



## MINUTES OF THE INAUGURAL ANNUAL MEMBER MEETING OF SUNCORP SUPER

**VENUE:** 10 Shelley Street Sydney and via livestream at <https://agmlive.link/suncorpsuper20>  
**DATE & TIME:** Wednesday 17 March 2021 3:00pm (Sydney time)

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<b>DIRECTORS:</b>	Ms Michelene Collopy Ms Kathy Grigg Mr Henry Capra	Chairman Non-Executive Director Non-Executive Director	(Skype   Melbourne) (Skype   Sydney)
<b>MODERATOR:</b>	Ms Jennifer McSpadden	Executive Manager (EM) Member Proposition and Innovation	
<b>PRESENTERS:</b>	Mr Shailendra Singh Mr Brett Bramwell	Suncorp Executive General Manager (EGM) Wealth Suncorp EM Member Investments	
<b>IN ATTENDANCE:</b>	Mr Bryan Ingram Mr Maurice Pinto Ms Marnie White Mr Nic Buchanan Mr David Kells	Head of the Office of the Superannuation Trustee EM Office of the Superannuation Trustee Company Secretary Current Fund Auditor (KPMG) Fund Auditor for year ended 30 June 2020 (KPMG)	

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### Important information

These are the Minutes of the inaugural Annual Member Meeting (“**AMM**”) of Suncorp Portfolio Services Limited ABN 61 063 427 958 AFSL 237905 as trustee for the Suncorp Master Trust ABN 98 350 952 020 RSE Fund Registration No R1056655 (“**Suncorp Super**”). Suncorp Portfolio Services Limited is a related body corporate of Suncorp Group Limited ABN 66 145 290 124.

The AMM, including the presentation, transcript, question and answer session and Minutes may include general information only and does not consider your personal objectives, financial situation and/or needs.

Suncorp Super products are issued by SPSL. Before making a decision whether to acquire or continue to hold a Suncorp Super product, you should consider whether the information is appropriate for you and read the relevant Suncorp Super disclosure documents, including the product disclosure statement and product guide for the product, available at <http://suncorp.com.au/super> (or the versions of the documents provided to you when you joined, with any updates) and speak to your financial adviser. SPSL is not responsible for, or liable in respect of, products and services provided by other Suncorp Group entities. Suncorp super products are not bank deposits or other bank liabilities and are subject to investment risk including possible delays in repayment and loss of the interest and principal invested. Insurance cover offered through Suncorp super products is provided by insurers who are not part of the Suncorp Group.

^Past investment performance is not a reliable indicator of future investment performance. Investment performance is based on SuperRatings’ ranking of 50 balanced (60 -76) superannuation investment fund performances over 1 year and 3 years to 31 December 2020 (Source: Top 10 Super Funds – SuperRatings and Fund Crediting Rate Survey December 2020 (SuperRatings Survey)). Investment funds compared are a diversified fund option with a growth assets ratio between 60% and 76%. Returns are calculated net of taxes and fees such as the investment fee, implicit asset-based administration fees and applicable indirect costs and are gross of explicit fees such as fixed dollar administration fees and switching fees. Other costs such as contributions taxes and any discretionary ongoing fees such as insurance fees are not considered. The median 1yr return is calculated based on the returns of 50 investment funds ranked by SuperRatings (Source: SuperRatings Survey).

Before making any decision about investment options, we recommend that you speak to a financial advisor.

\*Refer to Ratings and Awards - Super Fund ([lonsec.com.au](http://lonsec.com.au)) for more information about what assessment criteria is currently applied and what a ‘Gold’ and ‘Platinum’ ratings means. SuperRatings Pty Ltd ABN 95 100 192 283, AFSL 311800 does not issue, sell, guarantee or underwrite Suncorp super products.

The AMM relates to the financial year ended 30 June 2020. Please remember investment returns are not guaranteed and past performance is not a reliable indicator of future returns. For further details about investment options including applicable fees, please speak to a financial adviser.

A copy of the AMM videorecording, AMM transcript, presentations, questions and answers addressed during the meeting and other information can be found at: <http://suncorp.com.au/super>

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## 1 QUORUM & WELCOME

Owing to the ongoing COVID-19 pandemic, the inaugural AMM of Suncorp Super was held via livestream at <https://agmlive.link/suncorpsuper20>.

The Chairman announced that a quorum of Directors was present online and declared the AMM open at 3:00pm.

The Moderator welcomed the 83 Members who joined the AMM online and commenced proceedings by formally acknowledging the Traditional Custodians of the land on which the meeting was held and paid respects to their Elders: past, present and emerging.

The Moderator explained that the AMM was being held virtually today due to the ongoing impact of the COVID-19 pandemic.

