

Annual Members' Meeting – Member Q&A

Macquarie Superannuation Plan

3 March 2022

Thank you to those members who attended the annual members' meeting for the Macquarie Superannuation Plan (the Fund) that was held on Thursday 3 March 2022. The meeting included a Q&A session where members were able to submit questions, either before or during the meeting, to be addressed by the Board of Directors or Executive Officers for Macquarie Investment Management Limited (the Trustee) or the Fund's auditors.

All questions raised by members that relate to the Trustee or the Fund are detailed below, along with a response from the Board of Directors, Executive team or auditors where relevant. An economic-related question that was addressed by guest speaker, Justin Fabo, during the meeting is also detailed below.

For privacy reasons, any personal questions specific to a member's own account are not included. If you submitted a question that relates to your account, our Client Experience team has attempted to contact you separately to address your question.

No.	Member questions	Response
1	<p>What is the Trustee's approach to Environmental, Social and Governance (ESG) investing? Is this different to the broader Macquarie Group?</p> <p><i>Please note several questions were received from members in relation to ESG investing. This question is a consolidation of those questions. Refer to Appendix A for a list of all questions the Trustee considered to be related to ESG investing.</i></p>	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>Environmental, Social and Governance (or ESG) factors are a critical consideration for the trustee. We think about this from a number of different perspectives including:</p> <ul style="list-style-type: none"> • understanding the ESG risks and exposures within the fund • considering the investment options available that have an ESG focus, and • understanding the ESG ratings of the funds that are on the platform and helping you to really understand what they mean, how to interpret those, and how to use those to inform you in making investment decisions aligned with your ESG objectives. <p>From a trustee perspective, we're committed to ensuring that we give you and your adviser the information and the investment options to help to construct portfolios aligned with your ESG objectives.</p> <p>From a Macquarie Group perspective, we're committed to aligning our activities to the global goal of net zero emissions by 2050 and we're doing this in two ways. The first is in terms of aligning our internal activities by 2025 and then by aligning our financing activities by 2050.</p>

