather than 0.18%

The way that super funds calculate and disclose fees and costs is tightly prescribed by regulation. AustralianSuper provides disclosure of fees and costs to manage each investment option in the PDS and Fees and costs – additional information documents.

Investment fees and costs are based the costs of managing an investment option. For example, the Australian Shares option is actively managed with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term.

9 Investment strategy

9.1 As a new member since early 2023, I was surprised to see consistent negative returns across portfolios, while competitors are finally putting bad returns from Covid behind them. What plans Aus Super has to ensure internal/external cost are minimised and strong growth is recovered to catch-up on competition?

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance recently. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.2 What is the impact of the current inflationary pressures on investment?

Persistent inflation continues to fuel the risk that interest rates may rise further. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.3 What opportunities and threats do we see in the next few years that will impact our returns? What is the advised annual contribution for somebody in their early 30s with a current balance of \$60k and a pre tax salary of \$85k?

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

Questions related to personal circumstances or advice are complicated to answer. To ensure we answer it correctly, we'll need to ask you additional questions. Please register your query via the following link so we can follow up with you soon: australiansuper.com/find-an-adviser

Alternatively, you can call the Fund directly 1300 300 273.

9.4 Australian Super earnings performance for the balanced fund for FY23 was 1% lower than the industry median. Do you expect this to continue in FY24, IF so what steps has the board taken to rectify?

During volatile markets, it's common to see the ranking of different investment options vary over the short-term as markets move up and down. The portfolio is positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Listed equities had strong performance in FY23 but had weaker performance during the three months to 30 September 2023. As such, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.5 What's the funds exposure to China? And how are you navigating the US "de-risking" efforts which seem to be causing foreign investments to exit the China market

As at 30 June 2023, AustralianSuper had \$2.2 billion of member assets invested in China, which is less than 1% of total Fund assets.

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when a global event occurs.

9.6 What % of investment is directed at helping women prevent chronic disease?

It's difficult to quantify a specific percentage exposure to answer this question, but we can confirm that we do have some meaningful exposure to investments in this space. For example, we invest in one of the largest health insurers in the United States, which works hard on preventative measures such as screening (e.g., diabetes, cancers), including running a large group of home care professionals who can do proactive screening at a person's home rather than wait for them to come to the doctor. Additionally, we invest in one of the leading global Life Science Instruments and Diagnostics companies, which provides consumables for genomics research and testing (including efforts at early cancer detection), as well as being one of the largest providers of blood screening equipment (which helps identify chronic problems early).

9.7 Will investment decisions enabled with AI?

9.8 Does the fund managers use AI based investment platforms?

AustralianSuper employs AI in various ways internally to improve functions and processes. While we cannot answer for the external managers we have, we can note that several groups within our investment team use machine learning and similar techniques. AI-type technologies are also being used for productivity gains in various places in the fund. The Fund also holds investments in companies that employ the use of AI in various ways.

9.9 What is your projection of the investment return for growth assets in the next few years.

Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.10 Given the expected recession in CY24, what is your approach to conserve capital and minimised exposure to downturn in your funds?

Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.11 There is an expected further financial crash coming - what steps has Australian Super taken to protect super assets against this.

Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.12 Are the board starting to take a political path or are they going to concentrate on the core business of good returns for investors, that are dependent on this?

AustralianSuper's purpose is to help members achieve their best financial position in retirement. Every investment decision we make is considered through that lens. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.13 I understood the Board have approved the opening of offices in both the UK and the USA. What are the key reasons for this and how will the success of this move be measured?

Building our international presence allows us to better understand local markets and grow our business relationships to provide better access to new investment opportunities and enable more agile and informed investment decisions. Today our offices in London, New York and Beijing have grown to over 100 employees. We anticipate these numbers will grow to around 300 colleagues over the next three years. As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside of Australia. Looking forward we expect around seven out of 10 new dollars invested by the Fund will likely be invested overseas.

9.14 What is Australian Super doing to keep investments continuing to bring solid returns for your members, giving the current climate in regards to war and uncertainty moving forward with escalations of possible conflict in the future?

It's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.15 1. How much money has Australian Super put into the mining company Jervois Global? (I think its about \$50 million. 2. What expertise does Australian Super rely upon or think it has when it invests into such companies? 3. Australian Super bought into this company when its shares were around 48 cents and today they are 3.2 cents making for a loss of about 94% so far on this investment. When does Australian Super expect a positive return from Jervois Global? 4. Australian Super is now the largest shareholder in this company which has become a penny dreadful. What are Australian Super's intentions regarding this investment? Keep it or hold on in hope when all other shareholders have abandoned it?

The Australian equities team are long-term investors focussed on deep fundamental research and analysis of companies, industries and economies. The team seeks to identify and invest in high quality businesses with sustainable competitive advantages. Our research is based on identifying the key value drivers and rigorous valuation frameworks are used to establish intrinsic value.

A thematic that AustralianSuper sees shaping the investment environment in the future is climate change and the energy transition. Jervois Global Ltd provides opportunities for growth over time based on the energy transition thematic and the demand for electric vehicles. Recent performance of the stock is largely due to the impacts of changes in the price of cobalt. The company may be of strategic importance in the future as countries look to diversify their supply chains for cobalt and nickel.

While AustralianSuper does not provide specific comment on our trading approach or future plans for an individual company, we can confirm that we initially purchased the company prior to it reaching 0.48c and we were able to sell some of the shares as the company rose in value.

AustralianSuper takes controlled and deliberate risks within a strongly managed and highly regulated environment. We do this within boundaries defined by the Board's risk appetite and the best long term financial interests of members to help them achieve their best financial position in retirement. Appropriate exposure to, and prudent manage of, investment risk is essential for achieving the investment objectives of each investment option. The

portfolio needs to take sufficient risk to achieve these investment objectives while monitoring the exposure to risk that has potential downside outcomes for the portfolio.

Taking this risk means that not every asset in the portfolio will be successful, however our investment approach enables us to dynamically respond to shifting risk profiles, emerging opportunities and interactions between assets in the portfolio to enhance long-term returns.

As with any investment, an asset may gain or lose value over time, depending on market conditions. As a long-term investor in assets, the investment team must consider that the returns generated from an investment are often dependent on the relevant investment horizon for each asset. They also need to think about whether the asset will produce a reasonable return for the risk we take and consider the amount of exposure that we put in an asset in the context of its contribution to the whole portfolio.

9.16 Can AusSuper assure members it pays as much attention to options other than 'balanced', which a proportion of older members select in preference to 'balanced'?

Yes, we can assure members that the investment team pays as much attention to all investment options. The underlying investments are the same across each investment option - it is just the asset allocation mix and certain screens (e.g., exclusions for Socially Aware) that lead to different portfolios for each option.

9.17 In what way has the current economic outlook changed the way AusSuper invests?

Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.18 Will Australian super be pursuing Virgin Airlines or indeed any other highly risky business entity again in the future and if so isn't this a considerable risky investment and not in the best interests of non unionised super fund members?

AustralianSuper's purpose is to help members achieve their best financial position in retirement. Every investment decision we make is considered through that lens.

AustralianSuper takes controlled and deliberate risks within a strongly managed and highly regulated environment. We do this within boundaries defined by the Board's risk appetite and the best long-term financial interests of members to help them achieve their best financial position in retirement. Appropriate exposure to, and prudent manage of, investment risk is essential for achieving the investment objectives of each investment option. The portfolio needs to take sufficient risk to achieve these investment objectives while monitoring the exposure to risk that has potential downside outcomes for the portfolio.

Taking this risk means that not every asset in the portfolio will be successful, however our investment approach enables us to dynamically respond to shifting risk profiles, emerging opportunities and interactions between assets in the portfolio to enhance long-term returns.

As with any investment, an asset may gain or lose value over time, depending on market conditions. As a long-term investor in assets, the investment team must consider that the returns generated from an investment are often dependent on the relevant investment horizon for each asset. They also need to think about whether the asset will produce a reasonable return for the risk we take and consider the amount of exposure that we put in an asset in the context of its contribution to the whole portfolio.

9.19 Given the increased importance of unlisted assets in the AustraliaSuper Portfolio how is the organisation increasing its internal capabilities to manage those assets (ie. Infrastructure, Brownfield assets)? Is there a mix of engineering and operational capabilities (not just financial expertise) now in the firm or is this all outsourced expertise?

In owning private market assets, our Investment team seeks to enhance returns through value creation during the ownership phase of an asset. Our internal investment capabilities are focused on being active stewards of assets. As a long-term owner, we are thoughtful about our asset ownership responsibility and engage with assets on how the businesses operate. We utilise our ownership representation to engage with the Board to set the strategic direction of the businesses we own and to monitor the execution of the board-approved business plans by

management teams. We also engage with our joint venture or business partners that have significant experience and expertise in developing a particular market segment. We continue to grow the capabilities of the internal investment team to include people that come from diverse backgrounds and bring expertise that is relevant to our portfolio and our role as stewards of assets, such as strategy consulting and property development experience. We also access specialist expertise through our active global network of senior advisors and external non-executive directors that we appoint to sit on the boards of our assets.

9.20 Why did the fund decide it prudent to open an office in New York, in one of the highest cost area's of the city?

Building our international presence allows us to better understand local markets and grow our business relationships to provide better access to new investment opportunities and enable more agile and informed investment decisions. Today our offices in London, New York and Beijing have grown to over 100 employees. We anticipate these numbers will grow to around 300 colleagues over the next three years. As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside of Australia. Looking forward we expect around seven out of 10 new dollars invested by the Fund will likely be invested overseas.

9.21 Are there concerns within and how is risk mitigated when AusSuper invests in private equity around how those PE assets are priced in a rising interest rate environment?

As part of our investment process, the Private Equity team analyses the risks and potential returns of the companies in the portfolio based on current economic conditions. In a recent review of the largest companies in the portfolio based on existing conditions, concluding that the companies still have favourable growth prospects.

9.22 In the 2022 AMM AustralianSuper stated that it does not have any plans to invest directly in Bitcoin, citing significant risks and lack of regulation. Since then major investment companies like Blackrock and Fidelity, managing trillions in assets, have indicated they see it as a serious international asset, akin to digital gold, and have submitted applications to the SEC for a spot ETF. Considering this, what will AustralianSuper do fulfil their fiduciary responsibility and remain competitive with the perception of Bitcoin evolving into a serious asset class?

AustralianSuper does not have any plans to invest directly in crypto-currencies at this time. In our view, crypto-currencies carry significant risks and have little to no regulation. As fiduciaries for our members' retirement savings, we don't think it's prudent to invest super in speculative financial instruments.

9.23 I'm keen to understand why Australian Super has fallen from being consistently in the top three super funds for many years to now dropping out of the top 10 super funds? Why are the returns not as competitive as other funds? Thanks

According to SuperRatings, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. It's important to remember that Super is a long-term investment. During volatile markets, it's common to see the ranking of different investment options vary from month to month. Our short-term performance ranking moves around as markets move up and down. The portfolio is positioned defensively, reflecting our expectation of a global slowdown.

Given our defensive strategy, we've held less in equities relative to some peers. Listed equities had strong performance in FY23 but had weaker performance during the three months to 30 September 2023. As such, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

9.24 What opportunities and threats do we see in the next few years that will impact our returns?

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we

expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

9.25 How are Australian super adapting to a new and changing macro environment?

It's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Looking ahead, the investment team anticipates an environment of slowing economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.26 What is your backup strategy if in the next 2-3 years the market will fall by 60%?

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.27 How will the high growth investment option look to become more defensive in the upcoming volatility while focusing on return greater growth for members?

Each of the following PreMixed options, High Growth, Balanced, Socially Aware, Conservative Balanced, and Stable have been positioned more defensively as at 30 September 2023, with slightly lower allocations to listed shares and higher allocations to fixed interest compared to 31 December 2021. Each of these options maintains the medium- to long-term investment objectives, therefore High Growth will continue to have a higher allocation to growth investments than the other options. The strategic asset allocation for each investment option is available at this website: <https://www.australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice>. The actual asset allocation is available at: <https://www.australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf>

9.28 What criteria is used to select investments in Infrastructure such as Canadian Water?

There are many criteria considered whenever we make an investment in Real Assets. But our main focus is always on members' best financial interest and delivering on our purpose of providing best outcomes in retirement. As such, some important criteria when evaluating Real Asset deals include pricing, growth potential, alignment with expertise, opportunities for mixed use, and the quality of investment partners. Building our international presence in key markets like London allows us to better understand local markets and grow our business relationships to provide better access to new investment opportunities and enable more agile and informed investment decisions.

9.29 What specific plans do you have to shift Australian Super to perform above the median funds in the coming year and medium term?

AustralianSuper has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. Looking forward, the investment team is considering the next steps during this economic cycle. These aspects include valuation trends and how factors such as technological change, the energy transition and global geopolitics will affect long-term asset prices. As the economic cycle progresses, we expect to re-risk the portfolio when valuations for growth assets become more attractive or when the outlook for the global economy changes. A material slowdown in the economy will create investment opportunities in growth asset classes, meaning that the fixed interest exposure in the portfolio will roll into growth-style investments such as listed shares, infrastructure, property or credit over time.

9.30 Is there a location that we can view the up to date steps that Australian super is taking on the issues regarding the Global Financial Crisis? and ensuring the continued maximizing of our investment portfolios? and is there likely to be another option for property investment within the next 12 months?

AustralianSuper publishes articles on our investment strategy and performance at this location on our website. <https://www.australiansuper.com/investments/investment-articles> The actual asset allocation is available at: <https://www.australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf> At this time, AustralianSuper does not intend to re-introduce a property investment option. With that said, our PreMixed options are broadly diversified across asset classes including property and use the Fund's active asset allocation approach that provides the flexibility to adjust our exposure to risk and shift the portfolio's allocation to investment opportunities with the aim of enhancing long-term returns and reducing overall portfolio risk. This enables adjustments to the portfolio's asset allocation based on anticipated market conditions and stages of the economic cycle. Investors seeking additional exposure to listed property investments can do so via Member Direct which allows you to invest in shares, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), term deposits and cash.

9.31 Why is Australian super gambling with our money regarding the sale of the other electrical company. Your job is to invest successfully regarding our superannuation and not speculating.

We invest to help members achieve their best financial position in retirement. For more information on our position in relation to Origin and the energy transition, please refer to the media releases available on our website <https://www.australiansuper.com/about-us/newsroom>

9.32 Why are you staying in bonds which have been negative for so long?

While fixed interest securities are an important diversifier for investment portfolios and have historically provided portfolio stability when riskier assets are more volatile, there are times in the market and economic cycle when fixed interest securities can have negative returns. The prices of fixed interest securities have an inverse relationship with interest rates, therefore when market interest rates rise the value of a fixed interest portfolio can fall. Looking ahead, during a period when interest rates are peaking, fixed interest assets are expected to perform better. We also expect slower economic growth in the near term which is expected to put pressure on the returns of growth assets, making defensive assets look more favourable in the current market environment.

9.33 Are the higher risk investment portfolios also being positioned more defensively or is it just the Balanced one?

Each of the following PreMixed options, High Growth, Balanced, Socially Aware, Conservative Balanced, and Stable have been positioned more defensively as at 30 September 2023, with slightly lower allocations to listed shares and higher allocations to fixed interest compared to 31 December 2021. Each of these options maintains the medium- to long-term investment objectives, therefore High Growth will continue to have a higher allocation to growth investments than the other options. The strategic asset allocation for each investment option is available at this website: <https://www.australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice> The actual asset allocation is available at: <https://www.australiansuper.com/-/media/australian-super/files/pdfs/pre-mixed-asset-allocation-fs.pdf>

9.34 Why is the Fund voting no to the Origin takeover?

We invest to help members achieve their best financial position in retirement. For more information on our position in relation to Origin and the energy transition, please refer to the media releases available on our website <https://www.australiansuper.com/about-us/newsroom>

9.35 Is AustralianSuper doing anything to de-risk from China?

As at 30 June 2023, AustralianSuper had \$2.2 billion of member assets invested in China, which is less than 1% of total Fund assets. As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when a global event occurs.

9.36 How does Australian Super contribute to affordable housing in Australia? Either through direct investment or engagement with government and developers to set significant targets for affordable housing.

AustralianSuper has joined other super funds, governments at all levels, investors as well as community and other residential housing developers in signing the Housing Accord 2022. The Accord recognises that access to safe, secure and affordable housing is key to the wellbeing of Australians. By signing the Accord, AustralianSuper is committing to being part of the national conversation and to exploring solutions to Australia's housing affordability challenges. We do this, while understanding our core purpose is to help members achieve their best financial position in retirement. The intent of the Accord is very much aligned to our purpose. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. We are supporting Assemble's innovative Build-to-Rent-to-Own and resident financial coaching initiatives, with construction due to commence on two new AustralianSuper-funded developments in Brunswick and Kensington in Melbourne.

9.37 Does AustralianSuper invest in Minerals like Cobalt, Lithium, Rare Earths etc despite some of those having their share values dropped significantly in the last 12 months? What is Australian Super Strategy regarding those investments going forward?

A thematic that AustralianSuper sees shaping the investment environment in the future is climate change and the energy transition. AustralianSuper has invested in some assets that have exposure to rare earths, based on the energy transition thematic and the demand for electric vehicles.

9.38 Why are your investments so biased to international shares?

AustralianSuper invests in both Australian and international assets with the aim to enhance member returns. While about 50% of members' assets are currently invested in Australia, the investment team will continue to look for investment opportunities in Australian and international markets.

9.39 Origin Energy, your position is undermining my investments. I would like to sell shares held for over 10 years that have been had poor returns. What are you offering? Would you like to buy my shares at Brookville offered price? Where do you think the extra value will come from?

We invest to help members achieve their best financial position in retirement. For more information on our position in relation to Origin and the energy transition, please refer to the media releases available on our website <https://www.australiansuper.com/about-us/newsroom>

9.40 It related to Australian Super's investment into a small mining company called Jervois Global. Australian super invested initially when the share price of Jervois was over 40 cents and Australian super has continued to pour money into Jervois , at time of my question the share price was 3.2 cents.....By my reckoning Aus Super has put about \$60 million into it, now losing about 95% of its invested money so far. What expertise does Aus. Super have in investing into small companies like this, and when do you expect a positive return?

The Australian equities team are long-term investors focussed on deep fundamental research and analysis of companies, industries and economies. The team seeks to identify and invest in high quality businesses with sustainable competitive advantages. Our research is based on identifying the key value drivers and rigorous valuation frameworks are used to establish intrinsic value.

