

# Annual Members' Meeting – Member Q&A

## Macquarie Superannuation Plan

6 December 2022

Thank you to those members who attended the Annual Members' Meeting for the Macquarie Superannuation Plan that was held on Tuesday, 6 December 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 Macquarie Superannuation Plan 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 question	Response
1	<p><b>How does the Trustee choose which assets the Fund should invest in?</b></p> <p><i>Please note several questions were received from members in relation to investment choice. 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 investment choice.</i></p>	<p><i>The following response was provided by Lisa Boyce during the meeting.</i></p> <p>The Trustee does not make any investment decisions on your behalf. This is different to some superannuation funds, such as those with MySuper products, where the Trustee makes the investment decisions for you.</p> <p>Instead, we provide you with access to over 1,800 investment options. From this, you and your adviser can design a portfolio that is customised to your needs, risk profile and investment philosophy.</p>

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2	<b>When dividends are received it would be appreciated if the company paying could be named.</b>	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>All income that is received into your account is visible to you in the cash transactions report, which is available as an online report. This information is also available in your annual statement.</p> <p>Where dividends from ASX listed companies are paid into your account, we display the ASX code (which is typically three letters) in the cash transactions report to help you identify the company. However, this is a good piece of feedback that we have raised with our Product Development team and we will look to incorporate this into our reporting in the future.</p> <p><b>Further information</b></p> <p>All members have online access to their account by default. You can access your account by visiting <a href="https://online.macquarie.com.au">online.macquarie.com.au</a></p> <p>We also have a mobile application available for both Apple and Android devices. You can find the application by searching for 'Macquarie' in the relevant app store.</p>
3	<b>We are all concerned about the economic downturn, particularly retirees. What steps is Macquarie taking and what are they investing in to ensure the best outcomes for investors?</b>	<p><i>The following response was provided by Lisa Boyce during the meeting.</i></p> <p>We understand this is a concern for retirees. As Trustee, we provide members and their advisers with access to a broad range of investment options on our investment menu including many conservative options.</p> <p>We encourage you to speak with your adviser who can review your investment portfolio and its suitability to your needs and risk profile.</p>
4	<b>How do you draw down your super for long term impact for new retirees in a fragile economic environment?</b>	<p><i>The following response was provided by Cathy Aston during the meeting.</i></p> <p>The current economic environment can be particularly concerning for retirees, especially with regard to drawing an appropriate income that will last throughout retirement.</p> <p>Our retirement income strategy aims to provide you and your adviser with the products, tools and resources to assist you to use the platform to achieve your targeted retirement outcome. The objectives of the strategy are to assist members to achieve and balance between:</p> <ul style="list-style-type: none"><li>• Maximising your expected retirement income</li><li>• Managing expected risks, and</li><li>• Allowing you to have flexible access to your funds over your retirement years.</li></ul> <p>We recommend that you discuss these points with your adviser, who is best placed to take into account your personal circumstances and long-term goals.</p>