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2	How do we get access to view our superannuation online?	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>All members by default have access to their account online. There's no need to register. If you're using a computer, you can access your account by visiting online.macquarie.com.au.</p> <p>We also have a mobile application for those who have a smartphone, available on both Apple and Android devices. You can find the application by searching for 'Macquarie' in the relevant app store.</p> <p>If you don't know your login details and you're having trouble logging in, please contact our Client Experience team and they'll be happy to help you. There are also instructions available online if you don't have your login details.</p>																																
3	Can I please get some extra details for our ABN/USI info for our super accounts and if there is an app we can download?	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>By way of background, the Unique Superannuation Identifier (or USI) and ABN are unique identifiers for both funds and products, and they enable funds to transfer money between each other while also enabling employers to contribute money on behalf of members.</p> <p>The USI details can be found in the relevant product disclosure statement, in our fund compliance letter or in our contribution nomination form. All of these are available online. If you have an adviser, your adviser can also generate a contribution nomination form with the USI and ABN details specific for your product, which you can then give to your employer should you wish to have your employer make contributions on your behalf.</p> <p>As mentioned previously, we do have online access and a mobile application. The website is online.macquarie.com.au and if you search for 'Macquarie' in your app store, you'll be able to find our mobile application.</p> <p><i>Further information:</i></p> <p>The ABN of the Fund is 65 508 799 106.</p> <p>The USIs for our products are listed below:</p> <table><tbody><tr><td>Macquarie Super Manager</td><td>65508799106031</td></tr><tr><td>Macquarie Pension Manager</td><td>65508799106032</td></tr><tr><td>Macquarie Term Allocated Pension Manager</td><td>65508799106088</td></tr><tr><td>Macquarie Super Manager II</td><td>65508799106185</td></tr><tr><td>Macquarie Pension Manager II</td><td>65508799106186</td></tr><tr><td>Macquarie Super Consolidator</td><td>65508799106172</td></tr><tr><td>Macquarie Pension Consolidator</td><td>65508799106173</td></tr><tr><td>Macquarie Super Consolidator II</td><td>65508799106172</td></tr><tr><td>Macquarie Pension Consolidator II</td><td>65508799106173</td></tr><tr><td>Macquarie Super Accumulator</td><td>65508799106041</td></tr><tr><td>Macquarie Vision Macquarie Super</td><td>65508799106172</td></tr><tr><td>Macquarie Vision Macquarie Pension</td><td>65508799106173</td></tr><tr><td>Premium Portfolio Service Super Account</td><td>65508799106031</td></tr><tr><td>Premium Portfolio Service Pension Account</td><td>65508799106032</td></tr><tr><td>Private Portfolio Solution Super Account</td><td>65508799106031</td></tr><tr><td>Private Portfolio Solution Pension Account</td><td>65508799106032</td></tr></tbody></table>	Macquarie Super Manager	65508799106031	Macquarie Pension Manager	65508799106032	Macquarie Term Allocated Pension Manager	65508799106088	Macquarie Super Manager II	65508799106185	Macquarie Pension Manager II	65508799106186	Macquarie Super Consolidator	65508799106172	Macquarie Pension Consolidator	65508799106173	Macquarie Super Consolidator II	65508799106172	Macquarie Pension Consolidator II	65508799106173	Macquarie Super Accumulator	65508799106041	Macquarie Vision Macquarie Super	65508799106172	Macquarie Vision Macquarie Pension	65508799106173	Premium Portfolio Service Super Account	65508799106031	Premium Portfolio Service Pension Account	65508799106032	Private Portfolio Solution Super Account	65508799106031	Private Portfolio Solution Pension Account	65508799106032
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4	Are you going to explore the Crypto markets at all?	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>We're certainly seeing that crypto currencies are attracting a lot of attention in the media. We're also increasingly seeing regulators starting to take a position and provide some initial guidance in this space.</p> <p>From our perspective, our Investment Governance Team monitors asset classes, investment products, and emerging market themes. And we'll continue to monitor this space in alignment with our Investment Governance Framework.</p>
5	How much attention is climate change risk going to have in the upcoming year/s ahead?	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>Climate change has been an increasing focus area for the Trustee in terms of understanding our risk profile and our exposures from a fund perspective. We're also seeing it becoming an increasing focus area for regulators, including APRA who last year provided some guidance in terms of their expectations on how trustees manage climate change risk. We're also expecting some new standards from an accounting perspective to provide guidance on how we should be reporting on climate change risk.</p> <p>We see that this is going to continue to be a key focus area for the trustee as we're all focused on identifying and managing climate change risk.</p>
6	How is the superannuation fund performing compared with other funds? Is this comparison available to the public for review?	<p><i>The following response was provided by Cathy Aston during the meeting.</i></p> <p>Firstly, it's important to remember that not all funds are the same. There's some funds, such as those with MySuper products, where it's the trustee that makes the investment decisions, whereas in other funds such as Macquarie, investment decisions are made by the member in conjunction with their adviser and not by the trustee. Your investment performance depends on the investments that you selected. Because each member has an individual portfolio it's not possible for us to compare investment performance of our fund with other superannuation funds.</p> <p>We do compare the features, functionality, and fees of our products against other platform products in the market. We do this comparison as part of our annual member outcomes assessment and the results of that assessment can be found on our website – see macquarie.com.au/yourwrap.</p>
7	Sustainable funding – is this a thing? Do the United Nations Sustainable Development Goals (UN SDG) mean anything in the financial world?	<p><i>The following response was provided by Chris Dunn during the meeting.</i></p> <p>Funding, including sustainable funding, isn't something that the Fund is directly involved in.</p> <p>In terms of the Sustainable Development Goals, there are 17 of these that were adopted by the United Nations back in 2015 and these goals manifest themselves in the financial services industry by providers of products such as funds and investments focused on ESG or Environmental, Social and Governance factors.</p> <p>As mentioned previously, ESG factors are a key consideration for the Trustee and providing members with access to investment options with an ESG focus assists our members and fund managers who are committed to ESG in an indirect way to align to these goals.</p>