A thematic that AustralianSuper sees shaping the investment environment in the future is climate change and the energy transition. Jervois Global Ltd provides opportunities for growth over time based on the energy transition thematic and the demand for electric vehicles. Recent performance of the stock is largely due to the impacts of changes in the price of cobalt. The company may be of strategic importance in the future as countries look to diversify their supply chains for cobalt and nickel.

While AustralianSuper does not provide specific comment on our trading approach or future plans for an individual company, we can confirm that we initially purchased the company prior to it reaching 0.48c and we were able to sell some of the shares as the company rose in value.

AustralianSuper takes controlled and deliberate risks within a strongly managed and highly regulated environment. We do this within boundaries defined by the Board's risk appetite and the best long term financial interests of

members to help them achieve their best financial position in retirement. Appropriate exposure to, and prudent management of, investment risk is essential for achieving the investment objectives of each investment option.

The portfolio needs to take sufficient risk to achieve these investment objectives while monitoring the exposure to risk that has potential downside outcomes for the portfolio. Taking this risk means that not every asset in the portfolio will be successful, however our investment approach enables us to dynamically respond to shifting risk profiles, emerging opportunities and interactions between assets in the portfolio to enhance long-term returns.

As with any investment, an asset may gain or lose value over time, depending on market conditions. As a long-term investor in assets, the investment team must consider that the returns generated from an investment are often dependent on the relevant investment horizon for each asset. They also need to think about whether the asset will produce a reasonable return for the risk we take and consider the amount of exposure that we put in an asset in the context of its contribution to the whole portfolio.

9.41 Do we still have an office in Beijing, China?

AustralianSuper has a small number of staff in the Beijing office, who focus on producing economic research to provide insights on the global economy for the investment team.

9.42 With strong growth in many emerging markets in Asia (at between 5-6 % growth), why is only 3 per cent of investment directed to that region?

Investments in emerging markets in Asia are limited, primarily due to the size of listed and unlisted markets in the region compared to other global opportunities.

9.43 When the inflation was around 2-3%, the fund returned around 8% which means there was a growth of around 5% after inflation. The inflation for the year ended 30 June 2023 was around 6% and the balanced fund returned 8% which is a net return of 2%. The growth / return net of inflation is not as much as it used to be. What is Aus Super doing to ensure that the growth net of inflation ensures the fund lasts longer in retirement. Thanks.

A key objective for superannuation savings is to maintain purchasing power and keep up with inflation over time. Over the long-term, investors can seek to keep up with inflation by diversifying their portfolio using assets that have the potential for growth that outperforms inflation over time. A key objective for AustralianSuper's PreMixed options is to outperform inflation and enable members to maintain their purchasing power. Each PreMixed option invests in a diversified mix of assets that seeks to outperform their CPI plus investment objective over the long term. Our investment team also looks to the long-term trends that we believe will impact our investment strategy in the future. This includes understanding the potential impacts on the economic environment and different investment markets of longer-term trends, such as technological disruption, climate change and the carbon transition, geopolitics and increased government intervention. This research helps inform our thinking about the risks and opportunities that lie ahead as we build a robust portfolio for the future that is well positioned to meet our investment objectives and build the retirement savings of members.

9.44 What are the plans to face a protracted war in the Middle East?

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred. Increased geopolitical tensions globally, including the war in the Middle East, have certainly increased uncertainty and volatility. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook.

9.45 Can you explain the precise reasons why Aust Unity propose to vote against the Origin Energy takeover offer by Private Equity. AU now own around 17% of Origin shares and seem likely to sink the offer which requires 75% acceptance. It seems so many other advisers, institutions etc say it is an offer that should be accepted. The offer is above the independent report's maximum valuation. AU may have valid reasons but have been silent and could easily quote their own valuation or offer at which they would sell. AU looks like a DISRUPTER without justification. Please justify.

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9.46 I asked the Q re origin energy and Aust Unity being silent why they will vote against the Origin offer.

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9.47 Does the Board have any concerns with the political environment in the USA and its investment strategy in the US?

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred. The Board and Investment Committee oversee this approach to our investment strategy.

9.48 How was the potential hire of 200 more staff overseas found to increase the performance of the various funds - what was the rationale? The State Bank of SA (BankSA) back in the day went broke with actions like this. Short memories.

Building our international presence allows us to better understand local markets and grow our business relationships to provide better access to new investment opportunities and enable more agile and informed investment decisions. Today our offices in London, New York and Beijing have grown to over 100 employees. We anticipate these numbers will grow to around 300 colleagues over the next three years. As we expand our team internationally, a greater proportion of the investment portfolio will be invested outside of Australia. Looking forward we expect around seven out of 10 new dollars invested by the Fund will likely be invested overseas.

9.49 WITH HIGHER INTEREST RATES AND UNEMPLOYMENT FORECASTED BY MOST ECONOMISTS HOW IS AUST SUPER POSITIONING INVESTMENT FUNDS FOR NEXT 12 TO 24 MTHS

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.50 Mark could you please explain why Aust SUPER will not accept the current takeover offer for ORG (Origin) yet still build up a blocking stake? IS its Aust SUPER objective to make a full takeover at some point? Steven

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9.51 Mark what investment strategies are in place to navigate uncertain times whilst still trying to outperform other super funds? Steven

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9.52 Mark Aust Super has grown to a very large fund are you having trouble finding investment opportunities that will achieve a returns members will be happy with? Steven

AustralianSuper can access opportunities around the world only available to the largest investors. As the largest super fund in Australia, our scale allows us to build our investment expertise in-house and partner with world-class

investors. This global investing platform is more cost-effective for members and leverages the best investment, operating and technological expertise.

9.53 Thank you for a very informative and interesting session. 1. Are you considering higher exposure to emerging/developing markets? I have noticed only 3% investment in Asia markets in the balanced portfolio. Is it higher in the high growth option? 2. What is the strategy to counteract any black swan events (i.e, another pandemic, wider geopolitical conflicts?)

Investments in emerging markets are limited, primarily due to the size of listed and unlisted markets in the region compared to other global opportunities.

9.54 How does AustralianSuper reconcile its ESG commitments with its stance of resisting the Brookfield takeover of Origin - which makes a green transition harder?

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9.55 Why are you blocking the Brookfield takeover of Origin?

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9.56 The other option with growing your global footprint is partnering with trusted Asset Managers in those regions. How do you know and how are you tracking that this strategy is in members best interests?

One of the benefits of our approach to active management is our process for selecting top-performing managers. Although more than half of members' assets are internally managed, a considerable percentage is invested with external managers with specialised expertise or potential to add value to the portfolio. We choose managers with proven results and a high potential for long-term outperformance. As the largest super fund in Australia, and given our presence in key markets overseas, we benefit from access to top performing managers around the world. Every investment we make is in the lens of members' best financial interest.

9.57 How has inflation affected the returns over the long run in terms of the purchasing power.

There are a variety of factors that influence investment returns, including inflation, growth, risk sentiment and liquidity. Investment returns will not always have a stable relationship with inflation in the short term, but in the long term we aim to deliver an inflation plus return in line with the objectives specified for each option. Over the long-run, we still expect growth assets to provide superior returns. They play an important role in achieving returns above inflation and ensuring funds grow during the accumulation phase and last longer in the retirement phase. However, there are times when growth assets underperform other assets and we actively manage the portfolio with the aim of adding value during these periods and improving long-term returns.

9.58 What is your strategy for a balanced portfolio in a US recession?

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.59 Is there a regulatory reason why 50% of FUM is in Australia?

No, there is not a regulatory requirement for the level of investment in Australia. AustralianSuper's investment strategies are designed to be in line with the requirements of the SIS Act Section 52 and the Prudential Standards. These requirements involve managing assets in the best interests of beneficiaries (Members), which includes the

prudent management of risk, composition of investments and ensuring adequate diversification. AustralianSuper invests in a manner that is appropriate to help Members achieve their best possible retirement outcome. This is achieved by setting investment objectives and taking a sufficient level of risk to meet the Fund's investment return objectives.

9.60 What are the big thematic investments focusing your attention and the prudent investment strategies you need to execute on for the funds under management?

Our commitment to our long-term investment strategy and members' futures run hand in hand. Our robust investment strategy – centred on building our global presence, enhancing our internal investment capabilities and increasing the Fund's exposure to private market assets – underpins our approach to deliver future long-term performance for members. Looking forward, the investment team is considering the future economic and investment market outlook. This includes valuation trends and how factors such as technological change, the energy transition and global geopolitics will affect asset prices.

9.61 does AS support/promote investment into property using super via SMS?

AustralianSuper's role is to provide investment options for members that help them achieve their best financial position in retirement. Choosing an SMSF would be dependent on an individual's personal choices for their own retirement planning. <https://www.australiansuper.com/investments/choosing-the-right-option/smsf>

9.62 What do you see as the prospects for the fund to invest in build-to-rent housing?

AustralianSuper has joined other super funds, governments at all levels, investors as well as community and other residential housing developers in signing the Housing Accord 2022. The Accord recognises that access to safe, secure and affordable housing is key to the wellbeing of Australians. By signing the Accord, AustralianSuper is committing to being part of the national conversation and to exploring solutions to Australia's housing affordability challenges. We do this, while understanding our core purpose is to help members achieve their best financial position in retirement. The intent of the Accord is very much aligned to our purpose. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. We are supporting Assemble's innovative Build-to-Rent-to-Own and resident financial coaching initiatives, with construction due to commence on two new AustralianSuper-funded developments in Brunswick and Kensington in Melbourne.

9.63 Do you believe in increasing your investment exposure to China?

I actually think that China is going to do a bit better than people anticipate and the people have got too pessimistic about it, but the days where China grew at 6%, 7%, 8% I think are gone and probably growth rates of around 5% are more likely. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle. As at 30 June 2023, AustralianSuper had \$2.2 billion of member assets invested in China, which is less than 1% of total Fund assets.

9.64 Can you comment on how your reported decision to block Brookfield's takeover of Origin Energy, with its consequent massive (reportedly \$20Bn - \$30Bn) decarbonisation investment, meets your stated commitment to climate change strategies? I understand that you may be holding out for a higher price for the benefit of members, but how this tally with your stated commitment to net zero targets? Doesn't this just make you like any other asset manager, and a roadblock in Australia's net zero ambitions?

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9.65 What's happening with our investment in Origin Energy? Please be transparent and tell us what is your strategy regarding the takeover offer.

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9.66 Why so little investment in Asia?

Investments in Asia are limited, primarily due to the size of listed and unlisted markets in the region compared to other global opportunities.

9.67 Who do you consider your strongest competitors in the Industry Super space - and what are you doing to close the gap with them?

Many of the PreMixed options have SuperRatings peer benchmark, with a medium to long-term investment objective to outperform this benchmark. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle. We also compare ourselves to our peers in terms of fees, insurance and member services.

<https://www.australiansuper.com/compare-us/best> <https://www.australiansuper.com/compare-us/choose> APRA also provides statistics on the super industry. <https://www.apra.gov.au/quarterly-superannuation-product-statistics>

9.68 Hi Mark, keen to get some further colour on the Origin Energy transaction, as well as additionally, your general thoughts on finding quality in the ASX, compared with international valuations.

We invest to help members achieve their best financial position in retirement. For more information on our position in relation to Origin and the energy transition, please refer to the media releases available on our website <https://www.australiansuper.com/about-us/newsroom> In both the Australian and international equity portfolios we have positioned the holdings in areas that are expected to do well during this part of the market cycle. This includes defensive or quality companies that may perform better during a market downturn or companies that have business models that provide potential for long term growth.

9.69 The tech industry has performed well over the 2nd half of 2023, will you be adding to blue chip tech stocks through 2023?

In the international shares portfolio we have tilted the portfolio to have a higher weight to defensive and value-oriented securities. This means that there was an underweight to the technology securities that have strongly rallied over the past 6 months to 30 June 2023. Our portfolio positioning is based on the view of a potential material recession due to financial conditions that may be tighter for longer, i.e. higher central bank rates. International shares are trading at high valuations and the lagged effects of central bank policy still have the potential to impact the global share market. These tighter financial conditions may lead to slower economic growth and lower earnings for listed shares. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

9.70 Does the size of AustralianSuper's funds under management (FUM) limit the investment options available to it?

We don't believe our size is restricting our ability to deliver long-term outperformance for members. There are advantages that come with our size and scale. It allows us to attract strong talent in the form of our people, allows us access to deal flow and deal sizes that may be unavailable to smaller funds, allows for economies of scale when it comes to costs per member, and allows us to speak with a stronger voice on behalf of members.

9.71 What strategies will be implemented to improve investment performance?

The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when

listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

9.72 What is the outlook for the future valuation of unlisted property investments held by OzSuper following the reduced demand of tenants for office space because of changed working habits e.g. office / work from home balance?

Valuations are regularly updated in the portfolio, with the largest unlisted assets updated quarterly. These valuations reflect the current view of economic conditions and asset specific drivers, as well as discount rates and capitalisation rates. While market conditions do provide headwinds to some of the existing property holdings, we have focused our strategy for new assets in the portfolio to invest in areas where we see potential for growth, i.e. mixed used and development properties.

9.73 With the full benefit of hindsight did AS move to a defensive position too soon for FY23 investments given the relative performance of it most of its peers.

Monetary tightening often has a lagged impact on the economy and asset prices, with uncertainty of the actual timing. Another perspective is that consumer spending and corporate earnings has remained resilient, driving strong performance for global listed equity markets. This meant that share prices continued to be propelled by revenue growth, particularly in technology shares which led a concentrated rally in listed share markets. Our outlook remains cautious, as high interest rates have the potential to impact corporate earnings and slow economic growth. Nevertheless, we continue to seek assets that may be mispriced by the market and make investments that will support strong long-term performance.

9.74 What is the proportion of investments in unlisted assets like office buildings in our Retirement fund accounts. Would you consider unloading them given the state of the market.

As at 30 June 2023, about 2/3rds of the property portfolio is invested in Australian assets with the remaining 1/3rd invested in the US and the UK. The portfolio's largest exposures are to retail (30%), office (44%) and industrial (18%) properties. While market conditions do provide headwinds to some of the existing property holdings, we have focused our strategy for new assets in the portfolio to invest in areas where we see potential for growth, i.e. mixed used and development properties. We may seek to unwind some of the holdings, this can take several years to find a suitable buyer.

9.75 In general, how is Aus Super protecting members' funds against falling stock markets &/ or falling \$Au?

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.76 I am concerned about the trajectory of the Balanced fund investment returns considering current global geo-political and local cost of living pressures. What type of mid-term and longer term forecast is possible to provide members the ability to make plans for future investment choices?

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9.77 What is AustralianSuper strategy to overcome the negative impact of the current political situations, namely the wars in Ukraine and Israel and the instability elsewhere in the world including the brewing China/Taiwan situation, to the funds?

As part of our investment process, we analyse and monitor geopolitical risks and the potential impact on assets in the portfolio. As part of this, we have developed a framework to assess potential risks and established key actions to take when an event has occurred. Increased geopolitical tensions globally, including the conflicts in the Middle East and Ukraine, have certainly increased uncertainty and volatility. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook.

9.78 I have 2 questions, would be great if either could be answered: (1) Comment on the investment of self-managed super in property vs bluechip shares. Given the bear market, can it be considered a better return in 10 years? (2) With the turmoil in the stock market, are there still safe havens or are even they uncertain eg. gold, oil, forex etc?

1. The returns of self-managed super funds are highly variable and depending on the investments that a person chooses. Some sources below for further information. 2. As with any investment, an asset may gain or lose value over time, depending on market conditions. As a long-term investor in assets, the investment team must consider that the returns generated from an investment are often dependent on the relevant investment horizon for each asset. They also need to think about whether the asset will produce a reasonable return for the risk we take and consider the amount of exposure that we put in an asset in the context of its contribution to the whole portfolio. See page 7 of the Member Direct Guide: <https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/superannuation/guides/member-direct-guide.pdf> See also returns published by the ATO: <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/in-detail/statistics/annual-reports/self-managed-super-funds-a-statistical-overview-2020-21/investment-profile#ato-Investmentperformance>

9.79 With Central Banks struggling to understand current markets, what is Australian Super's investment strategy to stop the slide in returns and get our retirement savings back to growth?

As active managers, we continue to review and adjust the portfolio in response to the changing economic outlook and new opportunities. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is positioned defensively. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

9.80 What are good investments that we have for our security in the future?

Our investment team also looks to the long-term trends that we believe will impact our investment strategy in the future. This includes understanding the potential impacts on the economic environment and different investment markets of longer-term trends, such as technological disruption, climate change and the carbon transition, geopolitics and increased government intervention. This research helps inform our thinking about the risks and opportunities that lie ahead as we build a robust portfolio for the future that is well positioned to meet our investment objectives and build the retirement savings of members.

9.81 The investment committee is to be commended on the decision to reject the Origin takeover offer. It's so important long duration assets aren't sold cheaply to overseas interests.

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9.82 What strategies does AustralianSuper use to hedge against simultaneous declines in the valuation of bonds and equities?

Our investment team looks to the long-term trends that we believe will impact our investment strategy in the future. This includes understanding the potential impacts on the economic environment and different investment markets of longer-term trends. While it's quite rare to see a simultaneous broad decline in both equities and bonds - the recent occurrence was driven by historic levels of inflation and unprecedented contractionary monetary policy - it's

certainly a scenario we account for and work hard to navigate. In this type of environment, the investment team has and continues to anticipate slower economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. One of the actions taken by the team has been the shift towards defensive positioning. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when markets fall more broadly. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

9.83 How does your long-term investment strategy protect my super if there is a global downturn? AND Why aren't you investing more in Australia?

AustralianSuper has positioned the portfolio defensively based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. Looking forward, the investment team is considering the next steps during this economic cycle. These aspects include valuation trends and how factors such as technological change, the energy transition and global geopolitics will affect long-term asset prices. As the economic cycle progresses, we expect to re-risk the portfolio when valuations for growth assets become more attractive or when the outlook for the global economy changes. A material slowdown in the economy will create investment opportunities in growth asset classes, meaning that the fixed interest exposure in the portfolio will roll into growth-style investments such as listed shares, infrastructure, property or credit over time.

9.84 AustralianSuper is using its influence to block a \$20 billion investment in renewable energy in the form of a takeover by Brookfield. How is this in keeping with our funds' obligations to younger members? Can't the fund use its size and influence to do things that accelerate action on climate change?

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9.85 What are AustralianSuper renewable energy objectives in its Origin Energy takeover position?

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9.86 Is it the intention of OzSuper to join with Origin Energy to develop renewables in Australia? Why is this a good investment? What is the likely outcome of the ongoing market process?

