

Prime Super Pty Limited
ACN 067 241 016
(As Trustee for Prime Super)
Minutes of Prime Super’s Annual Members’ Meeting
Held at Hilton Melbourne
18 Little Queen Street Melbourne and online
at 6:00 pm on Thursday 29 October 2024

Present	<p>Nigel Alexander (Chair) Gerard Parlevliet (Director) Stuart Read (Director) Bev Durston (Director)</p> <p>Raelene Seales (CEO and Fund Secretary) John MacDonald, Ernst & Young (Auditor) Tim Jenkins, Mercer (Actuary) – online Mark Ashburn (General Manager, Distribution) Helen Whitehead (General Manager, Marketing & Communications) Tim Mitchell-Adams (General Manager, Member Growth & Proposition) Michael McQueen (General Manager, Investments)</p>
Apologies	None
Moderator	Maria Ganakas (National Manager, Member Solutions)
Introduction	<p>Ms. Ganakas welcomed all those who were present and who had joined online for Prime Super’s 2024 Annual Members’ Meeting.</p> <p>The Fund’s external auditor, John MacDonald from Ernst & Young, and its actuary, Mr. Tim Jenkins, from Mercer, were in attendance and were available to answer any questions.</p>
Welcome to Country	The Moderator gave a Welcome to Country address, speaking about the history of the land on which the Hilton sits, welcoming all Indigenous and non-Indigenous people present, acknowledging the stewardship of the traditional owners and paying respects to the traditional owners, past and present.
Moderator’s explanation of proceedings	The Moderator explained the order of proceedings for the meeting, before inviting the Chair to address the meeting.

The Chair's Address

The Chair commenced by formally acknowledging the Traditional Owners of the land on which the meeting was occurring, and paid his respects to their Elders past, present and emerging.

The Chair acknowledged the presence of the Prime Super Directors who were at the meeting as well as those attending online.

The Chair then addressed the members of Prime Super and spoke to the following matters:

- As at 30 June 2024, Prime Super had 146,125 members, which represents growth of more than 17 percent over the last three years, and \$7.5 billion in funds under management. This represents an approximate 21% increase since 2021;
- In the past year, there have been changes to the regulatory environment for superannuation, as Government measures continue to be implemented, including the following:
 - Super Guarantee increase - The superannuation guarantee contribution level increased on 1 July 2024 to 11.5% per annum, meaning employers were required to contribute an additional 0.5% of wages to each employee's super account. The level will continue to rise until July 2025, when it will reach 12% per annum; and
 - Consolidating your super and stapling – stapling, an initiative where superannuation follows members as they change jobs, and consolidating super accounts, are both aimed at reducing the number of accounts per individual and eliminating unnecessary fees for multiple accounts.
 - The move to have superannuation paid on government funded paid parental leave. If passed, this will take effect on 1 July 2025 and will help close the superannuation gap for new parents.
 - Payday Super – requires an employer to pay super for an employee at the same time as salary and wages, holding employers liable to ensure super is paid, especially for casual employees. If enacted, this is planned to come into effect from 1 July 2026.
 - Other changes – the Better Targeted Superannuation Concessions and Other Measures legislation will apply additional tax on superannuation balances above \$3 million, and is planned to take effect from 1 July 2025.
- With regards to the economic climate, GDP growth for the June quarter in Australia was in line with forecasts at 0.2%, and 1% over the last year, according to the Australian Bureau of Statistics (ABS), being the weakest

rate of annual growth Australia has recorded in years, in seasonally adjusted terms. The risk of economies tipping into recession has been the primary driver for numerous Central Banks around the world to start reducing interest rates. In September, the Reserve Bank of Australia (RBA) left interest rates on hold at 4.35% per annum. Against a challenging economic backdrop, Prime Super member's voluntary contributions (contributions in excess of what is required by law) increased by 3.5% in the last financial year.