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No.	Member questions	Response
8	Transparency regarding fees and charges – Macquarie versus adviser fees.	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>All fees charged directly to your account will appear in the cash transactions report and in your statement. Different fee types will have a different narration in these reports and statements. So the fees that we charge and collect will be shown as 'administration fees' and the fees that are paid to your adviser will be displayed as 'adviser fees'.</p> <p>It's important to realise that out of the fees that are paid to us, we don't pay commissions to financial advisers. In our half yearly and annual statements, we also provide on the front page a total of both the administration fees that we receive and the adviser fees that are paid to your adviser. Adviser fees will also be outlined in the statement of advice or other advice document that your adviser gives to you and your adviser each year will also provide to you a fee disclosure statement which will outline the fees that they're charging.</p> <p>All adviser fees that are charged to your account must be consented to by you and this requirement is now an annual process. Your consent will generally be through our digital fee form that is required to be completed every year.</p>
9	When will Macquarie offer a more control offering to customers who want to dial up and down their risk?	<p><i>The following response was provided by Cathy Aston and Chris Dunn during the meeting.</i></p> <p>Cathy – A key role of the Trustee is to maintain very tight oversight of the suitability of investments that are put on and remain on the Macquarie Superannuation platform. We provide a vast range of investments so that you and your adviser can design a portfolio that is customised to your needs and your risk profile. The menu is guided by our comprehensive Investment Governance Framework, which includes investment limits, as well as regulatory requirements that the trustee must comply with.</p> <p>Chris – Some of the regulatory requirements for a trustee include focusing on factors like risk, diversification, and liquidity. These factors mean that the Trustee may place restrictions in the form of investment limits on certain investment options. The limits are designed to allow members flexibility and choice to manage their portfolios with their adviser and provide a risk targeted diversification. Our products are designed for members who have a financial adviser to assist them in choosing and managing their investments and their portfolio. And in terms of risk and growth, we would encourage you to speak with your adviser to consider your portfolio construction.</p>

No.	Member questions	Response
10	<p>What is the Outlook for Australian shares in 2022?</p> <p>Will inflation affect Australian share performance?</p>	<p><i>The following response was provided by Justin Fabo during the meeting.</i></p> <p>We have some equity strategists at Macquarie that talk a lot about what's happening in equity markets and the outlook and a common theme from them at the moment is one of volatility.</p> <p>If you wind the clock back two or three months into late last year before some of the things we're seeing at the moment, a theme they had was this year they were expecting or calling out the risk of a 10 to 15, maybe 20% draw down in equity markets, broadly speaking.</p> <p>If you fast forward a couple of months, we've seen particularly in US markets, the S&P had fallen about 10%, it's given back a bit of that. Falls in Australian markets haven't been quite as large so there's different mixes going on there. So the Strategists are still sticking with that theme of potential risk going forwards in terms of further falls.</p> <p>But within that though, there's a couple of things to unpack.</p> <p>One is that the risk of volatility is higher this year than we've seen in recent years and there's a couple of reasons for that. One is interest rates are rising, typically asset prices don't like that too much. Parts of equity markets that have benefited from very low interest rates and abundant liquidity won't like the fact that interest rates are going up and liquidity provided by central banks is not expanding anymore and, in some cases, being withdrawn.</p> <p>Secondly, there's certainly different sector performances there which is related to the first question.</p> <p>The other one for this year in terms of volatility, obviously there's geopolitical uncertainties and there's a couple of those kicking around globally at the moment as well, which typically aren't favourable for global growth, but also overall equity markets.</p> <p>So, this year we're thinking, as a team, that there's risk of further losses in equity markets in coming months, partly because interest rates are going up and partly because of volatility related risks.</p> <p>Overall, when stepping back, the Team is still reasonably confident that over time equities are a nominal variable, they typically go up over time, but never in a straight line. In a long term or medium term sense, the Team are still pretty happy to say that as long as growth is on track and we're not seeing any risk of recession for a couple of years that equity still should go up over that period of time.</p>
11	<p>Can we have fortnightly payments for our pension? Monthly payments are difficult to manage on tight budgets.</p>	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>We've listened to member feedback in this regard and work is currently underway to deliver fortnightly pension payments for our members and we'll contact our members before this comes into effect. We've also recently improved our pension payment flexibility, by making it quicker and easier for you to receive one-off payments.</p>