The Moderator invited Members to submit questions via the Q&A tool on the website and advised that any questions not answered during the meeting, if there are time constraints, will be addressed directly with Members in the coming days.

The Moderator outlined the order of proceedings for the AMM, including presentations from:

- Ms Michelene Collopy, Suncorp Super Chairman;
- Mr Shailendra Singh, Suncorp EGM Wealth; and
- Mr Brett Bramwell, Suncorp EM Member Investments

The Moderator welcomed the current fund auditor, Mr Nic Buchanan, and the fund auditor for the year ended 30 June 2020, Mr David Kells, both of KPMG, who were present at the meeting.

The Moderator introduced Ms Michelene Collopy, Chairman of the Suncorp Portfolio Services Limited Board. The Moderator outlined the Chairman's experience of over 30 years in the industry and introduced the Chairman's presentation which will focus on the key strategic actions our Board has been taking to improve Members' financial interests and overall Suncorp Super governance structures.

## 2 CHAIRMAN'S MESSAGE

The Chairman welcomed Members to the inaugural AMM and outlined the new era of transparency and accountability for the financial services industry, including the new requirement for superannuation funds to hold an AMM. The Chairman outlined that the AMM will allow the Board to connect with Members and for Members to better understand the investment decisions and performance of Suncorp Super.

The Chairman introduced her fellow Board Directors who were attending the AMM via teleconference:

- Ms Kathy Grigg, joining from Melbourne; and
- Mr Henry Capra, joining from Sydney.

The Chairman also advised that members of the Senior Executive Team were also present to answer Member questions.

The Chairman outlined the following matters:

- the goal of enhancing Members' financial interests which has remained at the forefront of all decisions and actions taken by the Board;
- the impact of the COVID-19 pandemic on the operating and economic environment over the last 12 months;

- the focus of the Board and Executive Management Team during the year on the following key strategic initiatives which will be explained in further detail in the presentations from the EGM Wealth and the EM Member Investments:
  - (i) enhancing fund sustainability through simplification of member propositions;
  - (ii) delivery of sustainable and long-term investment performance;
  - (iii) increasing digital capabilities to provide for better member experiences and to grow the fund; and
  - (iv) exploring opportunity to enhance scale benefits.
- the enhancements to Suncorp Super's governance processes and controls, to address the heightened regulatory expectations, including:
  - (i) the appointment of fully independent Non-Executive Directors to the Board;
  - (ii) the appointment of a Head of the Office of the Superannuation Trustee (Mr Bryan Ingram), whose primary responsibility it is to ensure Member interests are considered and addressed in all decision-making processes within and relating to Suncorp Super;
  - (iii) increasing the number of resources employed within the superannuation team;
  - (iv) the heightened focus on independence across all superannuation activities;
  - (v) reemphasising the importance of putting Members' interests first in all Board and Committee meetings and all written submissions;
  - (vi) direct access between the Chairman and the Suncorp Group CEO & Managing Director (Mr Steve Johnston) and the Suncorp Group Chairman (Ms Christine McLoughlin), including regular meetings to discuss how Members' best interests are being enhanced;
  - (vii) appointment of an EGM Wealth within Suncorp Group (Mr Shailendra Singh), whose key strategic objectives include the driving of the simplification of investment options offered to Members, simplification and affordability of insurance offerings, and assessing the reasonableness of fees being charged to Members; and
  - (viii) regular awareness sessions provided by the Suncorp Wealth Team in respect of the accountability of Suncorp Super to always act in Members' best interests.
- the status of the risk transformation program, which is in its final stages, focusing on superannuation specific enhancements to its risk management processes, together with an uplift in incident and breach management, obligation management, control testing and governance practices;
- Suncorp Super's response to matters referred to it by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry ("**Royal Commission**"), including the establishment of a Members' Best Interest Framework and engaging independent expert verification where matters of rectification were required for Members.

The Chairman thanked Members against the background of the past 12 months, recognising the challenges brought by the COVID-19 pandemic. The Chairman also thanked Suncorp Super management and staff for their work over the past year to support Members.

The Chairman introduced the Suncorp EGM Wealth, Mr Shailendra Singh, for the next presentation.

### 3 UPDATE & ONGOING PRIORITIES

The EGM Wealth outlined the following matters:

- the challenges experienced by Members and the broader community over the last 12 months due to the COVID-19 pandemic;
- Suncorp Super's continued focus on delivering optimal retirement outcomes for its over 85,000 superannuation Members through:
  - (i) delivering long-term sustainable investment performance;
  - (ii) engaging with Members; and
  - (iii) being a trusted service provider.