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10 Policy

10.1 Govt often makes adverse changes to our pension funds. How to stop them?

AustralianSuper advocates for sustainable and equitable public policy in superannuation and financial services more broadly. To help achieve this we engage in advocacy, liaison and write public submissions to Government and regulatory agencies such as APRA, ASIC and the ATO. We also work with industry associations such as the Super Members Council of Australia and the Association of Superannuation Funds of Australia. All of our advocacy and engagement with Government is designed to help members achieve their best financial position in retirement, avoid adverse changes wherever possible, and to ensure genuine universality and fairness in the superannuation system.

10.2 Thanks to tonight's presenters. Government changes to limit the benefits of super for higher balance members seem to be adding layer upon layer of complexity to the system. Is Australian Super trying to lobby government to reduce complexity?

On 28 February 2023, the government announced it would reduce the superannuation tax concessions available to individuals whose total superannuation balances exceed \$3 million. The changes will apply from 1 July 2025. AustralianSuper has expressed support for the government's proposed reform to superannuation tax concessions, on the basis that it will improve the sustainability of the system. However, we continue to advocate for the indexation of the \$3 million threshold. We believe indexation is important to provide greater certainty and promote stability and confidence in the system, which is important given the long-term horizon of superannuation savings. We believe the Government's proposal to legislate an objective of superannuation provides an important opportunity to achieve policy and regulatory stability for the superannuation system going forward. An objective of superannuation is an important reference point that will help avoid short-term policy making which undermines long-term confidence in the system and unnecessary costs to superannuation funds and their members. Under the Government's bill, policy-makers in Government will be required to demonstrate how any future changes to superannuation law are consistent with the objective. AustralianSuper supports the Government's proposed objective that "the objective of superannuation is to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way." We have consistently favoured an objective that is simple and focused on what superannuation funds are designed to do – to help members achieve their best financial position in retirement. More information on our policy and advocacy work can be found on our Annual Report and on our website here.

10.3 Is AustralianSuper lobbying to remove or reduce the impact of the proposed tax above \$3Million on members, especially where it affects one spouse adversely and the other partner has an extremely low balance. This is innately unfair for single income families vs dual income families, and will affect more people in the decades to come as not indexed. It also gives SMSF an advantage over industry funds in the long term.

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10.4 Dr Russell explained the funds commitment to advocacy on behalf of members. It would be great to have some visibility of the issues which the funds seeks to advance, and how it puts its advocacy into effect.

AustralianSuper makes contributions to inquiries, reviews and policy processes to help improve member outcomes and the super system more broadly. This year our advocacy on behalf of members has included: 20 submissions to government and regulators regarding reforms to superannuation, issues around insurance, financial services regulation and investments; ongoing engagement with all levels of government and regulators to discuss how best to implement reforms to improve retirement outcomes for superannuation fund members; support and contributions to superannuation industry associations and peak bodies and their policy submissions. More information on our policy and advocacy work can be found in our Annual Report and on our website here.

10.5 Do you think the government's housing policy will help renters looking for housing?

Access to safe, secure and affordable housing is a challenge across the Australian community, and we are acutely aware of the impact the record low national vacancy rate has on many of our members. To make housing more affordable and improve the availability of housing, including for renters, it is necessary to significantly increase housing supply. This requires Governments, the construction sector and investors like super funds to work together to develop new approaches to financing and building housing that is affordable for tenants, but also provides appropriate returns for our members. Government has been working with investors, including AustralianSuper, to develop housing policy that aims to achieve this. AustralianSuper has a current investment in Assemble, a specialist developer in the social and affordable housing space. AustralianSuper's investment with Assemble is in a pipeline of Victorian build-to-rent-to-own developments aimed at providing an affordable pathway to home ownership. Our commitment will deliver 1,400 dwellings across five projects, and we will continue working with Government on housing policy to support our investment in these types of investments moving forward.

AustralianSuper has a history of strong long term performance. Over 10 years we are ranked 2nd among Australia's largest 50 superannuation Balanced investment options. The Balanced option has returned an average of 8.6% each year for the 10 years to 30 June 2023. HostPlus' Balanced investment option is ranked first with an average return of 8.93% each year, a difference of 0.33% each year, on average. We use the poorest performing fund, the average of super funds and AustralianSuper to demonstrate the difference of choosing a fund that performs well over the long term can make to your retirement balance and to highlight that what may seem like a relatively small difference in investment returns, can have over the long term. We could include a comparison to the best performing fund but given the very small difference in returns, compared to AustralianSuper, the long term impact on account balances is not as stark and we believe does not have the same impact and may dilute the message we are trying to communicate.

10.6 Thanks to tonight's presenters. Government changes to limit the benefits of super for higher balance members seem to be adding layer upon layer of complexity to the system. Is Australian Super trying to lobby government to reduce complexity?

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11 Product

11.1 are there any investment options from Australian Super which are interest free and not involving alcohol or pork industries specifically for Muslim community?

Thank you for your question.

AustralianSuper offers a range of investment options which includes an ESG investment option. Every few years we survey a cross section of our 3 million members to learn if there is significant demand for any particular style of investment option. At this time, there isn't sufficient demand.

11.2 Dear Executive Officers, Isn't it time for Australian Super to consider an investment option that would comply with the strict Islamic financial requirements so Australian Super would not miss out on tens of thousands of Muslim members and hundred of millions of their dollars to be invested in a proper way. Australian Super is a well performing and well established Super Fund, we only need an Ethical Investment option that do NOT invest in the following: hotels, clubs, alcohol, gambling, banks, weapons, pornography, pork related food industry and fashion industry. Please consider

Thank you for your question.

AustralianSuper offers a range of investment options which includes an ESG investment option. Every few years we survey a cross section of our 3 million members to learn if there is significant demand for any particular style of investment option. At this time there isn't sufficient demand.

11.3 Would Australian Super consider the possibility of creating joint super accounts? If not, why not?

Joint super accounts are not allowed under the law. You can though, use strategies such as a retribution strategy or spouse splitting contributions (subject to contribution limits and other rules) to reset individual balances to a combined effect. Also, when you are in the pension phase you can direct your retirement income payment to a joint bank account. If you'd like further information on these concepts and more, please get in touch with us either by phone on 1300 300 273 or visit our website to understand your advice options: australiansuper.com/tools-and-advice/your-advice-options

11.4 What are AustralianSuper's plans (if any) for expanding its retirement offering to include products with longevity protection?

AustralianSuper is exploring the options for products which would provide longevity protection and complement our existing Choice Income product.

11.5 My wife and I are retired. As retirees our needs and wants are to get a REGULAR income annually irrespective of the market fluctuations. To do this you will have to invent an innovative product to address the needs of your customer. If you want to be a cut above the rest, you will have to innovate and come up with something brilliant. (Please not half-baked ideas). The result being many retirees will opt for this new option of a regular income, rather than drawing from our savings during negative return years and waiting for the long-term positive returns to draw from our super. Are you ready for the challenge. If you are, this will separate the men from the boys.

AustralianSuper is exploring the options for products which would provide longevity protection and complement our existing Choice Income product. No decision has been made in relation to providing capital protection, however your comments will certainly be included in our consideration.

11.6 Between 20,000 - 30,000 migrants arrive from New Zealand to Australia each year. Does AS have plans to accept transfers from Kiwisaver in the future?

AustralianSuper doesn't currently have any plans to accept transfers from KiwiSaver.

11.7 The cash account in Member Direct is backed by ME bank. Are you able to provide assurance this company will not go under taking our funds? Are you able to substitute them with a more stable financial organisation so we don't lose sleep worrying if our funds will disappear.

ME Bank is now a subsidiary of Bank of Queensland (BoQ). Our Operational Due Diligence team performs regular reviews of the suppliers the Fund uses and assesses their risk.

12 Performance

12.1 What is your default investment option for customers who have not specified their preferences, and what was the annual return for the last year?

The Balanced option is the default investment option for members who have not chosen an investment option to invest in.

AustralianSuper's Balanced investment option returned 8.22% for Super (Accumulation) accounts and 9.03% for Choice Income (Retirement) accounts for the 2022/2023 financial year.

12.2 More detail how the premix is managed

AustralianSuper offers six PreMixed investment options for members: Balanced, High Growth, Socially Aware, Indexed Diversified, Conservative Balanced and Stable. You can read more about each option's investment objectives, targeted risk levels and strategic asset allocations here: australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice

Each PreMixed option is actively managed and invests in a different mix of assets and asset classes to achieve strong medium- to long-term investment returns while seeking enough risk to meet the investment objectives. Members can exercise choice and choose an investment option or mix of options that suits their investment objectives.

12.3 For the last almost two years, my super has stalled, in fact it is slightly less My question is why should I keep my retirement funds with Australian Super any further

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance over the past two years. The Balanced investment option for Accumulation accounts returned -2.73% in FY22 and +8.22% in FY23, delivering positive performance overall during that two-year period. With that said, it's been a particularly challenging and volatile time for investment markets.

Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Equity markets fell globally in FY22 before generating positive returns in FY23. Fixed interest assets – which are impacted when interest rates rise – had negative performance in both FY22 and FY23.

Depending on the exposure to different asset classes within each investment option, members experienced relevant returns over the past two years. Looking ahead, the investment team anticipates an environment of

slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.4 How is the prognosis of Balanced super funds over the next few years and looking at Global uncertainty still looming large over us.

AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.5 why the fee charged on diversified balanced fund is only 0.1% whereas balanced fund is 0.5%, n that balanced fund has a lower return, I thought higher return comes with higher risk n accordingly higher fee ?!!!

Investment fees and costs are based on the costs of managing an investment option. The Balanced option is actively managed and invests in a range of asset classes with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term. The Indexed Diversified option follows a passively managed approach which incurs a lower level of management fees and costs.

The outperformance of the Indexed Diversified option in recent periods is primarily due to the outperformance of listed Australian and international share markets over private markets, such as unlisted infrastructure, unlisted property and private equity, over the past year ending 30 June 2023.

AustralianSuper's management approach for the Balanced option has added value through active asset allocation, stock selection and investments in private markets over the long term. A comparison of the 10 year average annual returns demonstrate this outperformance.

Returns as at 30 June 2023:

Balanced option: 10-year pa: 8.60%

Indexed Diversified option: 10-year pa: 7.22%

12.6 Why did Australian Super Balanced fund drop out of the top 10 superannuation funds this year?

During volatile markets, it's common to see the ranking of different investment options vary from month to month. Our short-term performance ranking moves around as markets move up and down. The portfolio is positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As such, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.7 With the cash rate at 5%, why should I still keep my super invested in Australian Super?

At AustralianSuper, we invest in a diversified mix of assets to grow members' savings over time, balance this with an understanding of the risks we need to take to achieve this goal, and consider macroeconomic factors as we progress through market cycles. We believe that investing in a diversified portfolio of assets with a long-term outlook provides members the best opportunity for a good outcome in retirement. As interest rates have risen, AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.8 Can you please provide more information on exactly what our Super is invested in and a clearer breakdown of what the returns are made of: I.e. dividends, capital gains, other etc.

You can find a detailed breakdown of the investments in each option on our website here: australiansuper.com/investments/what-we-invest-in.

The crediting rates for the investment options include the total return of the assets in the portfolio and do not separate out the proportion to capital gains, interest and dividends.

The returns of the PreMixed options reflect the performance of the underlying asset classes that are held in the portfolios, which includes Australian shares, international shares, private equity, unlisted property, unlisted infrastructure, credit, fixed interest and cash.

12.9 Recently, there was some commentary in the financial press about Australian Super investments being over allocated to unlisted assets with questionable valuations which have in turn reflected on the fund performance. Can you please clarify the impact and how Australian Super going to rectify the issue.

Unlisted assets have historically provided a valuable contribution to the portfolio from a risk-return standpoint. Diversification is a cornerstone of our investment approach, and unlisted assets play a key role in this. For example, unlisted assets have helped bolster performance during periods when listed shares and fixed income were challenged.

Regarding valuations, AustralianSuper has well established and transparent policies and procedures for the valuation of unlisted assets. Our governance framework includes a dedicated Valuation team and a Valuation Committee to provide proper oversight. Appointing independent valuers is also a part of our valuation governance process.

For directly held assets, independent valuers regularly value the largest holdings in the portfolio. For example, some of the largest holdings in the portfolio, such as WestConnex (infrastructure) or King's Cross in London (property), are valued quarterly.

12.10 Excluding unlisted assets, how does AustralianSuper's performance compare to the top 5 superannuation providers over the last 3 years?

We are unable to compare our performance relative to other superannuation funds, ex-unlisted assets. According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023.

Regarding unlisted assets, it's important to remember that diversification is a cornerstone of our investment approach and unlisted assets play a key role in this. For example, unlisted assets have helped bolster performance during periods when listed shares and fixed income were challenged.

12.11 Why was the Investment performance so poor last F/Y as compared to other Funds?

In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. However, during volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down.

The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24.

As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.12 I am concerned about the proportion of, and the valuation of the unlisted assets in your portfolios. With risk free rates having adjusted upwards materially - and likely for the long term - it appears as if your portfolios are in for a long period of under-performance? Professional valuers finding a paucity of comparable sales in property, infrastructure and private equity - these downwards revaluations are going to take two or 3 years

Unlisted assets have historically provided a valuable contribution to the portfolio from a risk-return standpoint. Diversification is a cornerstone of our investment approach and unlisted assets play a key role in this. For example, unlisted assets have helped bolster performance during periods when listed shares and fixed income were challenged.

AustralianSuper's valuation approach has members' equity as an underlying objective. This means we seek to ensure equity across members over time as they enter the fund, add to their super, switch between options or perform withdrawals to spend their savings in retirement.

AustralianSuper's investment assets are valued in accordance with approved accounting standards and other applicable regulatory guides, which require that assets are measured at fair value. Fair value refers to the worth of an asset or its market value if it's bought or sold in an orderly transaction between hypothetical parties.

The Understanding Valuations article provides a summary of our approach:
australiansuper.com/investments/investment-articles/2023/05/understanding-valuations

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf

Regarding outlook, AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.13 Is there any plan to review to improve the performance of members funds?

In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. With that said, as active managers, we always continue to review and adjust the portfolio in response to the changing economic and market outlook.

The portfolio is positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24.

It's important to remember that super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.14 Could you demonstrate with statistics of performance comparison between Australian Super and other top 10 performing supers?

According to SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. It's important to remember that Super is a long-term investment. When markets go up and down, our short-term ranking will change accordingly. But staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.15 Why does it go up so slowly and down so quick?

It's natural for most of us feel a strong sense of loss aversion, where we experience losses more so than equivalent gains. With that said, it's important to remember that Super is a long-term investment. Even members in or approaching retirement could still be invested for another 20 years. Although markets have been volatile during

recent years, staying focused on the long term gives you a more realistic perspective of superannuation investment returns.

12.16 Why does Australian super does not have a low cost index option for asx200 or s&p500- the index diversified option is not for my needs

A range of ETFs are available through Member Direct that provide exposure to ASX200 and S&P 500. For more information go to: australiansuper.com/investments/your-investment-options/member-direct

12.17 Is the size of the fund restricting your ability to outperform the market?

We don't believe our size is restricting our ability to deliver long-term outperformance for members. There are advantages that come with our size and scale. It allows us to attract strong talent in the form of our people, allows us access to deal flow and deal sizes that may be unavailable to smaller funds, allows for economies of scale when it comes to costs per member, and allows us to speak with a stronger voice on behalf of members.

The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24.

As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.18 Why is my super not earning any more interest than a basic bank savings account would do?

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance recently. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict.

Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.19 Please explain why Australian Super is no longer a first quartile performer in investment returns for the balanced option.

According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. It's important to remember that Super is a long-term investment. When markets go up and down, our short-term ranking will change accordingly. But staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.20 What can we expect as reasonable returns for Australian Super during the FY 2023- 2024 and what are the expected challenges to achieve significant returns?

Although we cannot predict specific returns for the financial year ahead, global markets have been volatile and we acknowledge there are more challenges ahead for all investors. AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods.

While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.21 How has the fund performed vis a vis its major competitors and how has it delivered on value to its members?

According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members.

It's important to remember that Super is a long-term investment. When markets go up and down, our short-term ranking will change accordingly. But staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.22 How does the fund performance compare with other Australian Super Funds, and how is the fund staying diversified to mitigate the risks of a downturn?

According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. It's important to remember that Super is a long-term investment. When markets go up and down, our short-term ranking will change accordingly. But staying focused on the long term gives you a more realistic perspective of superannuation investment returns.

Regarding diversification, it is a cornerstone of our investment approach. AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods.

While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.23 Why didn't our super performance at least match domestic housing increase or CPI?

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance recently. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.24 Whilst markets have been turbulent and superannuation is a long term investment, the performance of the High Growth and Socially Aware funds that I am in, have not been as anticipated. Could you please cover, in detail, what work is being done within the investment team to support better outcomes. Thank you.

In FY23, the High Growth and Socially Aware investment options returned +10.48% and 7.44%, respectively, for Accumulation accounts, delivering solid performance for members. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.25 How is Australian Super performing long term compared to other Australian Super funds?

AustralianSuper is a top performing super fund over the long-term. According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 2 over 10 and 20 years, as at 30 June 2023. It's important to remember that Super is a long-term investment.

12.26 How do you plan making up for reduction in values of our super last year?

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance recently. According to SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index, AustralianSuper's Balanced option ranks in the top 10 over the last 3 years and in the top 2 over 10 and 20 years, as at 30 June 2023. In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. It's important to remember that Super is a long-term investment. When markets go up and down, our short-term ranking will change accordingly. But staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Looking ahead, AustralianSuper has defensively positioned the Balanced option's portfolio based on the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling.

12.27 The CPI for the year ended Dec 2022 was 7.8% and year ending Jun 2023 was around 6%. The return from balanced fund was 8.2%. Overall return after CPI is marginal. Can you please compare this with previous years and explain any difference?

It's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Inflation and interest rates have risen at rates not seen in decades. As such, it's important to remember that this has not been a normal year. But Super is long-term, so it's best to have a long-term outlook. The investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.28 What caused the Diversified Fixed Interest investment strategy to perform below the benchmark?