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12	Please describe the process used to decide what market indicators indicate risk versus growth?	<p><i>The following response was provided by Chris Dunn during the meeting.</i></p> <p>There are essentially two elements to this question. The growth of an investment is the capital gain or the increase in value, which is generally considered over longer time periods, and one of the processes we use is performance monitoring. The risk indicators are used to understand market factors that can impact on growth and the consistency of that growth. The risk indicators vary between asset classes, asset type and can include liquidity risk, credit risk, diversification risk, and currency risk, just to name a few. The Investment Governance Team uses a variety of processes and mechanisms to identify and monitor these risks. This monitoring also informs our investment limits that were previously mentioned. And as we've mentioned before, for members, the flexibility and choice of the platform, is designed for those with financial advisers and using their financial adviser to understand their risk and their growth and their portfolio is extremely important.</p>
13	One of the most important factors in superannuation is performance. When will we be able to generate on the fly performance figures rather than waiting for statements?	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>We always encourage our members to provide feedback, which you can do so through the Client Portal, or by reaching out to our Client Experience team.</p> <p>We're continuously working to improve our products for you and this is definitely an item that we're exploring to make available to you, through the Client Portal. For those with an adviser, we encourage you, if you would like to receive performance reporting on a more regular basis, to contact your adviser and they can generate these reports for you.</p>
14	When will client transacting be available?	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>If you are a member without an adviser, you can transact. All you need to do is complete our <i>Investment Transaction</i> form and send it through to us, or you can contact our Client Experience team.</p> <p>For those members who have an adviser, we encourage you to contact your adviser before making any transactions. They're best placed to provide you with the advice required that meets your objectives and needs, to ensure that any investments that you're purchasing or selling are appropriate for your needs.</p>
15	<p>Could the Chair please outline how Macquarie Wrap Super is engaging in Responsible Investment as the term is used by Responsible Investment Association of Australia (RIAA)?</p> <p>In future Annual Reports, is it possible to provide information about Responsible Investing as the term is used by RIAA?</p>	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>Responsible investing is very much aligned to ESG investing, which we've spoken about several times through this session. RIAA defines responsible investing as a broad-based approach to investing, which takes into consideration people, society and the environment, along with the traditional financial measures of performance.</p> <p>As we've mentioned, we are committed to ensuring that we have the right capabilities in place in terms of information and investment options, for members to be able to design portfolios that are aligned to responsible investing or ESG investing.</p> <p>The annual report is focused on the performance of the Macquarie Superannuation Plan. As we've mentioned throughout the session, we have over 1,800 investments options available on the platform. So we're not going to be able to comment specifically on the responsible investing elements of each of those investment options. But what we will comment on is how we as a super fund, are responding to ESG and responsible investing.</p>

No.	Member questions	Response
16	How can I be best assured that I am not overpaying for general fees and fees for activities and getting the appropriate annual tax adjustment in the absence of an independent trustee?	<p><i>The following response was provided by Cathy Aston and Michelle Weber during the meeting.</i></p> <p>Cathy – The board of the Trustee is made up of four independent directors and the board plays an important role in the governance of the fund, including overseeing and monitoring the Trustee's business operations, to ensure that they remain compliant with all relevant laws and regulations. As a trustee, we must always act in the best financial interests of members. This includes the setting and charging of fees and ensuring that tax adjustments are fair and equitable. Our fees and product competitiveness are included as part of our member outcomes assessment. Through that process, we are confident that the administration fees charged are industry competitive and appropriate for the options, benefits and facilities offered to members.</p> <p>Michelle – Your adviser is really best placed to work with you, to understand your needs and objectives, and to identify the best product for your personal situation. I'd really encourage you to speak to your adviser if you have any concerns around the fees that you are currently charged.</p> <p>Now in terms of the tax adjustment process, we prepare account level tax reports on an annual basis, which are essentially the tax return for your account. This will also outline any tax adjustments that are made on your account.</p> <p>Our fund is independently audited on an annual basis. So you can feel confident that we have the right checks and balances in place, to ensure that we are delivering the right outcomes for you.</p>
17	Can you please provide some aggregate information, preferably classified by size of beneficial owner total assets, on how funds are invested as to say, direct domestic equities excl index shares, direct international equities, domestic ETF including index, international ETF including index, domestic fixed interest, International fixed interest, cash and other asset classes? The purpose would be to get a feeling for how one's portfolio mix compares with other superannuation investors in a similar situation.	<p><i>The following response was provided by Cathy Aston and Curtis Dowel during the meeting.</i></p> <p>Cathy – The Trustee provides members and their advisers with access to a wide range of investment options, and members with the assistance of an adviser build their own portfolios that are customised to their needs, objectives and risk profile. Members have transparency of their individual portfolios, so that they can view their underlying assets and portfolio mix at any time, either online or via the mobile app. Because each member has an individual portfolio that is constructed to suit their personal circumstances, it is not relevant for us to compare your portfolio with other members. You may have a different selection of investments, a different risk profile or different objectives.</p> <p>Curtis – Legislation has recently come into effect that requires superannuation funds to disclose the underlying holdings for each investment option, called Portfolio Holdings Disclosure. The first time that funds will need to report is by the end of March 2022. That's not just us – that's all superannuation funds. What it will show is each asset that the fund holds and where a managed fund or an investment option is managed by a related party, they're also required to disclose the underlying holdings of that option.</p> <p>This will enable members to have greater visibility of the assets that a superannuation fund holds. Given that we're a platform, the investments that you hold are available for you to view in the portfolio valuation report. You'll be able to see the investment options that are applicable to you. Even though we've got this new regime, a lot of the managed funds that we hold on your behalf, we won't be disclosing the underlying holdings of those, because they are not invested through a related entity. If you would like to know what these managed funds are invested in, you would need to contact the fund manager or talk to your adviser.</p>