- Although the past year has presented some challenging economic circumstances, the Fund's investment options have performed well. Over the longer term, Prime Super continues to deliver returns that outperform the industry medians. In terms of investment performance, most of the Fund's investment options, and especially in the MySuper option, where most members are invested, are yielding strong long-term rolling returns, with many of our 10-year returns sitting above the industry median as at June 2024. However, the International Equities option is not yet performing at the desired level and there will be a continued focus on improving the performance of this option.
- The Chair spoke to the changes in the Board of Directors and acknowledged the contribution of Ben Davis who retired from the Board in December 2023, and Jacqueline Kelly's service to the Board since 2015. She will be retiring at the end of 2024 upon completion of her term. The Chair welcomed Ronnie Hayden as a new member of the Board, joining in April 2024.
- The Chair also acknowledged the contribution of the previous CEO, Lachlan Baird, who left in December 2023 and oversaw the management of the Fund for nearly 19 years.
- The Chair welcomed Raelene Seales who commenced as CEO in June 2024 and brings a wealth of experience and knowledge from the financial services industry. He believed that Raelene is the right person to lead Prime Super through its next phase of growth.

The Chair then invited the CEO to address the meeting.

The CEO's Address

The CEO provided an overview of Prime Super's investment performance and operations for the financial year ended 30 June 2024 and its long-term strategic goals, and spoke to the following matters:

- Prime Super is a multi-industry fund that has served its members for 30 years. Whilst starting as a traditional agricultural industry fund, the Fund has broadened its horizons and now has members across health, aged care, education and more recently recruitment. Prime Super has a very broad

church of members all across Australia and that is supporting the sustainability of the Fund.

- Prime Super is continually focussed on reviewing its member base and making sure its digital and personal service meets the needs of its members. Over the past twelve (12) months, there has been an investment in enhanced digital tools and online services offered to members, including the “book a chat” function supporting members to connect for a discussion with the member servicing team.
- There will continue to be an investment and focus on process improvement, transformation and innovation to ensure that cost-effective services are delivered to members. The expansion of education and support provide to members over the coming year will see more members actively engage with their superannuation across all age cohorts.
- The team has been working on a large project that will see an uplift in the education tools on the Fund website and provide an uplift in skills and capability for staff to support members as well. This year the ‘retirement hub’ was launched on the Fund’s website, providing members with support and information depending on their pre-retirement and retirement stage, to assist them with their superannuation decisions.
- Recently, functional enhancements have also been made to the digital calculator and tools available on the Fund’s website to assist members with making decisions about their super. The enhanced ‘Top up’ calculator can assist members to see how making additional super contributions can assist them to meet their retirement goals and objectives. Relevant information relating to these digital resources will be provided to members via email and online.

The CEO went on to speak about the investment returns for the financial year ended 30 June 2024 and noted the following:

- The year marked a return to stronger investment performance, with several investment options providing an annual return above industry medians.
- The Mysuper option performed well, delivering an annual return of 9%, outperforming the industry median this year and the long-term rolling average.
- The investment performance for the Managed Growth option was also strong with an annual return of 11.90%, ranked in the top quartile for the industry for 1 and 10 years. The Australian shares and International Shares investment options returned an above industry median of 11.94% and 17.99% respectively for the year.

- The returns on the Property option have been influenced by the current interest rate environment and challenging trading conditions in the property market. Changes in work since COVID-19 have also impacted demand in the property sector, exerting downward pressure on valuations. The team is looking at options within the Property portfolio to return investment performance to the desired level.
- The retirement income stream performance mirrors that of the accumulation division. Retirement is about long-term goals and objectives. There are five investment options that have returned more than 10% over the 10-year rolling period.

The CEO noted that, with regards to insurance, for the financial year ended 30 June 2024 the Fund had paid \$17.4 million to members and their beneficiaries through insurance benefits. In addition, members had received \$2 million in ongoing income protection benefits directly and 94.6% of insurance claims were accepted by the Fund's current insurer, TAL, which is a very high percentage.