No.	Member question	Response
5	<p><b>What is the Trustee doing in relation to Environmental, Social and Governance (ESG) issues? Does this differ to the Macquarie Group?</b></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 Lisa Boyce and Michelle Weber during the meeting.</i></p> <p><b>Lisa</b> – We acknowledge that some members may not have an interest in sustainable investing. As a choice fund, we offer a wide range of investment options to cater for the diverse needs and objectives of our members. Some options have a strong focus on ESG considerations and others do not.</p> <p>From a Fund perspective, we think about ESG in several areas. We are committed to providing you with a range of ESG-rated investment options (such as those that use negative screening and impact investing in their investment approaches).</p> <p>It's really important that the investments we offer are "true to label", so the due diligence that we conduct on investments is critical. We also consider the educational materials we provide, as well as the impact climate risk may have on the operation of the Fund.</p> <p><b>Michelle</b> – From a Macquarie Group perspective, ESG considerations guide and inform the way we conduct our business operations and importantly how we manage risk.</p> <p>A key area of Macquarie's ESG focus is climate change and we are committed to our climate strategy which is outlined in Macquarie's Net Zero and Climate Risk Report, issued on 5 December 2022. Part of the strategy includes aligning our financing activities with the global goal of net zero emissions by 2050, as well as achieving net zero in our direct operations by 2025. You can find further detail on this in the report which is available on the Macquarie Group website at <a href="https://www.macquarie.com/assets/macq/impact/esg/policies/net-zero-climate-risk.pdf">macquarie.com/assets/macq/impact/esg/policies/net-zero-climate-risk.pdf</a></p>
6	<p><b>Why and how did my account lose money this year? When does Macquarie expect the economy to recover?</b></p> <p><i>Please note several questions were received from members in relation to fund performance. 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 fund performance.</i></p>	<p><i>The following response was provided by John Edstein and Justin Fabo during the meeting.</i></p> <p><b>John</b> – Generally across the superannuation industry, investment returns were negative over the past year. However, your account performance is dependent on the investments that you have chosen to have in your portfolio.</p> <p>It is also important to keep in mind that for most people superannuation is a long-term investment, and there may be volatility in the short-term.</p> <p><b>Justin</b> – While growth may have slowed, we have continued to see the unemployment rate fall which tells us that the economy is still doing quite well.</p> <p>While we are still waiting for that slowing to happen, our expectation is that growth will slow in the first two or three quarters of next year before the economy starts to recover. This is based on our view of what's happening globally, where we see recessions in the major advanced economies.</p> <p>For the Australian economy we are a more optimistic. While we think the economy will slow sharply next year, it won't be until later in 2023 or early 2024 where we start to see growth starting to recover.</p>

No.	Member question	Response
7	<b>What is the justification using a (high) percentage fee on the admin fee for a term deposit when it is only a stroke of a pen? It is appalling.</b>	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>Our administration fee covers a broad range of services that we provide, including:</p> <ul style="list-style-type: none"><li>• keeping your assets safe under custody</li><li>• maintaining and upgrading the technology systems of the Platform, and</li><li>• complying with the superannuation regulatory requirements.</li></ul> <p>Your adviser is best placed to work with you to understand your needs and objectives, and to identify the most appropriate superannuation product for your personal situation.</p> <p>That being said, we do compare the fees, features and functionality of our products against comparable products in the market. You can find details of this assessment on our website – see <a href="https://macquarie.com/yourwrap">macquarie.com/yourwrap</a></p> <p><b>Further information</b></p> <p>The administration fees charged within the Fund are reflective of the costs to deliver the Wrap Platform. In addition to the general expenses noted above, the costs to administer, manage and report on each asset type are broadly the same, and are incurred for all investments options (including term deposits) held within a portfolio.</p>
8	<b>Are you planning on shorting the current stock markets around the world over the next year 2023?</b>	<p><i>The following response was provided by Lisa Boyce during the meeting.</i></p> <p>While the Trustee does not make investment decisions on your behalf, the Trustee does provide members and their advisers with access to a wide range of investment options, including some which have the ability to engage in short selling.</p> <p>If you are interested in these investments, we encourage you to speak to your adviser.</p>
9	<b>How does Macquarie Super compare to the top 5 other Super plans? I heard that the top 5 were all headed by women. Thank you.</b>	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>It's important to remember that not all funds are the same. Because the Macquarie Superannuation Plan is a choice Fund, each member has an individual portfolio and it's not relevant for us to compare investment performance with other superannuation funds. Your individual investment performance will depend on the investments you have selected.</p> <p>However, we do compare the fees, features and functionality of our products against comparable products in the market. You can find details of this assessment on our website – see <a href="https://macquarie.com/yourwrap">macquarie.com/yourwrap</a></p> <p>From a diversity perspective, Macquarie Group supports Diversity, Equity and Inclusion across its entire business. The Trustee also maintains its own Diversity Policy, a copy of this can be found on our website see – <a href="https://macquarie.com/yourwrap">macquarie.com/yourwrap</a></p> <p>Currently the Trustee's Board has gender equity across its Board members.</p>