The Diversified Fixed Interest option is invested in a mix of fixed interest and cash securities to provide members an option with the aim to provide capital stability. While fixed interest securities are an important diversifier for investment portfolios and have historically provided portfolio stability when riskier assets are more volatile, there are times in the market and economic cycle when fixed interest securities can have negative returns. There is an inverse relationship between the price of fixed interest securities and interest rates. When market interest rates rise the value of a fixed interest portfolio can fall. As monetary policy tightened over the past 18 months, largely in response to inflationary pressures in developed market economies, interest rates trended higher, which put downward pressure on the value of fixed interest assets. Following the interest rate rises in recent periods, the return outlook for the fixed interest asset class has improved.

In recent periods, the returns of the Diversified Fixed Interest option have been impacted by the increasing interest rates, leading to the return of 1.22% over 1 year, -1.09% per annum over 3 years and 0.63% per annum over 5 years for the period ending 30 September 2023. Over the year to 30 September 2023, the option has underperformed with a return of 1.22%, compared to 2.21% for the benchmark. Current benchmark is: 50% Bloomberg Global Aggregate 1-5 Year Total Return Index hedged to AUD adjusted for tax and 50% Bloomberg AusBond Composite 0–5 Year Index adjusted for tax

Key reasons for this recent performance have been duration positioning and an underweight to credit securities. This positioning was based on heightened risks in the global economy and a concern for how credit spreads and defaults would play out in a softening of the markets. This concern did not eventuate as the global economy and credit securities remained resilient, leading to underperformance relative to the benchmark. Tactical duration positions around these views similarly dragged on performance.

12.29 How much money I lost and why? How you will give me that money back with interest? Why you do not invest in property or Crypto more as others making more money there? Why do not give minimum guarantee for losses.

Your investment return is based on the investment option(s) that you invest in. Updated returns available at: australiansuper.com/compare-us/our-performance

AustralianSuper does invest in Property but does not have any plans to invest directly in crypto-currencies at this time. In our view, crypto-currencies carry significant risks and have little to no regulation. As fiduciaries for our members' retirement savings, we don't think it's prudent to invest super in speculative financial instruments.

Investments that have a minimum guarantee are often insurance products, which can have higher costs with lower potential returns than comparable growth investments.

12.30 I'd also like to understand why we have under-performed the benchmark this year when many other funds have exceeded the benchmark.

During volatile markets, it's common to see the ranking of different investment options vary from month to month. Our short-term performance ranking moves around as markets move up and down. The portfolio is positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As such, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Looking ahead, we anticipate the potential for slower economic growth. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.31 Are we headed for another negative growth year in the Balanced Choice fund?

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.32 The balanced investment option is spoken about a lot in regards to its strong performance and better than comparable funds. Is there a focus on improving the performance of the other investment options - not just the balanced options?

Yes, we can assure members that the investment team pays as much attention to all investment options. The underlying investments are the same across each investment option - it is just the asset allocation mix and certain screens (e.g., exclusions for Socially Aware) that lead to different portfolios for each option.

12.33 Why is the Cash option returning only about 2.5% return when I can get about 5% myself in a bank account right now? This has been going on for over one year!!

12.34 With respect, I disagree with what was just said about the Cash return being the same as the bank. For example, if one has \$100,000 in Super, then at 5% return on Cash, this would equate to about \$13.69 return per day for 365 days to equate to \$5000 interest for the year. Currently, Australian Super is paying only half of that interest in the Cash option. Please explain.

12.35 Why did my bank at call account provide a better return than your cash account?

12.36 Why did the Cash fund return less than half the return that my bank investment did? The bank investment was at call so no different to funds in your cash fund.

12.37 Historically the cash option was near the level of RBA interest rates. Now it is much lower, and somewhat lower than cash rate of other super funds. The cash deposit rate on Member Direct Platform in Australian Super offers more than 5% interest. Why cash option in Accumulation and Pension accounts does not match the Member Direct's higher level of interest.

The Cash investment option returned 2.59% in FY23. The Cash option's investment objective is to outperform the Bloomberg AusBond Bank Bill Index over one year. The option has achieved its objective. When interest rates rise, the historic return of the Cash option may be lower than current interest rates offered by banks or the current RBA cash rate. That's because returns are backward-looking and include performance from when market interest rates were lower. When FY23 began, the official cash rate was only 0.85%. The Cash option must hold a diversified blend of money market instruments to meet daily liquidity for members. These securities typically earn a lower rate than longer dated fixed term investments. The Cash option also invests in money market instruments, including term deposits that have a maturity of greater than 6 months. These term deposits have a lower interest rate than current bank rates. Once these term deposits mature, they can be reinvested in securities with current market yields.

12.38 We need at least 7% to manage the rising cost of living. Can AustralianSuper give sustained 7% as this is what we need per year?

It's very difficult to predict future investment performance and no way to guarantee minimum returns for members. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.39 Why did you perform poorly last year?

During volatile markets, it's common to see performance of different investment options vary over the short-term. Our 1-year performance will move around as markets move up and down. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Currently, the portfolio has been positioned defensively, reflecting our expectation of a global slowdown. It's important to remember that super is a long-term investment and staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.40 Given last years overall good returns, is there any particular reason the last quarter seems to have under performed so badly?

Although many different factors affect performance, a major factor has been the performance of listed equities, which drove strong positive returns in FY23 but delivered negative returns during the three months to 30 September 2023. During volatile markets, it's common to see performance vary over the short-term. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns.

12.41 You have talked a lot about past performance. This current financial year has very low returns (balanced fund). Do you envisage this to continue for the rest of this financial year and the next?

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.42 How does AustralianSuper balanced fund performance rate against the Index funds around the globe?

AustralianSuper doesn't compare the performance of the Balanced option against that of global funds, but rather against the option's benchmark and relevant Super peers. With that said, as an active manager, AustralianSuper's Balanced option aims to add value and outperform relative to a passive index fund over the long-term. Active management allows the benefits of being able to make proactive and opportunistic investment decisions and access to unlisted assets.

12.43 With investment performance years going up and down over time, how do we plan for the potential that the year we plan to draw down on our super is a year that is very poor performance?

During volatile markets, it's common to see performance of different investment options vary over the short-term. Our 1-year performance will move around as markets move up and down. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Currently, the portfolio has been positioned defensively, reflecting our expectation of a global slowdown. It's important to remember that super is a long-term investment and staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.44 In addition to comparing against the poorest and median performing funds, how does AustralianSuper balance option compare to the best performing fund?

Over 10 years, the AustralianSuper Balanced option was ranked 2nd based on SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index as at 30 June 2023. The Balanced option returned an average of 8.6% each year compared to the best performing fund which returned an average return of 8.93% each year over for the 10 years to 30 June 2023, a difference of 0.33% each year, on average.

12.45 How did the best performing fund over 1, 3, and 10 years? (and compare with Aust Super).

Based on the SuperRatings Fund Crediting Rate Survey - SR50 Balanced (60–76) Index to 30 June 2023, the best performing funds returned an average annual return of 13.33% over one year, 10.00% over 3 years and 8.93% over 10 years. In comparison AustralianSuper's Balanced option returned an average annual return of 8.22% over one year, 8.23% over 3 years and 8.60% over 10 years.

12.46 Languishing at 36 in the AFR balanced performance list for FY 2023 & with the highest number of member complaints where is the upside in this fund.

During volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.47 WITH GLOBAL MARKETS VOLATILE THESE DAYS HAS THE MOVE TO MANAGING EQUITIES IN HOUSE ENABLED CONTROLLING RISK WHILST STILL PROVIDING %2B PERFORMANCE ?COULD YOU COMMENT ON WHY THE BALANCED FUND UNDERPERFORMED THE MEDIAN

The Balanced option is positioned defensively due to the challenging investment outlook. The option has a reduced allocation to growth assets, such as Australian and international shares, while increasing the allocation to defensive assets like fixed interest. This defensive positioning has led to lower performance compared to many peer funds over the past year due to listed markets performing better than expected and the resiliency of economic growth in the face of increasing interest rates and high inflation.

12.48 How are you tracking against other funds in this financial year for the balanced option?

The Balanced option outperformed the median during the first quarter of FY24. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities underperformed during the three months to 30 September 2023. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.49 AustralianSuper use to be leader in fund performance metrics over the 1-10yr time timeframe. Recent Balanced Fund performance is longer in the top 10 Super Funds per the SuperRatings website over FYTD, 1yr & 3yr. It also appears to be slipping on the 5yr performance listing. Given this information is Australian Super reviewing its investment allocations relative to its peers.

During volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1 and 3-year rankings will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.50 Australian shares return is bad, what is their future outlook?

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.51 I'm concerned with retirement returns given drawdowns might erode any growth given we are in headwinds of high inflation and lower equity returns. Usually it says you have 1 bad year in 5 but it seems there are 2-3 in 5. What are your thoughts.

There's no steadfast rule or way to predict future performance. For reference, we generally estimate the Balanced option could have about 5 negative annual returns over any given 20-year period. Our track record has outperformed that expectation; over the last 37 years, the Balanced option has had only 4 years of negative returns. Looking ahead, the major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active

managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.52 Can you put the best performing fund in that comparison slide moving forward?

Thank you for your feedback. We appreciate your input and engagement about what content is helpful in presentations.

12.53 Inquire about performance: "What has been the fund's performance over the past year, and how does it compare to industry benchmarks?"

In FY23, the Balanced investment option returned +8.22% for Accumulation accounts and +9.03% for Choice Income accounts, delivering solid performance for members. However, during volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option underperformed the median during FY23 but outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.54 Over the last 2 years, my investments have been in high growth. I would argue that it has been anything but growing.....Is high growth 10 year average masking poor performance of late?

The High Growth investment option for Accumulation accounts returned -3.93% in FY22 and +10.48% in FY23, delivering positive performance overall during that two year period. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Equity markets fell globally in FY22 before generating positive returns in FY23. Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.55 How is investment return looking in the current financial year for different investment choices?

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.56 Over the last couple of years every member has lost money do you expect over next couple year thing will improve and is there a chance to recoup that money lost.

Depending on which investment option you're invested in and whether you're withdrawing funds from your account in retirement, a number of different factors may have impacted your balance over the past two years. The Balanced investment option for Accumulation accounts returned -2.73% in FY22 and +8.22% in FY23, delivering positive performance overall during that two year period. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Equity markets fell globally in FY22 before generating positive returns in FY23. Fixed interest assets - which are impacted when interest rates rise - had negative performance in both FY22 and FY23. So, the asset class mix of each investment option really determined performance over the past two years. Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.57 AustralianSuper no longer ranks one of top funds in 2022-2023 with less than 9% return. How will AustralianSuper improve?

During volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.58 Please explain why last year's performance for the Balanced Fund failed achieve the industry benchmark level and what is being done to return to over-achieving the benchmark?

During volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.59 What is the reason for performance being not quite so good recently compared to other funds such as UNI Super please?

During volatile markets, it's common to see the ranking of different investment options vary over the short-term. Our 1-year ranking will move around more as markets move up and down. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities outperformed in FY23 but underperformed during the three months to 30 September 2023. As a result, the Balanced option outperformed the median during the first quarter of FY24. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.60 How will the current market fluctuation affect the DIY options for International shares as you know the International shares over 10 years average has performed far better than the premixed options.

It's very difficult to predict future investment performance. The major threats to investment markets continue to be persistent inflation, rising interest rates and significant geopolitical conflict. The investment team anticipates an environment of slowing economic growth ahead. This follows our analysis that tighter monetary policy leads to lower economic growth and that the valuations for growth assets have been expensive in recent periods. As a result, the portfolio is defensively positioned. While a more defensive portfolio allocation does not prevent negative returns, it can help to cushion the impact to returns when listed equity markets fall. Based on the current asset allocation of the Balanced option compared to peers, we expect to outperform the median balanced fund when listed markets are falling. As active managers, we continuously re-evaluate our positioning and seek out new opportunities as we progress through the market cycle.

12.61 Why don't you cite the Growth performance % as well as the Balanced one in your updates?

The High Growth investment option for Accumulation accounts returned +10.48% in FY23, delivering strong performance for members. With that said, it's been a particularly challenging and volatile time for investment markets. Returns have been impacted by persistent inflation, rising interest rates and significant geopolitical conflict. Looking ahead, the investment team anticipates an environment of slowing economic growth. However, the team has positioned the portfolio accordingly and continues to actively manage the Fund, working to cushion the impact of downturns while seeking opportunities for growth during recoveries.

12.62 For some time now, returns to members from the Diversified Fixed Interest investment have been in negative territory. What needs to change in our economy to push D.F I returns into positive territory?

While fixed interest securities are an important diversifier for investment portfolios and have historically provided portfolio stability when riskier assets are more volatile, there are times in the market and economic cycle when fixed interest securities can have negative returns. There is an inverse relationship between the price of fixed interest securities and interest rates. When market interest rates rise the value of a fixed interest portfolio can fall. As monetary policy tightened over the past 18 months, largely in response to inflationary pressures in developed market economies, interest rates trended higher, which put downward pressure on the value of fixed interest assets. In recent periods, the returns of the Diversified Fixed Interest option have been impacted by the increasing interest rates, leading to the return of 1.22% over 1 year, -1.09% per annum over 3 years and 0.63% per annum over 5 years for the period ending 30 September 2023. Following the interest rate rises in recent periods, the return outlook for the fixed interest asset class has improved. Fixed interest performance should continue to improve as interest rates stop rising.

12.63 I am really considering changing funds due to the balance for 2023 now in negative I am only a few years away from retiring I have changed my invest choices to help this but still no good result I would like to see more choices for people around 3 to 5 years from retirement I need to have my balance grow.

The Balanced option outperformed the median during the first quarter of FY24. The portfolio has been positioned defensively, reflecting our expectation of a global slowdown. Given our defensive strategy, we've held less in equities relative to some peers. Equities underperformed during the three months to 30 September 2023. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

12.64 Is inflation affecting my super? What about the Middle East war, does that have any impact?

The main impact of inflation has been the resulting decision of central banks to raise interest rates, in an effort to slow the economy and reduce inflation. This has led to increased volatility and a challenging investment environment. The conflict in the Middle East, as well as increased geopolitical tensions globally, have also increased uncertainty and volatility. As active managers, we continue to review and adjust the portfolio in response to the changing economic and market outlook. Super is a long-term investment. Staying focused on the long term gives you a more realistic perspective of superannuation investment returns. Members in or approaching retirement could still be invested for another 20 years.

13 Insurance

13.1 Why is there no insurance for those over 70 years of age

There is relatively little demand for insurance over age 70 as many members are focussed on retirement funding. After age 70, insurance becomes very expensive and the premiums erode retirement balances. In the event of unforeseen circumstances such as disability, members over age 65 can access their super even if they are still working.

13.2 What was the nature of some of the insurance related complaints?

Many of the insurance-related complaints relate to timeframes for payment of claims, particularly death claims. AustralianSuper is addressing this by, firstly, moving the claims assessment function from the administrator to the insurer TAL. This was completed earlier this year. Secondly, AustralianSuper is addressing processes and resources at both the administrator and insurer and engaging legal support to expedite death claim distributions.

13.3 How the Fund make sure that the Insurance Partner treats the members fairly, specially the members who join the Fund later in life considering many skilled immigrants in their 30s and 40s are part of this family and may have pre-existing health conditions?

The Fund has selection criteria for appointing and monitoring the insurer including benefits terms and conditions and underwriting and claims management approach. Members are eligible for basic cover, with no health evidence,

if they are 25 or older; and their super balance reaches \$6,000; and they've received an employer super contribution after their super balance first reaches \$6,000 (age limits and other conditions apply). Members can also apply for cover by providing detailed health information for the Insurer to consider.

13.4 How do you support members getting insurance, particularly to those with diabetes under control

Members are eligible for basic cover, with no health evidence, if they are 25 or older; and their super balance reaches \$6,000; and they've received an employer super contribution after their super balance first reaches \$6,000 (age limits and other conditions apply). Members can also apply for cover by providing detailed health information for the Insurer to consider.

13.5 Can I have my own Life Insurance with another provided and be able to claim from both Insurances ie. Australian Super and another private Insurance Company, if a situation does arise?

For Death and Total and Permanent Disablement, you're able to apply to claim a benefit regardless of whether you claim on insurance from another provider. AustralianSuper's Insurer will assess your eligibility to claim the benefit and make the decision on your claim, independently of whether you are claiming on insurance from another provider. So you can claim both insurances. For Income Protection, if you have two income protection policies, it generally doesn't mean you get paid twice as much if you make a claim. With AustralianSuper you can extend your waiting period while you're receiving benefit payments from another policy. This means you may get payments from us after payments from your other insurance provider stop. If you want to extend your waiting period:

- you must tell us that you're claiming on another income protection policy before the end of the benefit payment period with your other insurance provider, and
- you must continue to be disabled in order to receive payment.

If you make a claim on another income protection policy, payments from us will start on the later of:

- the end of your chosen waiting period, or
- the date you last received payment from the other policy, provided you continue to be totally or partially disabled, or
- on an earlier day that you choose after the date of your selected waiting period.

13.6 Automatic Insurance is so low for Professional workers, is there aim to increase this?

AustralianSuper sets basic cover (also referred to as default cover) at a level to ensure that the cost of insurance (premiums) for basic cover should not exceed 1% p.a. of salary over the member's lifetime (in super) to retirement or erode the ultimate retirement balance by more than 10% overall. There are no current plans to increase the amount of basic cover. Members can apply to increase their cover – find out more at <https://www.australiansuper.com/insurance/change-or-cancel-your-cover>

13.7 How long does it take on average for Choice Income account payments to continue with the reversionary beneficiary (spouse) after the death of the Member?

Once the required documentation is returned from the reversionary beneficiary the Choice Income Accounts should be set up within 5 days. Payments would then continue based on the instructions from the reversionary beneficiary.

13.8 A follow up question regarding Binding death benefit nominations: When will Australian Super introduce non-lapsing death benefit nominations, instead of requiring members to re-submit nominations every three years?

Thanks for expressing your interest in this option. The Fund is currently working to introduce non lapsing binding death benefit nominations. We will communicate this change to members once it is available.

13.9 Question 1: Death Benefit Claim Process, what is the process for a reversionary beneficiary to Claim a Death Benefit. Can AusSuper issue an information sheet on what documentation is required, eg Death Certificate, Probate and any other requirements required to be done before the deceased account is transferred to the beneficiary and how long does the process take.

For a reversionary beneficiary to claim a Death Benefit, the reversionary nomination must be validated and the beneficiary must complete a 'Choice Income pack' (which includes a checklist of requirements). This pack is sent out via post within 5 business days of the Fund being notified of the member's death on a reversionary account. Upon receipt of the required information, the account balance will be allocated into the new reversionary account.

