

<b>Date:</b>	Wednesday, 27 November 2024
<b>Time:</b>	4.30pm – 5.27pm AEDT
<b>Venue:</b>	via online stream
<b>Directors in Attendance:</b>	Dr Geoff Newcombe (Chair) Georgina Smith (Deputy Chair) Brett Lazarides Patrick Anderson Terry Burke Carol Matthews
<b>Executives in Attendance:</b>	Natalie Previtara (Chief Executive Officer) Ben Facer (Deputy CEO / Chief Strategy Officer) Ben Squires (Chief Investment Officer) Philippa Minney (Chief Risk Officer) Chris McManamon (Chief Operating Officer) Jo Klingberg (Chief Growth Officer) Darryn Studdert (Chief Advice and Education Officer)
<b>Fund Auditor in Attendance:</b>	Ben Tompsett (PwC)
<b>Fund Actuary in Attendance:</b>	Tim Jenkins (Mercer)
<b>Apologies:</b>	David Brear (Director) Deborah Ponting (Director) Dallas McInerney (Director) Sadeer Jan (Chief Technology Officer)

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### Welcome and Chair's Address

The Chair formally opened the 2024 Annual Members Meeting ('Meeting') at 4.30pm and welcomed members of NGS Super ('Fund') to the Meeting.

The Chair noted the Directors, Executives, Fund Auditor and Fund Actuary in attendance for the meeting.

The Chair gave an Acknowledgment of Country. The structure of the Meeting and the process for asking questions was outlined.

The Chair gave an address to the Meeting.

The following items were noted:

- Acknowledgement was given to the contributions of directors who had concluded their roles with the Board through 2024 – Michelene Collopy, Kathy Dickson, Mark Northam, Christine Wilkinson and Wendy Wills – and also to Russell Mason and Arthur Apted who were concluding their roles as advisors to the Fund at the end of 2024.

- The Fund remains committed to delivering personalised service and support, low-cost, high-quality products and competitive returns.
- This Chair is concluding his role as Chair at 31 December 2024.
- Following adoption of a revised Constitution enabling for the appointment of independent directors, and a rigorous selection process run by the Board, the Board unanimously approved the appointment of John Battams as Independent Chair (who will commence 1 January 2025) and Brett Lazarides as Independent Director (who commenced 1 September 2024).
- Acknowledgement was given to the shareholders for their support in the process for the revision of the Constitution.
- Acknowledgement was given to the contributions of the Deputy Chair, Directors, Executive Team and all Fund staff for their work and support.
- The Fund has continued to expand its range and quality of services and assistance to members, recognised by the Fund receiving the Service Quality Award for 2024.

### **Fund Update**

The CEO thanked the Chair on behalf of Fund staff for his significant contribution to the success and growth of the Fund.

The CEO provided an update on key Fund matters.

The following items were noted:

- The Fund is focused on helping members feel empowered about their finances, particularly feeling secure and confident at every age and stage of their lives with their superannuation.
- The history and positioning of the Fund with education and community-based professionals is a strength that enables the building of strong relationships with members and employers, which guide the products and services the Fund delivers.
- As mentioned by the Chair, the Fund was awarded the Service Quality Award at the 2024 Super Fund of the Year Awards, recognising the Fund's transactional speed and efficiency, proactive approach to service including resolving delays, high levels of member satisfaction and a transparent approach to reporting on service levels.
- The Fund is launching a new Service Promise, which is "Members First, Always". This promise is embedded into operations and reporting, covering responsiveness to calls and enquiries, complaints and claims handling, and member interactions including education sessions. Members will be regularly updated on the Fund's performance against the Service Promise.
- The Service Promise is the basis of a multi-year program of initiatives for the Fund investing in member servicing.
- A range of education resources available to members, as well as the provision of a team of Super Specialists and Financial Planners. Webinars and seminars continue to be one of these delivery mechanisms, including basics of super, insurance, planning for retirement, dealing with Centrelink, aged care and many other topics.
- The Fund's products all passed the APRA Annual Performance Test in 2024.
- The insurance product with TAL (the Fund's insurance provider) was recently reviewed to ensure competitive pricing and quality features, with insurance premiums decreasing for more than 97% of insured members in October 2024 following that review.
- The Fund remains proactive in processing insurance claims, recognising this can be a deeply personal and challenging time for members. The Fund is committed to providing proactive support and strong advocacy for members throughout this process.
- The Fund launched its Reflect Reconciliation Action Plan in 2024, outlining its commitment to advance reconciliation within the Fund and the organisations and communities that it partners with. The Fund acknowledges the unique challenges faced by Aboriginal and Torres Strait Islander communities in saving and planning for retirement.