No.	Member question	Response
10	<b>What areas/products did not perform as well as expected? Will those areas or products be continued or have they been discontinued?</b>	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>We're committed to delivering quality and competitive superannuation and pension products that promote the interests of members. We regularly monitor our superannuation and pension products and we report the results of this monitoring to the Board on a quarterly basis. We also complete an annual member outcomes assessment, which we publish online – see <a href="https://www.macquarie.com/yourwrap">macquarie.com/yourwrap</a></p> <p>Through this process we have identified certain areas for improvement where we have taken action, including:</p> <ul style="list-style-type: none"> <li>• our communications to members with Macquarie Wrap Series I products, notifying them of our Series II products where we identified that they may be able to reduce their fees by moving products, and</li> <li>• our decision to close the Definitive Superannuation Plan and transfer its members to the Macquarie Superannuation Plan in June this year.</li> </ul>
11	<b>Your client service is terrible. What concrete steps are you taking to improve it, if any?</b>	<p><i>The following response was provided by Michelle Weber during the meeting.</i></p> <p>This is an area we take very seriously. During the year our high service standards have come under pressure for a range of reasons, including the ongoing impacts of COVID-19.</p> <p>We've worked hard to address these areas and are seeing significant improvement across our call centres and operations teams, for example:</p> <ul style="list-style-type: none"> <li>• a 56% improvement in our review of administrative requests, and</li> <li>• a 71% reduction in our call wait times over the past three months.</li> </ul> <p><b>Further information</b></p> <p>Some of the steps we have taken to improve our client experience across the Platform include:</p> <ul style="list-style-type: none"> <li>• recruiting additional staff within our client service and operations teams to improve our service and response times</li> <li>• improving the way we communicate with members and their advisers where we require further information, leading to faster responses and resolutions for cases</li> <li>• enhancing our training and onboarding processes to improve how we deliver client service.</li> </ul> <p>If you have a specific concern, please contact our Client Experience team and we will be happy to help you.</p>
12	<b>What are the projected returns for the Superannuation Plan in 2023?</b>	<p><i>The following response was provided by Lisa Boyce during the meeting.</i></p> <p>As mentioned previously, the Trustee does not make investment choices. These decisions are made by members, generally in conjunction with their financial adviser.</p> <p>As each member can construct their own investment portfolio, assessing or projecting returns at the Fund level does not reflect actual member outcomes. Portfolios, and therefore returns generated by these portfolios, are typically unique to each member.</p> <p>Your financial adviser will be best placed to speak with you about the performance of your investments.</p>

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13	<b>Are you planning on investing in Cryptocurrency?</b>	<p><i>The following response was provided by Lisa Boyce during the meeting.</i></p> <p>We note that Cryptocurrency continues to attract a lot of media attention and regulators are turning their focus to Cryptocurrency and digital assets more broadly.</p> <p>We currently do not offer direct investment into Cryptocurrency through the Fund, as it has not met our risk assessment criteria. However, we will continue to monitor regulatory and other developments in this fast-moving area.</p>
14	<b>Can I borrow a down payment for a house if I am a first-time owner?</b>	<p><i>The following response was provided by Curtis Dowel during the meeting.</i></p> <p>We are unable to provide personal financial advice and this question has been addressed from a superannuation perspective.</p> <p>Your superannuation account cannot be used as a security for a loan and you cannot borrow from your account.</p> <p>This question may relate to the Australian Government's First Home Super Saver Scheme. At a broad level, this scheme allows you to make extra contributions to your superannuation account and later withdraw them to help you purchase your first home. This scheme is administered through the ATO and you can apply to access your benefits under the scheme through the myGov website.</p> <p>The Fund can accept both contributions and withdrawals under this scheme. For more information, we encourage you to speak to your adviser or visit the ATO website.</p>
15	<b>Your fee structure needs review. Fees are too high compared with industry funds.</b>	<p>As a choice Fund, we offer a range of features and functionality, including an extensive investment menu which allows you to construct a portfolio aligned to your specific goals and objectives. This is reflected in the fee structure for our products.</p> <p>Other funds, such as Industry funds with MySuper products, may have less complex product features and limited investment options.</p> <p>As mentioned previously, we compare the features, functionality and fees of our products against other similar products on an annual basis. This comparison can be found in our member outcomes assessment on our website – see <a href="https://www.macquarie.com/yourwrap">macquarie.com/yourwrap</a></p>
16	<b>Please advise when annual statements for 30/6/2022 will be available. Last reports dated 31/12/2021.</b>	<p>Annual statements are released between September and December each year. The majority of annual statements for the 2021/22 financial year are now available online. We expect the remaining annual statements will be available by 31 December 2022.</p>
17	<b>Do you send periodic reports on Pension accounts showing performance and transactions?</b>	<p>We provide members with an annual statement each year that details the transactions that occur in their account, the performance of investments and other relevant information. You can also log into Macquarie Online to access performance, cash and investment transaction reports whenever you wish. You can access your account by visiting <a href="https://online.macquarie.com.au">online.macquarie.com.au</a></p>