13.10 1. AustralianSuper provided on 15 Sept 2023 a media release relating to "Statement regarding AustralianSuper's response to death claims" - BUT IT FAILS TO PUT ANY TIMELINE OF HOW LONG AUSTRALIANSUPER CAN TAKE TO PAY THE DEATH CLAIMS TO THE BENEFICIARIES - so allowing AustralianSuper the wriggle room to take years to pay to the member's nominated beneficiaries. Why does not AustralianSuper put a time limited for the payment? Delays in payment of Death Benefits to beneficiaries very seriously impact upon many members' families or beneficiaries. 2. WHY does AustralianSuper not provide forms on its website for Claiming after Death? It seriously impacts on the ability of the member to prepare and assists its beneficiaries -if or when the member passes away? 3. What is the Board doing to address these distressing issues being confronted by the members and beneficiaries - simply putting a media release does not suffice. 4) What role is the AustralianSuper taking in acting on these concerns from the Members? 5. Why does AustralianSuper a copy of the questions I have submitted as a record and assurance that my questions are actually going to be addressed?

We aim to finalise the majority of our death claims within 4 months depending on complexity. Some claims however can be very complex with multiple claimants, awaiting documentation from claimants to support their claims, requirements for documentation that is outside our or the claimant's control such as Probate or Coroner's Reports, and disputes in relation to the distribution decision that may end up with the Australian Financial Complaints Authority (AFCA).

We understand the impact of the death of a family member and the importance of finalising claims as quickly as possible, not only due to financial hardship that may be occurring but ensuring that the process is as quick and efficient as possible, at a time that they are grieving and need support, not complex processes.

AustralianSuper acknowledge that we have claims over 4 months old that should have had been more actively managed to enable faster resolution. We are applying extra resources and oversight on all claims to expedite the payment of aged claims.

We do not provide death claim forms on our website as it is important that a claimant speaks to a Case Manager to ensure that they are receiving the correct information in relation to a claim, the right claim forms and enabling AustralianSuper to be able to understand who the eligible dependants are right at the beginning of a claim. This helps expediate the process and limits piecemeal documentation being sent back. It also ensures that premiums stop being deducted from the account, should any insurance be held in the Fund.

13.11 You mentioned that some death claims are currently 12 months old and not resolved. What is the current average time of claim to settlement? Does this include beneficiaries being paid funds or is this just death insurance?

We aim to finalise the majority of our death claims (i.e. paid to beneficiaries) within 4 months depending on complexity. Some claims however can be very complex with multiple claimants, requirements for documentation that is outside our or the claimant's control such as Probate or Coroner's Reports, disputes in relation to the distribution decision that may end up with the Australian Financial Complaints Authority (AFCA) and/or awaiting documentation from claimants to support their claim.

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14 Cybersecurity

14.1 Which is more secure: using a web login or an app?

AustralianSuper takes the issue of account security and the privacy of our members very seriously. Protecting our members interests is of key importance with cyber security risks a focus area at the Fund. We have adopted international best practice frameworks to design and deploy robust security measures and processes that are designed to keep members' data safe and are consistent with relevant legislation and regulation. Australian Prudential Regulation Authority, ASIC, and other Australian and International regulatory bodies provide direction and oversight on how we operate. A strong assurance program of internal and external audits and independent assurance activities are in place to monitor our controls and processes to ensure we comply with regulatory requirements and effectively manage security risk. Security measures specific to protecting members include:

- Multi-factor authentication (MFA) for member critical actions within the Member Portal website and the Mobile App.
- A comprehensive account and transaction monitoring program is in place, including a dedicated team that analyses any suspicious behaviour.
- Any attempt to register an account online or reset a password automatically undergoes MFA, meaning a security code is sent to the member's mobile phone for verification.
- Increased call security and training to staff to increase mitigation controls and monitoring, especially in-light of recent high-profile cyberattacks and data breaches.
- Working with law enforcement agencies. We aim to have a balance between member convenience and security control.

At this time MFA is not required at the login process. The Fund continues to invest in its Information Security capability and has a roadmap of strategic security initiatives that includes further extending the use of MFA. AustralianSuper encourages the use of our Mobile App as it provides additional security features and allows members to access their super account securely and conveniently. Access to the App can be secured using a 4 Digit PIN. Secure biometrics including Touch ID or Face ID are available on compatible devices.

Features on the App include:

- Performance graphs to track your super
- View previous year's super summary
- Easy to view total contributions, payments, investment returns and fees
- Be notified when an employer makes a contribution
- Share your account details with your employer

14.2 A Question regarding Tech - the AustralianSuper app - could tech please make a face/fingerprint ID logins possible, as someone who forgets their password regularly and results in my account locked, this would remove this hassle.

14.3 Biometric still appears inaccessible on IOS - you speak of this being available however some of us have never seen this feature - can you please advise if this is a current feature or something being rolled out on your roadmap

The AustralianSuper Mobile App supports a 4 Digit PIN and biometrics (Touch ID or Face ID) on compatible iOS and Android devices. The feature can be enabled by selecting the "more" option bottom right on your App, then accessing "Settings", and selecting the option you wish to enable. The App will guide you through the setup. AustralianSuper continues to invest in its Information Security capability and has a roadmap of strategic security initiatives that includes further extending the use of multi-factor authentication.

14.4 It appears we maybe lagging behind on security. Why is it that we do not have a two way verification process when accessing Members accounts.

AustralianSuper takes the issue of account security and the privacy of our members very seriously. Protecting our members interests is of key importance with cyber security risks a focus area at the Fund. We have adopted international best practice frameworks to design and deploy robust security measures and processes that are

designed to keep members' data safe and are consistent with relevant legislation and regulation. Australian Prudential Regulation Authority, ASIC, and other Australian and International regulatory bodies provide direction and oversight on how we operate. A strong assurance program of internal and external audits and independent assurance activities are in place to monitor our controls and processes to ensure we comply with regulatory requirements and effectively manage security risk. Security measures specific to protecting members include:

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14.5 Give us an update on cyber security. What is AustralianSuper doing to stay ahead of the risk?

Protecting our members interests is of key importance with cyber security risks a focus area at the Fund. AustralianSuper continues to invest in its cyber security program. We have roadmap of planned security initiatives which are reviewed annually to ensure we continue to strengthen our control environment to meet emerging cyber risks. We have adopted international best practice frameworks to design and deploy robust security measures and processes that are designed to keep members' data safe and are consistent with relevant legislation and regulation. The Australian Prudential Regulation Authority, ASIC, and other Australian and International regulatory bodies provide direction and oversight on how we operate. A strong assurance program of internal and external audits and independent assurance activities are in place to monitor our controls and processes to ensure we comply with regulatory requirements and effectively manage security risk. The Fund also actively engages with specialist cyber security bodies such as the Australian Signals Directorate, the Australian Cyber Security Centre and industry forums to ensure we keep abreast of the evolving threat landscape.

14.6 How will AustralianSuper protect members' funds from AI based hacking?

AI presents both opportunity and challenges in terms of protecting AustralianSuper systems. The Fund will seek to take advantage of AI cyber security capabilities where appropriate to uplift cyber defences. We also invest in financial crime technology and highly proficient teams dedicated to the protection of members' accounts and quickly detecting when activity might be unauthorised, including having a robust security program that regularly tests for and enhances website and portal weaknesses. We also use sophisticated anti-fraud protective systems to defend against both human criminals and the use of automation and regularly test for resilience. We ensure that our systems and control requirements are robust and designed to keep members' data safe and are consistent with relevant legislation, regulation and global best practice. We also regularly educate members about new and evolving scam tactics that happen in superannuation, including posting warnings about rollovers to unknown self-managed super funds and ways that members can protect themselves online, via our website:

<https://www.australiansuper.com/superannuation/scam-alert> and <https://www.australiansuper.com/online-security-tips>

14.7 Just wondering why does AustralianSuper Web member log-in not include the option of secure 2-stage verification?

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- Increased call security and training to staff to increase mitigation controls and monitoring, especially in-light of recent high-profile cyberattacks and data breaches.
- Working with law enforcement agencies. We aim to have a balance between member convenience and security control.

At this time MFA is not required at the login process. The Fund continues to invest in its Information Security capability and has a roadmap of strategic security initiatives that includes further extending the use of MFA. AustralianSuper encourages the use of our Mobile App as it provides additional security features and allows members to access their super account securely and conveniently. Access to the App can be secured using a 4 Digit PIN. Secure biometrics including Touch ID or Face ID are available on compatible devices. Features on the App include:

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- View previous year's super summary
- Easy to view total contributions, payments, investment returns and fees
- Be notified when an employer makes a contribution
- Share your account details with your employer

14.8 Given all the recent hacks into corporate organisations, when will AustraliaSuper introduce multifactorial authorisation as an additional security process when accessing our accounts online? Thank you Mark

AustralianSuper takes the issue of account security and the privacy of our members very seriously. Protecting our members interests is of key importance with cyber security risks a focus area at the Fund. We have adopted international best practice frameworks to design and deploy robust security measures and processes that are designed to keep members' data safe and are consistent with relevant legislation and regulation. Australian Prudential Regulation Authority, ASIC, and other Australian and International regulatory bodies provide direction and oversight on how we operate. A strong assurance program of internal and external audits and independent assurance activities are in place to monitor our controls and processes to ensure we comply with regulatory requirements and effectively manage security risk. Security measures specific to protecting members include:

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- Performance graphs to track your super
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- Be notified when an employer makes a contribution
- Share your account details with your employer

14.9 I reported that while on a call with Link Advice I had received a message to call a 1300 number stating the caller was also from Link. It was clearly a scam. Was this investigated?

We appreciate that you raised your concerns with us as soon as you identified that something didn't seem quite right. We can confirm that after investigating, there was nothing at all suspicious about the call you received.

AustralianSuper has arrangements with Australian Administration Services Pty Limited (AAS) and Link Advice (both are bodies corporate of Link Group) to provide administration and financial advice services to members and employers of AustralianSuper. There may be times when you might receive a call from either of these organisations at any time depending on the service that's being provided. If you receive a call about administering your account, our representatives will always clearly identify themselves as calling from 'AustralianSuper' and explain the purpose for the call.

If you receive an advice service through Link Group, the representative will say that they are a financial adviser with 'Link Advice' which is a separate company to AustralianSuper. Our representatives must always record these interactions in our systems so if you have concerns, you can call us on our publicly available phone number 1300 300 273 to make sure that the person who called you was in fact from AustralianSuper. If you're not available to speak when we call, we will leave a voicemail with this number so that you can be confident that the call was legitimate.

We can assure you that we take the security and protection of members very seriously and there are robust investigation and escalation procedures in place to quickly identify, protect, and respond to scam activity. We educate members about what to look out for on several pages of our public website:

<https://www.australiansuper.com/online-security-tips> <https://www.australiansuper.com/superannuation/scam-alert>

15 Death claims

15.1 What is Australian Super doing to improve the process of releasing the funds in a prompt matter to beneficiaries of a deceased member?

15.2 What changes is Australian Super making to ensure the super funds for a deceased person can be provided to their beneficiaries in a prompt matter. Australian Super is not good on this as they are taking a very long time for beneficiaries to obtain the funds of the deceased member.

We regularly review and strengthen our processes and capabilities to improve the service and support we provide for members. We are lifting standards across the board and implementing processes to improve member services levels. For example, we have increased resources across the frontline in both the contact centre and dispute resolution teams with 44 new colleagues being added to the team in the last year. Following changes to our

processes and increased resources, we have seen a 25% reduction in outstanding death claims over the past two months. We also expect a further substantial reduction in outstanding death claims before Christmas 2023.

15.3 Given the recent media reports concerning excessive delays and obstruction for beneficiaries attempting to access Death benefits. What is AustralianSuper doing to ensure payouts are processed more expediently, that communication protocols are adequate and that full disclosure of all requirements for claimants is provided?

We are lifting standards across the board and implementing processes to improve member services levels. For example, we have increased resources across the frontline in both the contact centre and dispute resolution teams with 44 new colleagues being added to the team in the last year. Following changes to our processes and increased resources, we have seen a 25% reduction in outstanding death claims over the past two months. We also expect a further substantial reduction in outstanding death claims before Christmas 2023.

16 Fees

16.1 I was informed that there is no reduction in fees for those who are on (full) age pension. If this is correct, why not isn't this offered? Regards

16.2 Are there any initiatives planned for reducing costs to those who are between jobs or working overseas. Thanks

We don't offer reduced or discounted fees for any AustralianSuper member. As a profit to member fund we seek to keep costs as low as possible and as equitable for all members.

16.3 Can you share more details regarding the fees for the funds and how does it compare to the market?

AustralianSuper's administration fees are among the lowest in the industry*. We carefully manage our costs as we aim to keep them low and continue to provide the services members need and expect. Investment fees and costs are based on the costs of managing an investment option. For example, the Balanced option is actively managed and invests in a range of asset classes with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term.

* Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Super Fund Fee Survey June 2023 which compares administration fees and costs for MySuper products for a \$50,000 balance and Chant West Pension Fee Survey June 2023 which compares administration fees and costs for multi-manager growth options (61-80% growth assets) for a \$250,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.

16.4 Is there a catch to your lower administration fees? e.g. Did the performance fee increase?

There was no corresponding fee increase to the lowering of our administration fee in September 2022 and the Investment fees (that include performance fees) have reduced for the Balanced option. As a profit to member fund we seek to keep costs as low as possible and as equitable for all members.

16.5 I am a 57 year old full time volunteer. I have been volunteering most of my life and only had limited employment in recent years. I am not currently employed and am contributing very little to my super. I can't afford anything more. What guarantees are there for low extreme low income earners that we will have minimal account fees. That we won't go backwards because of fees.

Since 2019 all super funds have been required to cap their administration and investment fees (including indirect costs), at 3% pa. for members that have a final balance of less than \$6,000 for their MySuper (default) or choice product in an income year. Any amount charged in excess of that cap will be refunded directly to their account. AustralianSuper's fees for members invested in the Balanced investment option, are below 3% for members who have an account balance above \$1,934. This is a significantly lower balance threshold than the prescribed balance cap of \$6,000. More details of AustralianSuper's current fees for super accounts can be found here www.australiansuper.com/FeesandCostsGuide

16.6 What is the company preparing to do for people whose superannuation is under \$5,000.00 and being eroded by tax and administration fees? I have been working this time now over 3 years and company's have been contributing ever month now over \$4,000.00. After fees and tax I have now \$1,200.00 I feel that other companies get two thirds of my money and I'm supports to be thankful I got a quarter of it.

From 1 July 2019, a limit was introduced by the government on the amount of administration and investment fees and costs that can be charged to members with an account balance of below \$6,000. The total combined amount of these fees is capped at equal 3% of that member's account balance.

16.7 According to the "YourSuper Comparison" provided by the ATO Australian Super total annual fee is significantly higher than number of other comparable industry super funds, for example UniSuper. Why is this?

AustralianSuper's administration fees are among the lowest in the industry*. We carefully manage our costs as we aim to keep them low and continue to provide the services members need and expect. Investment fees and costs are based on the costs of managing an investment option. For example, the Balanced option is actively managed and invests in a range of asset classes with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term.

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16.8 Why don't fees get charged on a sliding scale? Why should people with higher balances be paying the same percentage in fees as people with very low balances?

Following fee changes in September 2022, admin fees are \$1 a week plus 0.10% of a member's balance (which is capped at \$350 per year for members still saving and \$600 per year for members with a Choice Income pension or TTR Income account). These numbers are gross of tax. It is estimated that less than 5% of members will pay the maximum capped fee \$402 pa for super accounts and \$652 for Choice Income accounts.

16.9 Do you have any plans to change the investment fee structure?

The way that super funds calculate and disclose fees and costs is tightly prescribed by regulation. AustralianSuper provides disclosure of fees and costs to manage each investment option in the PDS and Fees and costs – additional information documents. Investment fees and costs are based the costs of managing an investment option. For example, the Balanced option is actively managed and invests in a range of asset classes with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term.

16.10 Why such an exorbitant fees are levied on member direct account? Australian Super charges high fees to purchase or sell the shares. Despite that yearly fees are charged even if there is no transactions.

In April 2023, we lowered the fees for Member Direct. The annual portfolio administration fee for investing in Shares, ETFs & LICs reduced from \$395 to \$180. Brokerage costs were also lowered in April 2023. We charge additional fees for the Member Direct investment option to cover additional costs that the fund incurs to provide the platform and administration services. AustralianSuper is required to pay an annual fee to our service provider whether a member transacts on the platform or not. AustralianSuper does not receive any revenue from transactions made on the platform.

16.11 Do you have any plans on reducing fee during this difficult time?

The way that super funds calculate and report fees and costs is tightly prescribed by regulation. AustralianSuper provides disclosure of fees to manage each investment option in the PDS and Fees and costs – additional information documents. Investment fees and costs are based the costs of managing an investment option. For example, the Balanced option is actively managed and invests in a range of asset classes with an objective of

providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term.

16.12 Why are fees rising when increasing volumes of FUM should spread costs lowering fees?

Investment fees and costs are based the costs of managing an investment option. For example, the Balanced option is actively managed and invests in a range of asset classes with an objective of providing outperformance over a passive management approach. The option is managed to provide additional return that compensates for its fees and costs over the long term. For the 2022-23 financial year the investment fees and costs plus transaction costs for the Balanced option were 0.56%, compared to 0.69% for the previous 2021-22 financial year. Fees and costs have several components including investment fees and costs, performance fees and transaction costs. The primary contribution to the lower fees and costs in the 2022-23 financial year was lower transaction costs in the portfolio, largely due to a lower level of private market transaction activity. These costs can vary each year based on the level of transaction activity in the portfolio which can affect the amount incurred for items such as brokerage costs, stamp duty, due diligence costs and buy-sell spreads. Investment fees and costs include a range of expenses incurred, which include internal and external management costs, as well as custody, derivative, audit and administration costs relating to investments. These costs can vary from year to year and have trended lower over the past five years, from 0.51% in financial year 2017-18 to 0.40% in financial year 2022-23, due to the reduced cost of internal management and benefits of scale as member assets increase. For the Balanced option investment fees and costs (excluding performance fees) did increase from 0.37% to 0.40%. Performance fees are paid to some external investment managers for generating outperformance over a benchmark and are based on the average performance fees paid over the last five financial years.

16.13 Could you please consider a "sliding scale" for your admin fees? My concern is that with my \$1.6million balance, I can have an SMSF for only \$2000 in admin fees, however with Aust Super at .56%, my fees for that same balance are close to \$9000. I like Aust Super as a company, so I am sorry to hear from my friends with high balances that they are discouraged to join an Industry fund instead of having an SMSF. Thankyou.