### **Member Experience and Operations Update**

The Deputy CEO and Chief Strategy Officer provided an update on member experience and operations.

The following items were noted:

- Evolving the operating model to deliver personalised service and support to members is core to the Fund's strategy.
- Enhancements mentioned at last year's Annual Members Meeting to improve the member experience across various sources coincided with the review of the Fund's administration operating model and GROW was announced earlier in 2024 as the Fund's new outsourced administrator.
- GROW is a technology-led administrator and will enable the Fund to improve operating efficiency, lower costs and improve member services.
- Specific enhancements being worked on include a new member portal and app, improved guidance and advice services, and enhanced access to tools and information for Super Specialists and Financial Planners allowing them to help members and employers more effectively.
- New education and advice services will begin rollout during the first half of 2025, followed by administration and digital services in the second half of 2025.
- Risk management remains a key priority for the Fund, as risk can otherwise impact cost and efficiency which in turn affect the products and services delivered to members. Information security and organisational frameworks have been strengthened, with targeted recruitment bringing new expertise and capability in risk and compliance across the business. This focus on risk will be ongoing as regulation, markets and technologies change and evolve.

### Investment Update

The Chief Investment Officer gave an update on investment activities.

The following items were noted:

- The Fund continued to invest in people and technological solutions, with resources added within the quantitative research team and the appointment of the Fund's first Deputy CIO.
- Technological solutions have been further integrated to advance operational efficiency and improve forecasting capabilities, which is utilised as part of the asset allocation framework, improving both productivity and insights within investments.

The Chief Investment Officer gave an update on investment markets and portfolio positioning.

The following items were noted:

- Key factors influencing the investment markets included the strong performance of the technology sector (driven by the emergence of artificial generative intelligence into the mainstream), easing of monetary policy across several OECD countries, rising geopolitical tensions, and declining growth metrics in Europe, China and Australia (with the US remaining an outlier with positive economic growth).
- Regarding decarbonisation, the Fund has continued building a resilient portfolio that avoids sectors and companies at risk of becoming 'stranded', with the Diversified (MySuper) option emissions approximately 54% lower over 3 years, and 20% lower over 1 year, to 30 June 2024. Decarbonisation goals have been, and will continue to be, implemented and reviewed consistent with legal obligations, including acting in the best financial interests of members.
- In setting asset allocation, the Fund considers key recessionary and geopolitical risks and considers the likely impacts across asset classes. The Fund has a neutral to slightly negative view on all sectors except for alternatives, on which it holds a very positive view. This results in a portfolio positioning which is consistent with the strategic asset allocation, maintaining a slightly defensive positioning to risk in the short term with the addition of hedging.

The Chief Investment Officer gave an update on investment performance.

The following items were noted:

- The Diversified (MySuper) Option returned 7.86% for the 1 year to 30 June 2024, which was above the Fund's CPI-linked return objective, with majority of positive returns attributable to exposure to Australian and International share markets.
- The performance from unlisted assets (Infrastructure, Private Equity and Real Estate) was disappointing, but Fund has high conviction that the strategic position the Fund has taken to

hold high quality unlisted assets will surpass any short-term rally in share markets and deliver superior returns over the medium to long-term.

- The capacity for the portfolio to deliver superior returns remain intact, and the prospects to outperform are supported by a quality portfolio that will continue to grow member balances. As of 13 November 2024 (the most recent data available), the Diversified (MySuper) Option has a 1-year return of 12.32%.
- A number of investments within the Private Equity portfolio were showcased, including Eden Brew, Project Active and Inari Agriculture.
- A number of investments within the Infrastructure portfolio were showcased, including Switch Data Centres, Sunrise Power Station, Greenskies and Portakabin.