- the delivery of strong investment results for Members in the past financial year, including chart-topping investment performance for the Brighter Super Multi-Manager Growth Fund, as recognised by research houses, SuperRatings and Chant West;
- the one year investment return of 9.56% for the Multi-Manager Growth Fund as at 31 December 2020;
- the performance of all of Suncorp Super's Multi-Manager Diversified Funds being recognised by Chant West as returning the highest one and three year returns in the industry at the end of 2020;
- SuperRating's recognition of Suncorp Super for our superannuation propositions against value for money for Members, including a platinum rating for Suncorp Brighter Super pension, and gold ratings for our other funds, including Master Trust and Everyday Super;
- the Member engagement program work which enabled more timely and relevant support to Members;
- the increase in use of digital channels for new Members and access to digital financial management tools such as retirement and early release calculators, with further improvements to the digital services now underway;
- the continued support provided to Members via the call centre, with 79% of around 97,000 calls answered within 30 seconds, exceeding our call centre-related targets, while in the second half of 2020, of the 32,000 calls, 85% of calls were answered within 30 seconds;
- the continued focus on improving performance across a range of key areas, including:
  - (i) building on our net promotor score, which provides independent benchmark of services provided to our Members;
  - (ii) increasing our funds under administration to enhance the scale of our funds; and
  - (iii) increasing the number of funds which exceed investment performance objectives;
- the focus on initiatives to further enhance our services to Members;
- the increase in total funds under administration (FUM) to approximately \$6 billion, as a result of our strong investment performance coupled with improved investment markets;
- the increase in the percentage of funds outperforming the PDS objectives from 83% to 90% due to a robust investment philosophy and active asset management processes;
- Suncorp's commitment to delivering on its purpose of building futures and protecting what matters by creating value for our Members, supporting our communities and encouraging our people to be at their best;
- Suncorp Super's support to our Members during challenging times, including those Members impacted financially by COVID-19;
- Suncorp Super's timely processing of applications from more than 18,000 Members under the Government's superannuation early release scheme, including approximately 25,000 payment requests from Members totalling \$193 million. Suncorp Super processed 70% of these payments within two business days which exceeded the industry average of 31% by more than double;
- increased capability in our proposition and innovation, investments and Member engagement teams to continue to meet the needs and preferences of Members;
- continued investment in our digital capabilities to enhance the Member experience;
- the focus of our teams as part of our Member-centric culture to do the right thing for Members and the broader community;
- the focus on simplifying Suncorp Super's MySuper and choice propositions and ensuring the total Member fees (comprised of administration and investment fees) provide good value to Members;
- the continued focus on sustainable long-term investment performance, improved digital experiences and supporting our Independent Financial Advisers in corporate partners;
- the industry reforms arising out of the Royal Commission which seek to increase the transparency of fund performance and fees and the "Your Future, Your Super" initiative which will further advance levels of transparency;

- Suncorp Super's continued support and contribution to various reforms to enhance trust in the superannuation industry to ensure that Members can access relevant services in an affordable manner.

The EGM Wealth introduced the EM Member Investments, Mr Brett Bramwell, to provide an update on Suncorp Super's investment performance and the broader market.

#### 4 INVESTMENT PERFORMANCE & MARKET UPDATE

The EM Member Investments provided an investment performance and market update, outlining the following matters:

- the volatility of global markets during 2020, with price movements not seen since the global financial crisis due to the escalation of the COVID-19 pandemic and the severity of lockdowns, economic downturn and tragic death toll that ensued around the world;
- the decline of the ASX300 by some 27% in February and March 2020, before a remarkable recovery to finish the calendar year in positive territory, up 1.7% after the best December quarter in history;
- in Australia, gains by resources, technology and healthcare stocks were offset by losses from financial, energy and property sectors;
- the focus on superannuation as a long-term investment despite the volatility during 2020;
- the positive short to medium outlook for investments, with economies and corporate earnings continuing to recover, albeit with some concerns of further lockdowns and outbreaks of COVID-19;
- observations on the commencement of the post-recession recovery phase of the cycle, which implies a period of low interest rate growth and falling unemployment;
- the near term risk of investment sentiment which has become overly optimistic, following the vaccine announcements which made the markets vulnerable to negative news;
- Suncorp Super's delivery of strong investment performance outcomes for our Members despite the backdrop of global market volatility. For example, the Suncorp Multi-Manager Conservative, Balanced, Growth and High Growth Funds delivered very strong investment returns compared to peers over the last 12 months and have also outperformed their respective benchmarks;
- Chart West and SuperRatings' rating of the Suncorp Multi-Manager Growth Fund as the number one performing fund for the one year to 30 June 2020, and for the one year to 31 December 2020. As at 31 December 2020, this fund produced a one-year net investment return of 9.56%, compared to the median return of 3.61%, as published by the Chant West survey. This outcome was a positive result for our Members and was achieved by managing your investments successfully, in particular:
  - (i) using a valuation-driven asset allocation approach to increase exposure to asset classes with attractive return potential, while reducing exposure to over value asset classes with less return potential;
  - (ii) a strong focus on liquidity management for operational efficiency and enabled the capitalisation of market opportunities;
  - (iii) stock selection techniques that are primarily focused on bottom up, fundamental company analysis to generate active returns above benchmark;
  - (iv) an overweight allocation to cash, provided an additional shock absorber during the COVID-19 investment market volatility;
  - (v) selecting underlying investment managers that have performed well in their respective asset classes, notably Australian and International equities; and
  - (vi) holding an overweight allocation to international equities and investing across several different regions for the Suncorp Multi-Manager Diversified Funds.
- the continued performance of the Suncorp Lifestage Funds which have exceeded the investment objective, strengthening our peer relative performance outcome, noting that over 57% of the Suncorp Lifestage Funds are ranking in the first quartile on a peer and product-relative basis as at 31 December 2020;
- the steps taken over the last 12 months to further incorporate responsible investment principles into Members' superannuation investments, including stock screening to exclude companies that