It is important to differentiate between investment fees and costs and admin fees. The 0.56% fee you quote relates to investment fees and costs. For admin fees, members pay \$1 a week plus 0.10% of a member's balance (which is capped at \$350 per year for accumulation members and \$600 per year for members with a Choice Income pension or TTR Income account). These numbers are gross of tax.

16.14 By law, all large Super Funds must have a default " my super" type of portfolio. What is the name of the "my super" option in Australian Super and what are the fees associated with it, pls?

AustralianSuper's MySuper product is the Balanced Fund. For information on performance and fees, visit our website here <https://www.australiansuper.com/investments/your-investment-options/pre-mixed-investment-choice>

17 Governance

17.1 What financial implications has the non-merger of duplicate accounts been or going to be on member returns currently and or in due course due to this significant oversight?

17.2 Will fund members be liable for any costs to cover penalties arising from the ASIC prosecution of AS over failure to support members in consolidating duplicate AS accounts; and if so, does the trustee have any indication of the anticipated magnitude of such penalties, both in aggregate, and in terms of member liabilities?

17.3 Why are you being sued? Why is it so hard to make a withdrawal?

In September 2023, ASIC commenced civil proceedings against AustralianSuper in relation to a failure in our processes for identifying and combining multiple member accounts. Given the matter is now subject to Federal Court proceedings, AustralianSuper is limited in what it can say to internal and external stakeholders.

17.4 What actions are you taking to improve the governance of the Board (not appointing union and politicians - they have no relevant experience)

All Directors are non-executive and independent of management. Directors are appointed by the Trustee's shareholders. Member Directors are appointed by ACTU Super Shareholding Pty Ltd and Employer Directors are appointed by the Australian Industry Group. The Trustee shareholders jointly appoint Independent Directors. All Director appointments are subject to ratification by the Board. As at 30 June 2023, the Board comprised five member representative directors, five employer representative directors and two independent directors. The key skills and experience that the Board seeks in its membership are identified in the Board Skills Matrix. The collective skills of the Board, which relate to each skill domain, are also identified in the matrix. The Board Skills Matrix is available on our website.

17.5 ASIC fine regarding double charging, who pays the fine? Will the fine be coming from the aussuper fund, will this fine be paid by members?

Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed. If the court determines to impose a financial penalty on the Fund, this would be met from the Fund's Trustee Risk Reserve.

17.6 Does AustralianSuper fully comply with SPG530 with respect to the requirement to value unlisted assets every quarter? I'd also like to know whether the Trustees who are being sued by ASIC should continue in their role and what the bottom line impact on performance will be from the compensation that AustralianSuper are likely to pay.

AustralianSuper's valuation approach has members' equity as an underlying objective. This means we seek to ensure equity across members over time as they enter the fund, add to their super, switch between options or perform withdrawals to spend their savings in retirement. AustralianSuper's investment assets are valued in accordance with approved accounting standards and other applicable regulatory guides, which require that assets are measured at fair value. Fair value refers to the worth of an asset or its market value if it's bought or sold in an orderly transaction between hypothetical parties. The Understanding Valuations article provides a summary of our approach: <https://www.australiansuper.com/investments/investment-articles/2023/05/understanding-valuations>

Our Annual Financial Report also details our process of appointing independent valuers, our methodology and our fair value hierarchy approach (see page 9): <https://www.australiansuper.com/-/media/australian-super/files/about-us/financial-statements/2023-fund-financial-statements.pdf>

17.7 The recent media coverage around duplicating charges on Members Funds - can you explain what has happened, who it has impacted and what Aus Super will be doing about it? Thanks

AustralianSuper regularly identifies and combines multiple accounts held by a single member to help those members avoid paying extra fees. Regrettably, our processes did not cover all instances of multiple member accounts. This should not have happened and we apologise unreservedly. Impacted current and former members are being contacted and our aim is to return them as close as possible to the financial position they would be in now if this hadn't occurred. AustralianSuper implemented a member remediation program for this matter in May 2023, which is now substantially complete. We have also strengthened our processes for managing multiple accounts for all members.

17.8 Has a post incident review taken place since this ASIC event happened?

Yes. As a result of internal reviews we have strengthened our processes for managing multiple accounts for all members.

17.9 What is being done to address the problem highlighted in the media recently in regard to a spouse accessing funds when a member has deceased?

17.10 Recent publicity on not paying out spouses upon death, how is this being addressed? Would this mean taking out large amounts \$100k - \$1,5m be an issue if you wanted to take out money for personal use?

17.11 2nd Q what is AS doing to address the problems widows are having accessing their husbands super funds after they die.

17.12 When will the chronic problem the Fund has with payments to the beneficiaries of deceased members be resolved?

We know we've not been meeting some expectations in the processing of death benefit claims and have been taking significant steps to improve it. We've increased staffing in the specialist area that manages these claims with our administrator and engage regularly with them in relation to the timely management of these claims. We are working hard to improve turnaround times and our communications, noting that there is a prescribed process that needs to be followed and this can take time. As a profit-for-member fund AustralianSuper only charges members what it costs to provide insurance benefits.

17.13 Can the Board provide more details on industrial body payments and explain how this is my best financial interest?

Industrial bodies are organisations registered under the Fair Work (Registered Organisations) Act 2009 and include directors' fees and alliance partnership arrangements that cover advertising, marketing and education services to support the growth of the Fund which in turn helps us to deliver on our purpose to members.

17.14 How much has been given to Unions or their associates and what authority was given by members to make this payment from their retirement savings?

17.15 How much money do you donate or pay annually to any union or their associates or officials?

AustralianSuper does not donate any money to unions or officials. Like many large super funds, AustralianSuper undertakes a range of activities to attract new members and retain existing members. We have formal marketing and education agreements with a range of organisations, some of which are trade unions and employer associations. All transactions are made on normal commercial terms and contribute to the growth of the Fund. Director remuneration reflects their expertise and role, with directors determining whether their fees are paid directly to them or an organisation.

17.16 How are you intending on addressing the matters identified by ASIC, and are you informing affected members, and will penalties be taken out of the Trustees resources & not out of member funds?

17.17 Will PI insurance cover the legal costs, any penalties and payouts to members if Australian Super is found guilty of failing to consolidate ~ 90,000 member accounts? And how much will that increase current member administration costs? And how could that have happened?

In September 2023, ASIC commenced civil proceedings against AustralianSuper in relation to a failure in our processes for identifying and combining multiple member accounts. Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed. If the court determines to impose a financial penalty on the Fund, this would be met from the Fund's Trustee Risk Reserve.

17.18 As reported by the news media, Australian Super have double charged Members Account keeping fees and Insurance when the member has held multiple Super Accounts. What is the status when are members going to receive an update?

Impacted current and former members are being contacted and our aim is to return them as close as possible to the financial position they would be in now if this hadn't occurred. AustralianSuper implemented a member remediation program for this matter in May, which is now substantially complete.

17.19 What are related party payments?

Related party payments occur when payments are made to AustralianSuper subsidiaries for the Fund's Australian and international operations, when AustralianSuper purchases services from an organisation in which it also

invests, when a director of AustralianSuper is an employee or director of an organisation which provides services to AustralianSuper, or when an associated entity of such an organisation provides services to AustralianSuper.

17.20 Assumably some compensation will be paid to members charged fees twice and or the ACCC. The overcharging would have reflected in better returns to members current at the time. Can you please confirm the compensation will not be to the detriment or returns to newer members who weren't members at the time of the transgressions?

Impacted current and former members are being contacted and our aim is to return them as close as possible to the financial position they would be in now if this hadn't occurred. AustralianSuper implemented a member remediation program for this matter in May this year, which is now substantially complete. The cost of the remediation to members is paid from the Fund's Operational Risk Financial Reserve and the Fund does not have to increase administration fees to pay for this remediation. We have also strengthened our processes for managing multiple accounts for all members. Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed.

17.21 I would like to submit a vote if no confidence towards the entire board and have the board dismissed as we believe that the silo methodology is causing all the issues at Australian Super. Over 1000 complaints over lack of customer service.

We know that some members have not received the service they expect, and we are sorry we've disappointed them. We are focussed on improving and recognise to do this we need to significantly uplift the services experience we provide to members. We have increased resourcing across frontline teams in both contact centre and dispute resolution, and are continuing to invest in improving our self-serve capability so members who choose to interact with us through our digital channels (portal, app, website) are able to find the information they need and can do what they seek to do. This in turn improves the capacity for our in-person channels to focus on those members who need assistance and guidance for high complexity/engagement interactions.

18 Member Direct

18.1 What will you do about Member's Direct/UBS trading platform often being down? Many companies in the ASX200 not able to be purchased or indeed traded through the platform? Malfunction of platform so that, for example, some trades are removed before 30 days for no valid reason while others stay beyond 30 days and cannot be removed and therefore traded?

The fund has a service level agreement with the Member Direct platform provider to ensure 99.9% availability during market open hours. Over the last 12 months platform was unavailable on four occasions during this period with the outages ranging between 20 min and 3 hours. We were alerted through a member complaint that there may have been instances where certain limit orders that were past their expiration period were not removed which prevented the member from placing a new order. Since daily monitoring has been in place, there have not been any reported instances of this issue occurring and we continue to closely monitor trading limit orders.

18.2 Will members be able to contribute directly to Member Direct rather than having to contribute initially to their other investment option?

This is an existing limitation within our investment systems. We acknowledge that streamlining this process is something that members want and are investigating options to make it easier for members to direct their contributions into Member Direct with fewer manual steps.

18.3 Regarding Member Direct, when will appropriate trading tools be added to ensure members are not disadvantaged. E.g. when will Stop Loss or Trailing Stop Loss trading options be added, so that members are able to set and forget. The alternative is that members invest and potentially don't sell when the stock drops 30-40% in some instances.

The Member Direct platform does not offer Stop Loss trading and there are no plans to do so. Members can set-up Price Alerts to notify them when a target price is reached which they can use as a prompt to place a trade.

18.4 Hi guys, just wondering why you guys don't have the option to invest in government treasury bonds in the members direct?

The ETFs & LICs offered through Member Direct are reviewed by LONSEC an independent third-party ratings agency. Annually, LONSEC makes recommendations on the types of ETFs & LICs that could be added or removed from the investment menu. This year's review will consider suitable government treasury bonds that can be offered through Member Direct.

18.5 Will you be closing down Member Direct? It is a great platform. I prefer to make my own choices.

There are no plans to close down Member Direct. We believe the Member Direct product meets the needs of members who are seeking greater control and choice over their investments.

18.6 Seamless Transfer of Member Direct accounts, why can't two Member Direct accounts be combined into a new Pension account without having to sell and repurchase the Shares in one of the accounts which results in either additional cost in brokerage or additional fees to hold multiple pension accounts.

Members can request this via the Seamless Transfer form which is used to open a new Pension account and move the holdings in their current Member Direct account to a new Member Direct account that is attached to the new Pension account without the need to sell-down and re-purchase their current holdings in Member Direct. You need to hold Term Deposits or Shares in your current Member Direct account for this to occur. Certain conditions also apply. Refer to the Member Direct guide at australiansuper.com/MemberDirect

19 Multiple accounts

19.1 With regard to the problem of multiple accounts raised with the Government and a potential financial claim or penalty imposed on AustralianSuper, will the repayment come out of general customer's fund or any other special fund. Will it also affect the performance when the amount of payment is known?

Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed. If the court determines to impose a financial penalty on the Fund, this would be met from the Fund's Trustee Risk Reserve.

19.2 Can you please confirm if in fact it was Australian Super who identified the problem with multiple accounts or whether it was in fact your Auditor?

AustralianSuper self-reported this issue and has fully cooperated with ASIC and APRA on this matter.

20 Operations

20.1 Why does the annual report of our personal balances not get issued until about November when the EOFY is 30 June?

While the financial year ends on June 30, AustralianSuper takes time to reconcile all member accounts to ensure it is accurate and we meet our regulatory obligations on the Annual Statements. Every year, we endeavour to make our processes as efficient as possible, while also ensuring we listen to our members and incorporate any feedback or suggestions relayed to us via member surveys and the Contact Centre feedback. AustralianSuper endeavours to distribute all annual member statements by the end of December.

20.2 Why is the AMM being cached from a Chinese website ccindex.cn which insists on running scripts on my computer before I can see the AMM?

Per the Privacy Statement on the AMM registration site, AustralianSuper uses third party provider ON24 for the delivery of the AMM. ON24 is a global service provider and has advised that the default CDN for AustralianSuper's AMM audience streams are delivered by Chinacache. It is not uncommon for companies to use Chinese CDNs as well as others worldwide. These are secure for delivery only and no scripts should be running.

20.3 Can AustraliaSuper please change the Binding beneficiary from 3 yr to indefinite so members don't have to keep it up to date.

Thanks for expressing your interest in this option - the Fund is currently exploring non-lapsing binding nominations. Any future changes to introduce this option will be communicated to all members.

20.4 Why do I have to get certified copies of 9 different ID's to access my money? I've been trying since June, had several phone calls and the website is very user unfriendly and the Justice of the Peace at the Police Station where I keep going for more certified copies for you said you did the same thing to two women who reported you to Fox News and then they got their money within 24 hours! yet I'm still trying to and have to resort to this enquiry?

Protecting members' accounts is important to us, therefore we have robust security measures and processes in place to do that, which include providing proof of your identity for a number of actions. For further information, you can view our 'Providing proof of your identity' fact sheet available on our website:

<https://www.australiansuper.com/tools-and-advice/forms-and-fact-sheets>

20.5 What actions have been implemented to ensure there are no future issues that could lead to incorrect charges and is the resolution of the earlier reported overcharging now resolved and all credits processed including any interest impacts?

AustralianSuper has completed the remediation in full. All impacted member accounts are in the correct financial position had this error not occurred. In addition, we have strengthened our processes around managing multiple accounts for all members to ensure instances where a member has more than one account identified and appropriate actions are taken in a timely manner. The fund regularly identifies and combines multiple accounts held by a single member to help those members avoid extra fees. Following our review, we identified that our processes did not cover all instances of multiple member accounts. This should not have happened, and we apologise unreservedly to members.

21 Product

21.1 Why doesn't AustralianSuper offer investment options tied to a retirement year, such as TARGET 2030 RETIREMENT YEAR, TARGET 2035 RETIREMENT YEAR, and so on. This way, you can monitor the risk profile by investing in several options of varying risk, and I can choose which TARGET RETIREMENT FUND to invest in. Can this be done?

AustralianSuper's purpose is to help members achieve their best financial position in retirement noting that retirement means different things to different members including the age at which they chose to retire. Whilst it would be possible to offer individual investment options tied to a retirement year, we believe the cost of doing so outweighs the benefits and would not be in the best interests of our members overall. As such, we currently have no plans to offer this type of product.

21.2 Being now over 80 I am unable to add to my existing A Super account with more funds I have accumulated. Is it possible for you to create a non-super investment account I can invest in and take advantage of your team to manage more of my funds?

21.3 Would AusSuper consider retail investment options for members outside of Super?

AustralianSuper's purpose is to help members achieve their best financial position in retirement. This drives the work we do and the decisions we make every day. Whilst we recognise that investments outside of super may play a role in achieving this goal for some members (e.g. those over 75 or those that have reached their contribution caps), the expenditure required to set up this functionality would likely outweigh any benefits and would not be in the best financial interests for the majority of our members. As such, we currently have no plans to offer investment options outside of super.

21.4 when will AustralianSuper start accepting Kiwisaver rollers?

21.5 With thousands from NZ living in Australia, when will AustralianSuper permit Kiwisaver rollovers?

21.6 Why does AS not currently accept KiwiSaver transfers, and will this ever be offered to members?

AustralianSuper doesn't currently have any plans to accept transfers from a KiwiSaver. While we recognise that a small number of members may be interested in transferring from a KiwiSaver, the expenditure required to set up this functionality would not be in the best financial interest for the majority of our members.

21.7 Why are term deposits only available for Member Direct options, and not other investment options?

The Member Direct platform offers members the ability to purchase 3, 6 and 12 month Term Deposits from ME Bank and NAB for a fee that covers the additional costs of portfolio administration of Term Deposits. Currently there are no plans to introduce Term Deposits outside of Member Direct.

21.8 Is Australian super planning a lifestyle retirement product similar to qsuper?

AustralianSuper is actively exploring the options for products which would provide longevity protection, mitigating the risk of outliving your savings, and complement our existing Choice Income product.

21.9 Hi AS, could I ask if there is a plan to implement a "tracker fund". i.e. an investment fund that tracks one or more market index automatically without human input?

Our Indexed Diversified investment option invests in a range of assets using indexing strategies. For an additional fee, members are able to access our Member Direct investment option which offers a selection of Exchange Traded Funds (ETFs) that track various market indices e.g., ASX20, ASX200, S&P500 and NASDAQ100.

21.10 Why aren't Term Deposits offered in any of the other investment options besides Member Direct?

The Member Direct platform offers members the ability to purchase 3, 6 and 12 month Term Deposits from ME Bank and NAB for a fee that covers the additional costs of portfolio administration of Term Deposits. Currently there are no plans to introduce Term Deposits outside of Member Direct.

21.11 Although I'd prefer Australian Super would completely boycott all future investment in fossil fuels, your customer service people told me there are customers who actually WANT to invest in them. If that's the case, then could you please reverse the OPT IN defaults? Rather than request those who wish to NOT invest in fossil fuels to opt out, perhaps you could ask those that DO wish to invest in fossil fuels to OPT IN? If nothing else it would give you a better idea of the opinion of the customer base.

We understand that members have diverse values, preferences and attitudes when it comes to investing. To help understand what's important to members we undertake member surveys and consider this research in the investment options we offer. The majority of our members invest in our Balanced option which is our default option for members who do not exercise investment choice. Members who want to make a values based investment choice can opt in to our Socially Aware option. Based on recent survey results, we believe that this approach remains appropriate and aligns to the views of the majority of our members.

21.12 Is there any plan to offer non-expiring BDBNs?

Currently, members are able to complete a binding death beneficiary nomination which remains valid for three years from the date the form is signed. The expiry date of the binding nomination is shown on members' annual statements and we also remind members before their nomination expires. We currently have no plans to introduce indefinite binding death beneficiary nominations. This ensures that members wishes remain as up to date as possible should circumstances change, while balancing the administrative burden of renewing every three years.

21.13 Has consideration been given to having Reversionary Pension arrangement established once a fund is in pension mode?