### Questions Answered During the Meeting<sup>1</sup>

The following disclaimer was noted:

*The information provided is general information only and does not take into account personal objectives, financial situation or needs. Before acting on this information or making an investment decision, you should consider your personal circumstances and read the Product Disclosure Statement and Target Market Determinations for more information. You should also consider obtaining financial, taxation and/or legal advice which is tailored to your personal circumstances before making a decision.*

The CEO thanked members for submitting questions and the following questions were addressed during the meeting, including those received prior to the meeting.

***Given the large shareholdings of NGS in listed Australian companies, what are the guidelines to voting on Remuneration Reports?***

The CIO responded to this question as follows:

- The Fund's proxy voting guidelines can be viewed on the website or by calling the Fund. These guidelines set a review criteria for assessing certain proposals
- The Fund engages a specialist third party provider to assist in researching and making recommendations on all proxy voting matters. This includes remuneration in line with the proxy voting guidelines.
- At times, the Fund votes against remuneration reports where it is in line with its policy to do so.
- As an example, in the case of Qantas specifically, in assessing all the factors, the Fund voted for the remuneration report.
- The exercise of proxy voting rights is publicly disclosed on the website up to 3 days following the meeting.

***Do you have any plans to bring back the dividend reinvestment plan to your direct investment option?***

The Deputy CEO responded to this question as follows:

- All products and features are regularly assessed to ensure they meet members needs in a cost-effective way.
- The Self-managed Direct Investment Option and its features are included and are regularly reviewed to ensure the product and its usage meet the changing needs of the membership.
- While there are no immediate plans to re-introduce this feature, it is something that will form part of the review of the broader option.

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<sup>1</sup> The wording of a question as it appears may differ from the wording of the question as submitted where amendments were required to remove statements, correct typographical or factual errors, and remove any information relating to personal circumstances.

***Do any of the NGS pre-mixed investment options have exposure to crypto or other "coins", either directly or indirectly?***

The CIO responded to this question as follows:

- The Fund doesn't invest in crypto currencies directly and there is no intention to do so at this stage.
- External fund managers are prohibited from investing directly in crypto currencies.
- Internal research efforts encompass crypto currencies and block chain technologies more generally; however, due to the speculative nature of the asset class it is yet to be included as an approved investment area.

***Is NGS considering enhancing security given the prior cyber incident?***

The Deputy CEO responded to this question as follows:

- The security of members' data remains a top priority.
- The 2023 Cyber Security incident did not impact member savings or accounts.
- Since that time, the Fund has invested heavily in bolstering data security. The immediate response to the incident included enhanced network monitoring with a specialist team of cybersecurity experts as well as appointing an internal full time cybersecurity lead and other resourcing.
- The specialist team of cyber security experts also remains in place as an additional independent layer of 24/7 monitoring.
- To ensure ongoing protection, all systems undergo regular assessments and testing, and the Fund continues to invest in the latest protections as threats evolve.

***Could NGS consider an option to fill in forms digitally?***

The CEO responded to this question as follows:

- As part of the move to the new administrator GROW, the Fund is enhancing its digital services to create a more seamless experience for all members.
- A new online member portal and a mobile app are currently being developed, which will include more accessible user-friendly features including the ability to fill in forms digitally.

***Can the annual statement be issued faster after the end of 30 June?***

The CEO responded to this question as follows:

- It's important to ensure that members receive accurate information and sometimes that means it takes a little longer to prepare annual statements.
- The Fund will take this feedback on board and will explore ways to get these out faster to members next year.

***Why have fund expenses increased year on year?***

The CEO responded to this question as follows:

- Fund costs have increased by approximately 5% year on year in a high inflationary environment.
- These increases are coming from an intentional investment in transformation, including digital and technology, and enhancements to member online and the member app to provide a more seamless experience to members.
- Increased costs have not translated into increased fees for members, and are being funded from reserves which have been built up over time.

***What has caused the difference in relative performance of the High Growth option against funds with similar options?***

The CIO responded to this question as follows:

- The primary reason for the differences in performance for the High Growth option relative to the peer universe has been the higher allocation of approximately 20% to private equity.

- Over recent years, private equity performance relative to public equity has been weaker, but is anticipated to be stronger in the future which would in turn lead to outperformance relative to other funds.