manufacture controversial weapons, produce tobacco products, violate human rights or have new fossil fuel or thermal coal extraction plants, including thermal coal generation;

- the Suncorp Group’s objective to act in a manner that supports an orderly transition to a net zero carbon emissions economy by 2050. Suncorp Super has undertaken an independent accreditation assessment with the Responsible Investment Association Australasia (“**RIAA**”) during the last year and achieved full accreditation from RIAA for the Suncorp Multi-Manager Diversified funds (being the Conservative, Balanced, Growth and High Growth Funds) as at the end of December 2020. This has demonstrated the Trustee’s commitment to managing Members’ superannuation investments in a responsible manner while delivering a sustainable investment return for Members’ retirement;
- the evolving nature of the stock exclusion approach as new products and technologies come to market, to consider changes to corporations’ operating and strategic business models;
- the impacts of improving global growth, government stimulus programs, the COVID-19 vaccine rollout and low interest rates;
- the shift in performance in investments that will benefit from the pandemic recovery, such as resources, industrials, tourism stocks and financials;
- the current position of the RBA which is not expected to raise the official cash rate before 2024 or at least until inflation is sustainably within its 2% to 3% target range;
- Suncorp Super’s continued focus on our investment philosophy and strategy, such as maintaining diversified portfolios and maintaining high levels of portfolio liquidity to capitalise on market opportunities;
- the tactical increase in our exposure to global listed infrastructure, given the various announcements of the different governments around the world to increase their planned fiscal stimulus packages and also to further diversify our growth assets.

**5 QUESTION & ANSWER SESSION**

The Moderator thanked the Chairman, EGM Wealth and the EM Member Investments for their presentations.

The Moderator invited Members to submit any additional questions of a general nature and outlined the process to submit questions via the online portal. The Moderator advised that any questions that are not answered at the meeting will be directly answered to Members in the coming days.

The Moderator confirmed that any questions received prior to the meeting have been answered directly to the Members who submitted the questions and confirmed that a copy of these questions and answers will be available on the website (<http://suncorp.com.au/super>) in the coming days.

The Moderator posed the following question, which was submitted during the course of the AMM, to the EM Member Investments:

Question	Answer
Can we expect to see an improvement in the 0% return of the Capital Guaranteed Fund that was achieved in the last financial year?	In terms of the Capital Guaranteed Fund, returns are intrinsically linked to the underlying investment. So, if those investments are generating a return, then in turn the declared rate, which is a pointed actuarial assessment that is made at the end of each year, should likely provide a declared rate back to the Member.

An additional question from a Member was submitted during the meeting. However, as the question related to the Member’s personal circumstances, the question was not answered during the meeting and was answered directly with the Member after the meeting.

**6 MEETING CONCLUSION**

The Moderator invited Members to submit any final questions via the online portal or at any time online or by calling 13 11 55.

The Moderator confirmed that all information presented at the AMM, including a videorecording and transcript of the meeting would be available on Suncorp Super's website (<http://suncorp.com.au/super>) within 30 days. The website also sets out information on Suncorp Super's product and performance, as well as tools to help Members manage their super, estimate their retirement and consolidate their accounts, among other things.

As no further questions were received, the Moderator thanked Members for their attendance at the inaugural AMM and for choosing Suncorp Super as their super fund.

*The Chairman declared the meeting closed at 3.31pm Sydney time.*