AustralianSuper offers a reversionary beneficiary option in both the Transition to Retirement Income and Choice Income products. A reversionary beneficiary can be nominated at the commencement of your income account or added and updated at a later stage. Details of who can be nominated as a Reversionary Beneficiary is contained in

the Product Disclosure Statement document for each product and a form to make or update the reversionary beneficiary nomination is available on our website - **Making, changing or cancelling a reversionary beneficiary nomination form** (pension members).

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/superannuation/forms/update-your-details/reversionary-nomination-form.pdf>

21.14 Is Australian Super considering a product/option for Retirement Income streams that assists members (and their Advisers) address longevity issues?

AustralianSuper is actively exploring the options for products which would provide members longevity protection over some of their retirement income and complement our existing Choice Income product.

22 Retirement

22.1 My wife and I are retired. We do not qualify for a pension from the Government. As retirees our needs and wants are to get a REGULAR income annually, irrespective of market fluctuations. We do not want to draw down extra funds from our capital, especially during negative return years. Our super will not last long. Attempting something new is always difficult, but not impossible. Just as inventing an intelligent and innovative product to address the needs of your customers, to give us a REGULAR income, is difficult, however it is not impossible.

22.2 When does the Fund plan to introduce a Guaranteed retirement income stream product?

22.3 Last year Paul was asked a question about AUS Super offering Annuities. He said they were thinking about this. Is there any update?

22.4 As I am how to give retirees a regular income for retirees, irrespective of negative returns.

22.5 Given that once in retirement stage the income stream forms a very important part of the family income. On the death of the member by default the super is paid out to the estate or the nominated beneficiary. Which often results where the beneficiary is the surviving spouse they are forced to seek often very expensive financial advice. Whereas if the fund could provide a reversionary pension option this would be greatly beneficial as the funds stay in super and continue to meet the family needs. Question is has consideration been given by Aussuper to have a reversion at pension option.

Answered by Shawn Blackmore, Chief Officer Retirement during the meeting: Annuities are essentially a guarantee that will pay an income in retirement for life or a set term, also known as longevity products and also can be known as income guarantee products. Pleasingly, we've fast forwarded on our plans in designing what that longevity product could look like. We'll plan to have an announcement early next year and hope to have a product in members' hands in the next 12 to 18 months.

Both TTR Income and Choice Income products continue to provide regular income through all market conditions as long as there is sufficient balance to make payments. You can select your own investment options in the products or modify your income payment frequency and amount as long as the minimum annual payment amount requirements are met. Please note that returns from investment options are not guaranteed and past performance is not a reliable indicator of future performance.

You can nominate an eligible beneficiary to be a Reversionary beneficiary for both TTR Income and Choice Income products. The Reversionary Beneficiary will receive regular income payments until the balance reaches \$0. The **Making, changing or cancelling a reversionary nomination form**, is available on our website or can be sent out by contacting us on 1300 300 273

<https://www.australiansuper.com/-/media/australian-super/files/tools-and-advice/forms-and-fact-sheets/superannuation/forms/update-your-details/reversionary-nomination-form.pdf>

23 Service

23.1 Focussing on your acknowledgement about the challenge of dealing with claims following the death of a member - do you think that you have invested in the skills and customer service of your customer-facing team for LIVING members? This is not a personal point, more an example, but on the ONLY occasion when we sought to withdraw funds from OUR ACCOUNT, we experienced a complete run-around by unskilled team members who constantly complained about not having enough staff in that area. Customer service is invaluable. Do you have the right staff in that area? After all, it is OUR MONEY.

We appreciate your feedback and apologise for your experience. AustralianSuper has implemented a number of changes to uplift service this financial year. There has been significant investment in both resourcing and service improvements. Additional staff have been employed to ensure that members do not experience wait times when contacting us. We have undertaken a review of training and introduced new support options for consultants, to ensure that they can resolve our members queries in the first instance. Dedicated teams have been introduced to manage complex queries through to resolution. In addition, we have made changes to our recruitment process to ensure we are hiring the right people and increase staff retention. We have also implemented a range of employee engagement initiatives to ensure that we retain a pool of experienced and tenured staff. AustralianSuper is committed to continually improving customer service and have a range of further improvements planned for the rest of the year.

23.2 What is management doing with respect to improving service levels to members as highlighted by both the regulator and various politicians in recent times with respect to complaints and claims management.

AustralianSuper has made significant investment in increasing staffing levels in Complaints this financial year. In addition, we have implemented new processes designed to resolve complaints in the first instance. We are confident that these actions will continue to improve the management of complaints. We have also increased staffing levels in Claims Management, implemented new processes and systems and are continuing an ongoing body of work to uplift Claims Management for Death claims. We recently transitioned Total and Permanent Disability and Income Protection claims to TAL for Claims Management, which is proving to be a successful transition. We are confident that these actions will ensure that we meet member expectations moving forward.

23.3 Why don't you offer a Binding Nomination option?

The Fund does currently offer a binding nomination option, which remains valid for three years. You can make, change or cancel a binding death nomination by using the 'Binding Death Benefit nomination form', which can be accessed via: <https://www.australiansuper.com/tools-and-advice/forms-and-fact-sheets>

23.4 Is it true that your super balance does not form part of your wishes as per your will?

Where a member has completed a Binding death benefit nomination form in favour of the Estate, as long as it's valid, the nomination is legally binding, and the Trustee has an obligation to pay the benefit to the Estate. In the absence of a Binding death benefit nomination, a superannuation benefit does not form part of the Estate of a member except where the member is not survived by any dependants and the Trustee decides to pay the benefit to the Estate. To understand the options available when nominating a beneficiary please review the attached article. [helphttps://www.australiansuper.com/superannuation/superannuation-articles/2019/09/what-happens-to-my-super-when-i-die](https://www.australiansuper.com/superannuation/superannuation-articles/2019/09/what-happens-to-my-super-when-i-die).

23.5 When will I be able to log in and see both Accum and Choice accounts, without having to log in twice? Thanks for a great AMM, very informative.

Members are able to see multiple accounts under a single identity as part of the Customer Reference Number merge. To do this, contact AustralianSuper on 1300 300 273 and request to have your accounts merged. This process occurs on a daily basis and once completed, you'll receive an email notification confirming the merge has occurred.

23.6 Why am I sometimes waiting 20 minutes to get through to call centre?

We apologise for wait times experienced by our members, and we thank you for your feedback. AustralianSuper is always trying to deliver the best possible experience for members through:

- monitoring resourcing levels and wait times. This financial year to date, average wait times is less than 2 minutes.
- providing 24/7 help by improving our virtual agent ASH (AustralianSuper Helper Bot)
- extending self-service through our website, member portal and mobile app to help get what you want quickly, easily and at a time convenient to you.

We acknowledge there can be unexpected call volumes that occur periodically which do impact wait times temporarily.

23.7 For inheritance tax planning and strategies in Member Services, what has Aust Super plan and/or are in the process to do in the future years to provide digital online services to enable members so that they can minimise tax payable by their non dependent beneficiaries on their taxable component assets when paid out to the non dependent beneficiaries upon death.

Estate planning considerations with regards to Superannuation is a complex topic and individual needs vary widely. Whilst we do not have a tool available, we do offer Educational resources to help guide members, including a fact sheet <https://www.australiansuper.com/superannuation/superannuation-articles/2019/09/what-happens-to-my-super-when-i-die> plus on demand education videos <https://auth.australiansuper.com/campaigns/supertalks>. As every member situation is unique, we encourage all members who need assistance with Estate planning strategies to seek personal advice. We offer access to a range of advice options that are available here <https://www.australiansuper.com/tools-and-advice/your-advice-options>

23.8 What is the plan to improve the admin processes for switching funds, eg. Pension phase to Superannuation, add funds, back to Pension phase.

We acknowledge that transactions to transfer between superannuation and pension phases or between pension phase and superannuation are time consuming. AustralianSuper is currently looking at ways we can make the experience easier and faster for members.

23.9 Why do MD staff not get back, either by phone or email, as they promised with enquiries such as those I have asked about above.

Thank you for your question, and we apologise for your experience. Our purpose is to help members achieve their best financial position in retirement. This includes that all contact from members is responded to and take this very seriously. We have many processes in place to ensure that promises of return contact are kept and addressed. We apologise for your experience and will continue to take action to ensure promises to our members are kept.

23.10 Why is the latest AustralianSuper website slower than the previous website?

We monitor overall site performance across the website and continually make improvements to any observed performance issues and identify opportunities to improve performance. We have not seen any notable decrease in performance.

23.11 If you really have a "members first" approach, why is it so dam hard to get in contact - both your interminable phone tree and mainly the fact that your staff on phone are so uninformed and inexpert.

We appreciate your feedback and apologise for your experience. The system (IVR) is used to ensure members are directed to a customer service consultant that is trained to assist them with their type of query, aims to reduce the overall length of the call, and reduce the need to transfer a member to another consultant. We do review this yearly to simplify and shorten the time to get to a consultant, but we recognise that it could be better. We are excited to announce that we are currently moving to a new telephony system which will allow us to make significant changes to improve member experience in the coming months. AustralianSuper has also implemented a number of changes to uplift service this financial year. There have been significant investment in both resourcing, recruitment process and service improvements including training and support for consultants, to resolve members queries in the first instance. This includes dedicated teams to manage complex queries through to resolution. AustralianSuper is committed to continually improving service and further improvements are planned for the rest of the year.

23.12 Re Complaints Question: There was no answer specifically to the NUMBER of complaints received? Percentages hide the aggregate numbers.

AustralianSuper received a total of 36,550 complaints for the year ending 30/6/2023. This includes complaints made to the Fund's insurer. Around 65% of all complaints were able to be resolved verbally during the complainant's first interaction with the Fund. These figures are included within AustralianSuper's 2023 Annual Report.

23.13 Why is the Customer Service function at Australian Super, so poor? If you look at the online customer reviews and complaints regarding Australian Super, there is a recurring theme - Australian Super is not processing customer withdrawals in a timely manner In my experience, a partial withdrawal from my Income Choice Account took a month (not 5-7 days as stated on your website). It is extremely frustrating and inconvenient. As a self funded retiree I want my money when I need it! What is Australian Super doing to rectify your broken system?

We recognise that there have been delays in withdrawals for some customers. AustralianSuper is committed to making it easier and quicker for members to withdraw their money, whilst ensuring that strong processes are in place to protect your money against fraud. We are currently undertaking a review of all aspects of the withdrawal process and have assigned a business unit to work through the recommendations from the review. Improving the withdrawals process is a key priority for The Fund for this financial year.

23.14 Aus Super is doing an acceptable job in managing superannuation money but a lousy job in the administration of the accounts of their constituency. Your rating in Product Review is worse than Telstrat, Optus ... and, unbelievably.... Qantas. When can we expect you to get on top of this issue and start delivering competent client admin please?

AustralianSuper is committed to reviewing member feedback from a range of sources to ensure that any pain points or processes that are impacting the member experience are understood. AustralianSuper is also committed to continuous improvement and working very closely with our administrator to ensure that our administrative processes are first class that ultimately deliver a positive member experience.

23.15 Why is it so hard to make a withdrawal?

Protecting members' retirement savings is important to us, therefore requires robust security measures and processes that can take time to complete to ensure any withdrawal goes to the right person. Member feedback is taken very seriously, and we are reviewing these processes to improve member experience.

23.16 How to consolidate my money from the other account to AustralianSuper?

Members can consolidate their money from other accounts via the website or by logging in. After logging in, members can navigate to 'Transactions' followed by 'Consolidate Super'. From there, members can complete the online form and request to roll their funds into AustralianSuper. To find out more <https://www.australiansuper.com/superannuation/consolidate-your-super>

23.17 Why is the AustralianSuper mobile phone app - show numbers that are clearly incorrect.

We're not aware of any issues with inaccurate data being provided to members. If you're concerned information is incorrect, please contact us on 1300 300 273 so we can have it investigated.

23.18 Is the current minimum % rate of fortnightly payment designed to reduce size of my super fund or can it be adjusted to maintain the currently available funds?

We acknowledge that transactions to transfer between superannuation and pension phases or between pension phase and superannuation are time consuming. AustralianSuper is currently looking at ways we can make the experience easier and faster for members.

23.19 Is there an entry/exit fees when switching between funds?

With regards to AustralianSuper, there are NO fees associated with joining the Fund or when a member chooses to action a full or partial rollover / cash withdrawal. The Fees and costs associated with accumulation and Choice Income or TTR accounts can be found here: <https://www.australiansuper.com/compare-us/fees-and-costs>

23.20 If I get another job, how do I change it with you guys?

When starting work with a new employer you'll be asked to nominate your choice of fund. You can do this a few ways; Online or via mobile app. Select 'Send details to my employer' from the 'more' menu. Form: Pay into my AustralianSuper form-complete and provide to your employer. Telling your employer your super account details, which may be online or using 'Superannuation Standard Choice Form' (ATO) Find out more at <https://www.australiansuper.com/superannuation/abn-usi-details-for-employer> or <https://www.australiansuper.com/campaigns/job-changers>

23.21 Given that AustralianSuper is Australia's largest Industry Super fund by both funds under management, and members, do you think that it is acceptable that you have one of the worst performing IT systems? You cannot allow members or non-members to unsubscribe from emails, for example. You don't support a Power of Attorney following a member from accumulation to pension - even though the PoA applies to the member, not the account. Members cannot use the online form to request a Centrelink schedule, but have to call, and then wait more than 48 hours for it to be generated. Your systems and processes are not up to scratch. Are you happy with the lack of maintenance in systems?

AustralianSuper is committed to reviewing member feedback to ensure that any pain points or processes that are impacting the member experience are understood and are committed to continuous improvement. This includes system updates and have invested in changes to our IT delivery recently. Please contact us on 1300 300 273 if you encounter an IT issue with 'unsubscribe' functionality so we can resolve as we are not aware of the issue. The Power of Attorney (POA) is applied to the member or account number supplied in the application form for POA. This is to support members who may only want a POA on one of their accounts, not all. We can take your 'Power of Attorney' issue feedback to the product team to have it considered in future changes. Centrelink Schedules-are available online if you are registered for download same day. However, when requested by phone it does take 48 hours for request to be generated, then made available. We can take that feedback to the product team to have it considered in future improvements.

23.22 How is Australian super going to improve complaints handling e.g. Australian Financial review on 7/11/23 stated 'Aust Super was the worst retirement fund for complaints last financial year, as grievances more than doubled to 1750 or more than two times the average of other big providers on a per member basis.' With my unresolved complaint I can understand why there are so many complaints.

We are aware of this metric and while the Fund has experienced significant growth over recent years, we do not consider our size to be a justification for a higher volume of complaints either in general or on a per member basis. From a complaints handling perspective, we have added a number of positions to our team over recent months and expect to have all these roles filled by December 2023 which will improve resolution and help inform the delivery of continuous improvement to member outcomes. A number of initiatives are also underway to improve customer service and simplify processes and we expect this work will result in increased member satisfaction and a reduced number of complaints.

23.23 Why is it so difficult to communicate with you? Why does it take so long for you to deal with requests?

We apologise that you have found it difficult to communicate with us and for any delays in dealing with your requests. This year we have made a number of changes to uplift customer service and there has been significant investment in both resourcing and service improvements. Additional staff have been employed to ensure that members do not experience wait times when initially contacting us, or to obtain a response. We have undertaken a review of training and introduced new support options for consultants, to ensure that they can resolve our members queries in the first instance. We have implemented an automated process to identify repeat calls, as a repeat call indicates that a member's query has not been resolved. These calls are assigned to a new team tasked with managing unresolved queries through to resolution. This team is resolving over 95% of such queries within 24 hours. AustralianSuper is committed to continually improving customer service and have more improvement initiatives planned for the rest of the year.

23.24 What happens when somebody all of a sudden is for health reasons, e.g. someone is in a coma, not able to extent the binding nomination. Will the binding nomination then automatically be extended?

A binding nomination remains valid for three years - it is unable to be automatically extended. If the binding nomination expires, the Trustee will use this information as a guide to work out who to pay the benefit to (but will not be bound by the nomination).

23.25 Why is it that, after 3 months of talking/requesting staff on several occasions to send me statement for an account which was closed August 2023 is still not done.

We apologise that you have not received your statement. Our members should not have to contact us more than once to obtain a statement, so it would appear that something has gone wrong with the process. We will look into this and ensure it is rectified. To address the topic more broadly, we have recently implemented two new teams, tasked with resolving ongoing and complex queries. These teams are staffed with senior customer service and superannuation experts. Once a query is assigned to a consultant, the consultant is responsible for managing that query through to resolution. This approach is proving successful and is resolving ongoing and complex queries within 24 hours. With optimal staffing levels and the new processes and teams for ongoing queries, we are confident that member queries will continue to be managed in a timely fashion.

23.26 The customer service is currently at a very bad state going by feedback and reviews, what actions are being taken to address this?

Thank you for your question. We appreciate your feedback and apologise for your experience. AustralianSuper has implemented a number of changes to uplift service this financial year. There has been significant investment in both resourcing and service improvements. Additional staff have been employed to ensure that members do not experience wait times when contacting us. We have undertaken a review of training and introduced new support options for consultants, to ensure that they can resolve our members queries in the first instance. Dedicated teams have been introduced to manage complex queries through to resolution. In addition, we have made changes to our recruitment process to ensure we are hiring the right people and increase staff retention. We have also implemented a range of employee engagement initiatives to ensure that we retain a pool of experienced and tenured staff. AustralianSuper is committed to continually improving customer service and have a range of further improvements planned for the rest of the year.

23.27 Your customer facing associates seem to make commitments that then everyone else ignores and never delivers on. Is this a standard approach to members and telling them one thing and not following through?

Apologies that you experienced this. Our member-facing staff provide information around things like administrative processes, next steps and estimated processing dates. Whilst we use our best endeavours to ensure that all actions are completed as advised, there are many factors that can result in a delay to a process or a transaction – an example being if we have received a form that has not been filled out completely or correctly. It should be clear when our customer service consultants provide such information, that it is indicative only. If that was not clear, we apologise and will take steps to ensure that we are clear in future. Should there have been any other type of undertaking not kept, that is not our standard approach and we work closely with customer facing staff to ensure that we do what we say we will do. This includes the continuous review of processes and the controls around those processes to ensure that this happens. AustralianSuper takes our promises to our members very seriously and we will continue to review all processes to ensure that we are meeting member needs.

24 General

24.1 1. When members have died, how many cases have taken more than three months for beneficiaries to be paid? 2. Has AustralianSuper been investigated or inspected by FairWork, Worksafe, Antidiscrimination commissions or other employment condition agencies in 2022 or 2023 so far? If so, what were the outcomes and findings (in general terms for AustralianSuper's workplace policies and practices without identifying individual cases). Please mention any risk and equity implications (gender, age, race, disability) for the Fund.