The CEO further spoke to Prime Super's commitment to improving members' digital experience and helping them engage with the Fund online or through the Prime Super app, whilst ensuring that they remain cyber safe.

The CEO acknowledged the contribution of long-standing Executives, Remo Memmolo, Chief Operating Officer, and Mark Ashburn, General Manager, Distribution, who are both retiring on 31 October 2024. Their years of service have made a significant impact on Prime Super and they are thanked for their contributions.

The CEO welcomed two new members of the Executive team, Tim Mitchell-Adams, General Manager, Member Growth and Propositions, and Michael McQueen, General Manager, Investment Management. In addition, the CEO acknowledged the depth in emerging leaders with two internal promotions to the Executive team, Ning Yang, General Manager, Finance, and Jeremy Johnson, General Manager, Business Operations.

In closing, the CEO thanked all the members for being a part of Prime Super. The CEO also thanked all Prime Super's staff for their care and dedication to the members.

The Moderator announced the conclusion of the presentation segment and invited attendees to ask questions, noting that several questions had been submitted prior to the meeting.

Responses to pre-submitted questions

The following is a summary of the responses to the pre-submitted questions.

The Chair responded to a question from Grant in relation to whether '*[there was] any funding or action from exploitation to nuclear weapons and subs*'. The Chair

noted that Prime Super believes in applying an environmental, social and governance lens to our decision making on investments. Where possible, that lens is applied to decision making where there is direct control over an investment. Prime Super does not seek to invest in nuclear weapons or submarines, however, the Fund holds a diversified portfolio of investments which may include companies in the aerospace and defence industries. Prime Super's asset consultant regularly reviews the Fund's investments and reports through to the Investment Committee and Board, including reporting on the ESG performance of managers they are responsible for.

The CEO responded to Carolyn in relation to whether Prime Super is investing in fossil fuels, and if so, which ones. The CEO noted that Prime Super may invest in fossil fuels as part of its diversified investment portfolio. The specific companies invested in can change over time, and often these are not through direct investments but through the fund managers. Prime Super conducts screening and is alerted when these types of investments occur. Over time, Prime Super has invested in companies in the oil and gas industry, such as Woodside, Shell and Total Energies. All disclosures on Prime Super's portfolio holdings are available online.

The CEO responded to Carolyn in relation to what Prime Super's policy is on ethical and responsible investments, eg. sustainable and renewable energy and companies that provide education and health care. The CEO noted that Prime Super's ESG Policy is available on the website and a link to the relevant pages will be sent out to the member following the meeting. Some examples of the investments where Prime Super has significant direct investments are five windfarms owned in Australia, including Chepstowe and Maroona Wind Farms, acquired in the last financial year. Prime Super also invested in Kinland, a provider of high-quality properties used primarily for education and health care services.

The CEO responded to Carolyn in relation to whether there is a list showing which companies Prime Super invests in and, if so, whether you can send it to me. The CEO confirmed that there a list available on the Prime Super website and the relevant links will be sent out to the member via email.

Responses to questions from the floor


A question was asked online by Mark who made a comment about member statements being misleading. The CEO noted that it is Prime Super's intent to ensure that all member statements and all of its publications made available to members are not misleading. There are strict legal requirements that Prime Super must comply with as a superannuation fund. All member statements go through a comprehensive review by the internal legal and compliance function and by external legal too. The CEO encouraged Mark to reach out regarding his specific circumstances to clarify any confusion regarding his member statement. It is certainly not Prime Super's intention to make members statements misleading in any way.

**Meeting
conclusion**

The Moderator thanked the Chair and CEO and asked the Chair to conclude the meeting.

The Chair thanked the Prime Super staff involved in arranging the meeting and thanked the CEO and all staff for their efforts, as well as members present in person and online.

There being no further business the meeting closed at 6:36 pm.

Signed: 

Nigel Alexander Chair

Dated: 26.11.2024