***Does NGS have any plans to merge with another fund?***

The CEO responded to this question as follows:

- There are no current plans to merge with another fund.
- The Fund’s strategy includes investment in the operating model, including technological innovation, transformation and growth to ensure the Fund can continue to enhance the services provided to members.
- The Fund is confident it can continue to deliver services and products into the future as a standalone fund.
- The Fund is continually evaluating its costs and offerings to ensure it is acting in the best financial interest of members.

***The staff satisfaction results in the Annual Report appear relatively high. Was the staff survey confidential?***

The CEO responded to this question as follows:

- Staff satisfaction is important to the Fund and is a key driver of the outcomes delivered for members. There is great pride in these results as hard work has gone into ensuring an engaged staff team which is working for members.
- The staff survey was completed on a confidential basis. An external provider was used to conduct the survey, and data for smaller teams was aggregated to ensure the anonymity of responses was preserved.

There being no further business, the meeting was closed at 5.27pm.

**Questions Answered Subsequent to the Meeting<sup>2</sup>**

***How much money is being spent on advertising, design and digital agencies to attract new members, and how successful has this been?***

The CEO responded to this question as follows:

- One of the core pillars of the Fund’s strategy is ‘Growth and Retention’, pursuing cashflow growth by refining member and employer retention and engagement strategies to further penetrate the core target market, achieving scale benefits for the membership.
- The growth strategy targets cashflow growth rather than member growth alone. This highlights the importance of retaining members and ensuring active engagement through consolidation, regular contributions and other member actions.
- As disclosed in the short-form expenditure summary provided alongside the Meeting materials, the Fund spent just under \$4.2m on overall ‘Promotion, marketing or sponsorship expenditure’. These costs relate to the design, production and distribution of Fund promotional and education material, including sponsorships, partnerships and advertising costs. A detailed breakdown of these individual costs is available on the website.
- ‘Advertising, design and digital agencies’ are only one part of this expenditure. The Fund closely tracks the outcomes of all expenditure to ensure it is incurred in the best financial interests of members.
- As a specific example, in FY23/24 the Fund ran an integrated brand campaign with a total cost of \$745k. The campaign had three main objectives – building brand awareness, acquiring new members, and engaging existing members to consolidate their super – and was successful across

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all three objectives, with an additional \$12.7m of additional funds under management acquired from new and existing members as well as key brand enhancements.

***The 2023-24 Annual Report states a headcount of 126. How many contractor staff does NGS employ on top of the permanent staff?***

The CEO responded to this question as follows:

- At the time of writing, the Fund employs 132 permanent staff and 11 contract staff.

***What was the approach and process for any internal restructures that have occurred within the NGS team?***

The CEO responded to this question as follows:

- The Fund is a growing and transforming business, and is constantly reviewing structures to ensure it is best positioned to meet future needs and deliver the highest level of service to members. These reviews are essential to ensuring the organisation remains agile, efficient, and aligned with long-term strategy.
- Restructures are a normal part of business and are sometimes necessary to adapt to evolving circumstances. While these decisions are never made lightly, they are driven by the Fund's commitment to building a sustainable and effective organisation that serves members' best financial interests.
- When these situations occur, the Fund is committed to treating everyone with dignity and respect. All staff who leave as part of a restructure are paid their entitlements in accordance with relevant legislation, including redundancy payments where applicable.

***What was the recruitment process for the appointment of the CEO?***

The Chair responded to this question as follows:

- Following the retirement of CEO Laura Wright, Natalie Previtera was appointed to the role of Acting CEO in August 2022. While Acting CEO, Natalie Previtera demonstrated exceptional leadership, resilience, and strategic capability.
  - A comprehensive recruitment process was run for the permanent appointment of the CEO, to ensure the Fund selected the best possible candidate to lead into the future. The process included both internal and external candidates and involved a detailed evaluation of each candidate's professional experience, expertise, and strategic vision for the Fund.
  - Following that process, Natalie Previtera was permanently appointed to the role of CEO in June 2023. Her deep understanding of the Fund, broader industry and demonstrated leadership during her time as Acting CEO made her, in the unanimous view of the Board, the ideal choice to steer the Fund through the opportunities and challenges ahead.
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