There are a number of steps we need to take to ensure the right beneficiaries receive the correct payment. The process can be delayed or complicated if there is no binding nomination, delays in receiving documentation or if there is a dispute over beneficiaries' entitlements. On average, when all processes are working efficiently, we

expect that around 80% of claims are paid within 4 months. On 17 January 2023, two WorkSafe Victoria Inspectors from the WorkSafe Psychosocial Team attended the Melbourne office as part of WorkSafe Victoria's proactive intervention program. The purpose of the site visit was to assess the risk of psychosocial hazards in the workplace by reviewing the Fund's policies, procedures and training relating to bullying and inappropriate workplace behaviours. The Inspectors concluded that AustralianSuper is providing training and instruction for preventing and responding to inappropriate behaviour and is meeting its obligations under the Occupational Health and Safety Act to provide a safe working environment free from risks to health and safety.

24.2 When will these members meetings become face to face again?

This year we have run two in-person Member Updates, one in Melbourne and one in Perth. We will continue to run the regulatory required Annual Member Meeting online so that members across Australia can access it, but the expectation is we will run a number of in person Member Updates (previously known as Member Briefings) in person each year.

24.3 What are the benefits Aus super is giving bit not other funds?

You can compare AustralianSuper with other super funds here. <https://www.australiansuper.com/compare-us>

24.4 I refer to the AustralianSuper statement issued to the media on 15 Sept 2023: "Statement regarding AustralianSuper's response to death claims". Could the AustralianSuper Board and Management advise WHY the necessary forms required to make death claims, are not able to be immediately released on AustralianSuper website, so that a number of issues related to preparing and lodging such claims can be prepared for more efficiently and in a timely manner?

When a Death claim is notified we need to check the member's account is active and gather information prior to sending out claim forms. We are however investigating automating the sending of the forms via email when the notification call is taken.

24.5 What checks does the Board and Executive team have for ensuring the \$225M (~\$1/4B) in Fund Expenditure as summarized in the AMM invitation, is not funnelled to those who think they may be but are not entitled to it?

AustralianSuper's purpose is to help members achieve their best financial position in retirement. To achieve this, we have always and will continue to act in the best financial interests of members. The duty of best financial interests applies to all types of trustee decisions, including decisions made that involve a cost to be paid from the super fund (expenditure decisions), as well as those that do not involve any cost (non-expenditure decisions). Underpinning our approach are the Members' Best Financial Interests Framework and Principles, which are applied across AustralianSuper and provides guidance to the Board, Senior Management, and our Colleagues when making decisions (both expenditure and non-expenditure based).

24.6 I heard on the news that the company is being sued/fined for overcharging members fees. Please explain the situation with this and if members will be refunded for being overcharged.

AustralianSuper regularly identifies and combines multiple accounts held by a single member to help those members avoid paying extra fees. Regrettably, our processes did not cover all instances of multiple member accounts. This should not have happened and we apologise unreservedly. Impacted current and former members are being contacted and our aim is to return them as close as possible to the financial position they would be in now if this hadn't occurred. AustralianSuper implemented a member remediation program for this matter in May this year, which is now substantially complete. We have also strengthened our processes for managing multiple accounts for all members.

24.7 Does AustralianSuper sponsor major sports events like the Australian Open Tennis and how does that contribute to the member's investment returns?

No, we don't sponsor major sports events.

24.8 What is AusSuper doing to assist the increasing number of people who will be renting during retirement?

AustralianSuper has joined other super funds, governments at all levels, investors as well as community and other residential housing developers in signing the Housing Accord 2022. The Accord recognises that access to safe, secure and affordable housing is key to the wellbeing of Australians. By signing the Accord, AustralianSuper is committing to being part of the national conversation and to exploring solutions to Australia's housing affordability challenges. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. We are supporting Assemble's innovative Build-to-Rent-to-Own and resident financial coaching initiatives, with construction due to commence shortly on two new AustralianSuper-funded developments in Brunswick and Kensington in Melbourne.

24.9 How much of our money has AustralianSuper spent on yes campaign and no campaign why is there a difference

AustralianSuper did not provide funding to either campaign.

24.10 What is Aus Super's position on investing in social housing from both an ESG and an investment performance perspective.

AustralianSuper has joined other super funds, governments at all levels, investors as well as community and other residential housing developers in signing the Housing Accord 2022. The Accord recognises that access to safe, secure and affordable housing is key to the wellbeing of Australians. By signing the Accord, AustralianSuper is committing to being part of the national conversation and to exploring solutions to Australia's housing affordability challenges. We do this, while understanding our core purpose is to help members achieve their best financial position in retirement. We consider all investments through that lens. The intent of the Accord is very much aligned to our purpose. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. AustralianSuper has already invested to help address the housing affordability challenge, through our relationship with Assemble Communities. We are supporting Assemble's innovative Build-to-Rent-to-Own and resident financial coaching initiatives, with construction due to commence on two new AustralianSuper-funded developments in Brunswick and Kensington in Melbourne.

24.11 Closing the gender gap. Is it possible to find some funds to pause fees on women's accounts when they are on maternity leave. To stop there accounts going backward.

Fees and costs are charged to cover the costs of administering member accounts and the costs of managing your investments. Even when members are on career breaks, unemployed or retired, you can still avail yourself of the full suite of member services and your money remains invested.

24.12 What is Australian Super doing with employers to address the inequity in super balances of women? What are the specific initiatives that you undertake with employers? I'm particularly interested to know some examples of employers who have addressed this issue in unique ways.

AustralianSuper partners with businesses across a diverse range of industries, from small and local to medium and large enterprises. When partnering with businesses, AustralianSuper provides information and education on a range of topics, including the gender gap in relation to super. Through these resources, we explain how women can take control of their super. You can visit our website here to learn more.

<https://www.australiansuper.com/campaigns/women-in-super>

24.13 How much has it cost the members in loss of interest to their accounts because of failure of Australian Super to combine members Accounts

Members who may be impacted have been identified and where possible, have been contacted by the Fund. AustralianSuper's aim is to return impacted members, as closely as possible, to the financial position they would be in now if this hadn't occurred. Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed.

24.14 Will your penalty will be paid by increases of fees?

24.15 As a member, are the fines mooted for past administrative choices going to affect my bottom line.

In September 2023, ASIC commenced civil proceedings against AustralianSuper in relation to a failure in our processes for identifying and combining multiple member accounts. Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed. If the court determines to impose a financial penalty on the Fund, this would be met from the Fund's Trustee Risk Reserve.

24.16 What is empirical evidence supporting the expenditure of some \$39+million on promotion etc of our fund and how such a sum might be otherwise deployed to enhance benefits directly to members return on investment?

AustralianSuper's purpose is to help members to achieve their best financial position in retirement. Every decision we make and action we take is considered through that lens. When considering any expenditure, we must first determine if it is members' best financial interest to incur these costs.

Any expenditure is designed to grow our size and scale or deliver better products and services aligned to our purpose for members. AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members.

24.17 Are my funds safe is the company an honest one?

The superannuation sector is highly regulated. The super sector is regulated by The Australian Taxation Office (ATO), Australian Securities and Investment Commission (ASIC) and The Australian Prudential Regulation Authority (APRA). AustralianSuper invests to help more than 3.2 million members achieve their best financial position in retirement. We have a legal obligation to act in members' best financial interests and seek to invest members' funds in accordance with their investment choices, applicable laws and prudential standards, and the Fund's risk management framework.

24.18 ASIC fine regarding double charging, who pays the fine,? Will the fine be coming from the aussuper fund, will this fine be paid by members?

In September 2023, ASIC commenced civil proceedings against AustralianSuper in relation to a failure in our processes for identifying and combining multiple member accounts. Given the matter is before the Federal Court, it would be inappropriate to speculate on any penalty that may be imposed. If the court determines to impose a financial penalty on the Fund, this would be met from the Fund's Trustee Risk Reserve.

24.19 I'd like to understand why AusSuper has been getting a lot of negative press lately including unnecessary and significant delays withholding payment of deceased estates to beneficiaries and as well the over charging of members who had multiple accounts.

AustralianSuper regularly identifies and combines multiple accounts held by a single member to help those members avoid paying extra fees. Regrettably, our processes did not cover all instances of multiple member accounts. This should not have happened and we apologise unreservedly. Impacted current and former members are being contacted and our aim is to return them as close as possible to the financial position they would be in now if this hadn't occurred. AustralianSuper implemented a member remediation program for this matter in May this year, which is now substantially complete. We have also strengthened our processes for managing multiple accounts for all members.

24.20 Why are payments to related parties so high? What are these payments for?

Related party payments were made to subsidiary entities for services from an organisation in which we invest or when an AustralianSuper director is an executive or director of an organisation that provides services. The reason related party costs have increased is:

- increase in funding of international offices (UK, US and China)
- change in definition of related party in FY23 leading to the inclusion of an additional five entities
- increase in investment management fees due to an increase in assets managed by the relevant related parties.

24.21 Marketing, sponsorship costs are very high. Can we suspend for 1 year?

AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members.

24.22 Can you provide more details on FY23 sponsorship expenditure? Was any funds spent promotion the Yes campaign support?

You can view our financial statements online, including our Promotion, marketing or sponsorship expenditure. AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members. No, we did not contribute to the Yes campaign.

24.23 Why marketing and sponsorship expenditure is so high?

This year there was a change in methodology resulting in inclusion of the following for the first time in FY23: ACSI, AIST, ASFA strategic partnerships

There was also an increase in costs and spend in underlying categories – media, strategic partnerships, alliance partnerships and promotional and educational material.

24.24 Hi; Could you please elaborate on these ie; Related party payment etc? Expense category Total (\$) Aggregate remuneration expenditure10,587,573 Aggregate promotion, marketing, or sponsorship expenditure39,695,855 Aggregate political donations- Aggregate industrial body payments 1,411,363 Aggregate related party payments173,574,397

Related party payments (\$173.6m in FY23) were made to subsidiary entities for services from an organisation in which we invest or when an AustralianSuper director is an executive or director of an organisation that provides services.

Remuneration: We aim to align remuneration to the Fund's purpose and attract and retain the best talent to support members' best financial interests and reflect the Fund's significance, complexity and position in domestic and international markets. This supports our purpose to help members achieve their best financial position in retirement.

Promotion, marketing, or sponsorship expenditure – this year, there was a change in methodology resulting in the inclusion of the following for the first time in FY23:

- ACSI, AIST, ASFA strategic partnerships

There was also an increase in costs and spend in underlying categories – media, strategic partnerships, alliance partnerships and promotional and educational material. AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members.

Political donations – AustralianSuper does not make political donations.

Industrial bodies are organisations registered under the Fair Work (Registered Organisations) Act 2009 and include directors' fees and alliance partnership arrangements that cover advertising, marketing and education services to support our growth.

24.25 If Australian Super receive any funds from the Australian Government during the Pandemic would the Shareholders & Board be willing to give the money back to help curve Government spending and inflation?

We did not receive any funds from the Australian Government.

24.26 What is the \$ value of donations you make to each political party or any organisation that is associated with a political party? Please provide a list and the reason for each donation. Thank you.

AustralianSuper does not make donations to political parties.

24.27 Does AustralianSuper donate to any organisations and if so whom and how much?

Our detailed payment lists disclosures were posted on the AustralianSuper website via australiansuper.com/amm before the Annual Member Meeting. While AustralianSuper does not provide charitable donations, it does on occasion form partnerships with organisations which may focus on financial literacy and ultimately contribute to AustralianSuper's ambition for all Australians to live well in retirement. AustralianSuper may also undertake sponsorships related to improved superannuation or financial literacy outcomes. Regarding "aggregate related party payments" which is \$173.5 Million- Why would a director of Australian Super also be a director/employee of an organisation which provides services to AustralianSuper? Isn't this a conflict of interest? A director of AustralianSuper needs to separate / arm's length so there is no conflict of interest when ensuring AustralianSuper needs to use a service it gets independent directors who are not going to benefit personally/their organisation from suggesting/promoting their own organisation.

All Directors are non-executive and independent of management. Directors are appointed by the Trustee's shareholders. Member Directors are appointed by ACTU Super Shareholding Pty Ltd and Employer Directors are appointed by the Australian Industry Group. The Trustee shareholders jointly appoint Independent Directors. All Director appointments are subject to ratification by the Board. You can read a [summary of our Conflicts Management policy](https://www.australiansuper.com/-/media/australian-super/files/about-us/governance/conflicts-management.pdf) on the website here <https://www.australiansuper.com/-/media/australian-super/files/about-us/governance/conflicts-management.pdf>.

24.28 aggregate related party payments were listed as 173million. Who are the related parties?

Related party payments are detailed in the expenditure lists provided before the AMM, as required by with paragraph 29P(3)(b) of the Superannuation Industry (Supervision) (SIS) Act 1993 and regulation 2.10 of the SIS Regulations 1994 (the Regulations). The definition of related parties in the Regulations is significantly broader than in Australian Accounting Standards for the purpose of the Fund's annual financial statements. The payments to these entities have been incurred as part of the core operations of the Fund and include investment management fees, investment consulting services, operating and occupancy costs, director and board committee member fees, insurance services, promotional services and sponsorship and partnership arrangements with strategic peak bodies and organisations.

24.29 What percentage AustralianSuper spends on advertising and why?

Our aggregate promotion, marketing and sponsorship expenditure was \$39.7m in FY23.

24.30 Why spend so much on advertising when you already have a huge membership and returns are going backwards?

AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members.

25 Strategy

25.1 Does AUS Super have any plans for any merger with another super fund?

AustralianSuper's priority in everything we do is to ensure we are achieving the best outcomes for members. The same is true of our approach to mergers, and we were able to demonstrate this through our recent mergers with ClubPlus Super and LUCRF Super, which saw a combined inflow of over \$10bn in the retirement savings of over 180,000 members. While we are open to future merger opportunities, any future merger will be assessed on the basis of its contribution towards achieving the best outcomes for members.

25.2 UniSuper made an announcement a couple of months ago that it would be the leading super fund on the matter of retirement income. What aspirations and plans does Aust Super have to ensure that it will put itself in a leading position in that space?

As Australia's largest fund, our vision is that all Australians retire well. Our purpose is to help members achieve their best financial position in retirement by providing a personalised and data-driven member experience, quality guidance and support, and high-performing products and services to help members approach and experience

retirement with confidence. AustralianSuper is focused on providing members with access to quality guidance and support together with products that allow them to move confidently and smoothly into and through retirement. We are striving to create a simple and seamless experience for members moving from saving to spending with improved ability to manage their retirement income, including helping members with accessing the Age Pension. Our aim is to advocate and effect policy change that makes the retirement system simpler and better for members and all Australians.

25.3 What do you think about the biggest opportunity is for AustralianSuper to help its member to maximise return in FY24 and FY25?

Answered by Mark Delaney during the meeting, summarised as: the investment themes believed likely to impact the Fund's investment strategy in view of building the portfolio over the next three to five years, include tech disruption and AI; the global economic slowdown which is likely as a result of higher interest rates, China's economy slowing and geo-political tensions; and, climate change and the energy transition as government policies and transition paths are created. Mark further noted that AustralianSuper expects AI impact will be over-estimated in the short term and under-estimated in the long term and confirmed that the Head of Australian Equities at the Fund ensures invested companies have a digital strategy. He advised that the Fund's portfolio positioning reflects the economic outlook and is defensively positioned with the intent to reposition as the economy slows and lower entry point investment opportunities become available.

25.4 How will I benefit in the future of AustralianSuper and I like to know too when please.

As a growing super fund, AustralianSuper is committed to providing strong long-term returns and excellent products and services for members, now and in the future. We're committed to providing good value products and services that members need, along with support, guidance and advice to help them feel confident about their future. Our strategy to 2030 is outlined in the Fund's Annual Report, available via <https://www.australiansuper.com/annualreports>

26 Marketing

26.1 How often will members receive updates or new news relating to the superfund and/their account via email?

The volume of communications received by members via email depends on three primary factors:

1. Whether we have a correct email address on file
2. Which communications the member has opted in to receive via the preference centre
3. Which account the member has with the Fund

The preference centre currently enables a member to opt-in to receive the following communications via email:

1. Important information in relation to their account – this refers to regulatory communications
2. Getting the most from your super
3. Hear about events
4. Give us your opinion
5. Other member benefits

If they select only the first preference they can expect to receive in any given year:

1. An annual statement
2. A Notice of Member Meeting
3. Significant Event Notices should there be a change to investment fees, insurance premiums or any changes specific to the Fund product they hold

If they select the second preference they can expect to receive in any given year:

1. A quarterly e-newsletter – Member Fund Update
2. A number of emails driven out of the Member Engagement program – with the volume being determined by triggers such as behaviour, demographic, need, interest or urgency, engagement level, life stage and segment

If they select preferences 3-5 they can expect to receive in any given year:

1. Invites to workplace and online education sessions as well as key Fund events such as the AMM

2. Invitations to participate in online or face-to-face research programs
3. Promotional emails regarding our advice offering, partnership programs etc.

In short, the volume and type of communications received via email by each member is their choice. They can opt-in or opt-out of the above communication types at any time, noting we are obligated to provide regulatory document to members so should they opt out of email as their channel preference, we will distribute such communications via mail.

26.2 Are you comfortable that you are getting a suitable ROI on the marketing/ promotional expenditure?

AustralianSuper's purpose is to help members to achieve their best financial position in retirement. Every decision we make and action we take is considered through that lens. When considering any expenditure, we must first determine if it is members' best financial interest to incur these costs. Any expenditure is designed to grow our size and scale or deliver better products and services aligned to our purpose for members. AustralianSuper promotes its services to a range of stakeholders to increase membership growth and scale and access to investments. This includes building brand awareness and alliance partnerships with organisations as a cost-effective way to promote our services and attract and retain members.

26.3 Can AusSuper please detail any charitable monies that it gives to NFP's and what % of income this equates to, if AusSuper does not distribute any monies to Charitable causes, can it explain why the membership (who are mostly baby boomers) would not be concerned that society as a whole would see this as extremely selfish.

Our detailed payment lists disclosures were posted on the AustralianSuper website via australiansuper.com/amm before the Annual Member Meeting. While AustralianSuper does not provide charitable donations, it does on occasion form partnerships with organisations which may focus on financial literacy and ultimately contribute to AustralianSuper's ambition for all Australians to live well in retirement. AustralianSuper may also undertake sponsorships related to improved superannuation or financial literacy outcomes.