## Appendix A – Consolidated member questions

No.	Theme	Member questions
1	<p><b>How does the Trustee choose which assets the Fund should invest in?</b></p> <p><i>The questions in the column to the right were received from members in relation to investment choice. These questions were consolidated into one and addressed at question 1 above.</i></p>	<p><b>Question 1</b></p> <p>I strongly believe that the adherence to ESG is inconsistent with the fiduciary duty to maximise shareholder returns. Why should shareholders be required to support this if, as I believe, it is not in their best financial interests.</p> <p><b>Question 2</b></p> <p>“Investing with an Environmental, Social and Governance (ESG) focus” - don't use my funds to be virtue signaling, woke greenies. I want you to MAXIMISE the value of my funds - make your own personal contributions to the leftist agenda with your own money.</p> <p><b>Question 3</b></p> <p>Why are clients advised to sell oil &amp; gas shares, despite the fact that the world has a major need for oil and gas for the foreseeable future? And then, why isn't there complementary advice to purchase lithium shares?</p> <p><b>Question 4</b></p> <p>Do you invest in any gas fracking companies or their subsidiaries?</p> <p><b>Question 5</b></p> <p>How do you justify bypassing investment in oil/gas/coal when they world clearly needs these for the foreseeable future?</p>
2	<p><b>What is the Trustee doing in relation to Environmental, Social and Governance (ESG) issues? Does this differ to the Macquarie Group?</b></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 5 above.</i></p>	<p><b>Question 1</b></p> <p>What is the board doing about climate change through the funds sphere of influence?</p> <p><b>Question 2</b></p> <p>Interested in sustainable and environmental investment strategies.</p> <p><b>Question 3</b></p> <p>Your fund is my Super Fund and I want it to be the best and most ethical fund. Given the world is in a critical situation where all efforts to cool the planet are imperative, I humbly ask, what is Macquarie doing, in the responsible global business space, and as leaders concerned with human prosperity health and happiness, to ensure:</p> <ol style="list-style-type: none"> <li>1. as an entity it doesn't not contribute to further heating the planet</li> <li>2. that as a business it actively reduces it's own emissions footprint to net zero or even better by 2030 or better, by 2025, and</li> <li>3. to ensure its investment platforms and interactions are ethical, carbon reducing, and promoting technological development in the carbon emissions reduction space, not simply by seeking trade-offs nor carbon credits?</li> </ol> <p>There is no time to lose on the climate change issue if the planet is to survive.</p>

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No.	Theme	Member questions
3	<p><b>Why and how did my fund lose money this year? When does Macquarie expect the economy to recover?</b></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><b>Question 1</b></p> <p>When would Macquarie see the local market bottoming out and beginning to recover?</p> <p><b>Question 2</b></p> <p>Why and how did my funds lose so much money this year?</p>
4	<p><b>Your client service is terrible. What concrete steps are you taking to improve it, if any?</b></p> <p><i>The questions in the column to the right were received from members in relation client service. These questions were consolidated into one and addressed at question 11 above.</i></p>	<p><b>Question 1</b></p> <p>Your client service is terrible. What concrete steps are you taking to improve it, if any?</p> <p><b>Question 2</b></p> <p>Am I correct in interpreting your answer to the question about poor service that you haven't actually taken any concrete steps to improve the service?</p>

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## Important information

This material has been prepared by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492, the trustee of the Macquarie Superannuation Plan.