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No.	Member questions	Response
18	How well is the technology protected against any potential cyber-attacks from Russia?	Cyber security is now one of the most significant risks in the global economy. We have a comprehensive risk management framework in place to protect our members from cyber security risks. We have also developed a strong foundation for cyber resiliency through the continued expansion of systems and processes to prevent and detect cybercrime.
19	How do I assess the effectiveness of my adviser's investment decisions? Obviously, I can track my own returns but how do I compare these to the Funds overall results?	As mentioned previously, the Trustee provides members and their advisers with access to a wide range of investment options, and members with the assistance of an adviser build their own portfolios that are customised to their needs, objectives and risk profile. Because each member has an individual portfolio that is constructed to suit their personal circumstances, it is not relevant for us to compare the performance of your portfolio with other members or the overall Fund performance.
20	Given the trend by major investment funds (incl. the Future Fund) towards holding, private, unlisted assets, why is the Macquarie Super Platform so reluctant/unwilling to allow funds with monthly and/or quarterly liquidity to be held on-platform. This appears to NOT be in the best interests of members, especially those with a multi-decade investment horizon.	<p>The Trustee provides members and their advisers with access to a wide range of investment options, including managed funds with monthly or quarterly withdrawal facilities. If you are interested in incorporating managed funds with these features in your portfolio, we would encourage you to speak with your financial adviser to ensure they are aligned with your needs, objectives and risk horizons.</p> <p>It should also be noted that, before any investment is added to the investment menu due diligence is undertaken. That due diligence is also conducted on an ongoing basis. The Trustee takes a range of factors, including liquidity into account before it adds any investment to the investment menu. Limits or restrictions may be applied to manage risks, such as, diversification and liquidity risks. Investment options will not be added to the menu if they do not meet the requirements of our Investment Governance Framework.</p>
21	Can you please advise Macquarie's position on investment in Russian based assets?	Some products offered on the Macquarie Wrap superannuation platform, predominately Emerging Market funds, may have some minor exposure to the region and we are actively working with individual managers to understand their holdings and their intended actions where appropriate.

Appendix A – Consolidated Member Questions

No.	Theme	Member questions
1	<p>ESG investing</p> <p><i>The questions in the column to the right were received from members in relation to ESG investing. These questions were consolidated into one and addressed at question 1 above.</i></p>	<p>Question 1</p> <p>I am a new member of your super fund. I am keen to hear how your net zero by 2050 will look in the next few years.</p> <p>I would like to hear how you are divesting from companies supporting the Adani Carmichael Coal project and for that matter all other fossil fuel investments across the globe.</p> <p>I would like to be proud of where my money is being invested in supporting my children's future as well as providing me with a good income in retirement. I am not currently able to be in that position.</p> <p>Question 2</p> <p>Is Macquarie Bank actively shifting towards investments in renewables and supporting infrastructures?</p> <p>Question 3</p> <p>I want to hear about your immediate plans to divest from fossil fuels.</p> <p>Question 4</p> <p>Please advise what Macquarie is doing regarding the climate change initiatives including investing in ethical funds, not investing in fossil fuels etc.</p> <p>Question 5</p> <p>My questions are about ethical investments and performance of Macquarie vs Aus Super.</p> <p>Question 6</p> <p>Can you give an insight into Macquarie's investments in the renewable energy technology sector and what weighting is being given to renewables moving forward?</p> <p>Question 7</p> <p>How green are the companies in which our superannuation is invested?</p>
2	<p>How is the superannuation fund performing compared with other funds? Is this comparison available to the public for review?</p> <p><i>The questions in the column to the right were received from members in relation to fund performance. These questions were consolidated into one and addressed at question 6 above.</i></p>	<p>Question 1</p> <p>How is the superannuation fund performing compared with other top funds? Is the fund listed publicly for review?</p> <p>Question 2</p> <p>My questions are about ethical investments and performance of Macquarie vs Aus Super.</p>