

Annual Members' Meeting – Member Q&A

Macquarie Superannuation Plan

5 December 2023

Thank you to those members who attended the Annual Members' Meeting for the Macquarie Superannuation Plan ('the Fund') that was held on Tuesday, 5 December 2023. 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 Trustee. The panellists for the Q&A session were Cathy Aston (Director of the Trustee and Chair of the Trustee's Board Audit, Risk and Compliance Committee), Michelle Weber (Head of Wrap Platform and Executive Officer of the Trustee), Chris Kalliris (Head of the Office of the Trustee), Curtis Dowel (Product Director – Superannuation, Macquarie Group) and Dan Fabbro (Lead Global Economist, Macquarie Group). The remaining Directors and Fund auditors were also in attendance to address questions, as required.

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>Can you please explain why the fund is performing poorly?</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 Cathy Aston.</i></p> <p>The Macquarie Superannuation Plan is a choice fund which is a collection of individual portfolios with different investment strategies - performance needs to be considered on an individual portfolio basis.</p> <p>This is unlike other public offer super funds where the trustee makes the investment decisions, and you can measure their performance at a whole-of-fund level.</p> <p>We, as the Fund's Trustee do not make investment decisions on your behalf. This process is left to you and your adviser.</p> <p>Our platform provides you and your adviser access to over 1,800 investment options to choose from. From these options, you and your adviser have the flexibility to design a portfolio that is customised to your needs, risk/reward appetite and investment philosophy.</p> <p>It is the combination of all these decisions made with your adviser that over time that will drive each individual's investment performance.</p> <p>We acknowledge that it has been a difficult year in the market which has impacted different investment strategies. As always, if you are concerned about your portfolio's investment performance, we suggest you raise this with your adviser in your ongoing discussions.</p>
2.	<p>What investment strategies does Macquarie have for its members and why do you limit access to some investments?</p> <p><i>Please note several questions were received from members in relation to investment strategy. 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 strategy.</i></p>	<p><i>The following response was provided by Michelle Weber.</i></p> <p>Your adviser is best placed to develop an investment strategy, and portfolio in line with your needs, risk appetite and investment philosophy.</p> <p>Our role is to provide you and your adviser with a broad range of quality investment options to choose from. As part of this role, we may apply investment limits to certain investment options following our due diligence process.</p> <p>These limits are typically designed to avoid over concentration in one investment option and support diversification.</p> <p>The limits take into consideration market risk, liquidity and other risk factors specific to the individual investment.</p> <p>The application of these limits helps us to meet our obligation to support member's best financial interests.</p>

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3.	<p>How can I manage my account without a financial adviser?</p> <p><i>Please note several questions were received from members in relation to financial advisers. 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 financial advisers.</i></p>	<p><i>The following response was provided by Cathy Aston.</i></p> <p>While many of our members have an active relationship with a financial adviser, some do not.</p> <p>There are many benefits associated with receiving financial advice.</p> <p>A financial adviser can help you optimise the use of your account and can assist you in navigating the complexity of the superannuation environment.</p> <p>Where you do not have an adviser linked to your account, you can still operate your account by contacting us directly. However, it is important to understand that there will be certain limitations, including not all investment options being available to you.</p> <p>For example, to comply with the Design and Distribution Obligations, we restrict access to investment options that require personal advice to be provided to investors acquiring the product.</p> <p>If you don't have an adviser, you can access more information on how manage your account on our website at macquarie.com.au/investing/macquarie-wrap/managing-your-wrap.html.</p>
4.	<p>How do the fees you charge compare to other Australian super funds? Why are your fees increasing?</p> <p><i>Please note several questions were received from members in relation to fees. 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 fees.</i></p>	<p><i>The following response was provided by Chris Kalliris.</i></p> <p>We are confident that our fees are market competitive and that they contribute to the Trustee delivering strong outcomes for our members.</p> <p>The administration fees we charge covers range of services, including:</p> <ul style="list-style-type: none"> • keeping your assets safe under custody, • maintaining and upgrading the underlying platform technology, and • providing you with a range of quality investment options. <p>For those interested, we publish a comparison of our fees against our peers in our annual member outcomes assessment. You can access this at macquarie.com.au/investing/yourwrap.</p>
5.	<p>What is Macquarie's roadmap for their digital platform? The user interface is below expectations comparable to industry funds.</p>	<p><i>The following response was provided by Michelle Weber.</i></p> <p>Members can access their account through the Macquarie Banking Application, which is available through your browser on your computer or can be downloaded to your mobile device.</p> <p>We're continually investing in the evolution of our platform and over the last twelve months, we've focused on simplifying and digitising the platform through a range of initiatives, including:</p> <ul style="list-style-type: none"> • digitisation of key processes to help your adviser transact and manage your account, • implementation of live chat to help your adviser quickly resolve queries with us, and • updates to our reporting capabilities, giving your adviser improved performance insights and data. <p>These improvements support you and your adviser to more efficiently manage your account.</p>

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6.	Does Macquarie invest in any gas extraction companies that use fracking as part of their process?	<p><i>The following response was provided by Michelle Weber.</i></p> <p>This question can be addressed from both a member's perspective and a Macquarie Group perspective. From a member's perspective:</p> <ul style="list-style-type: none"> the Trustee doesn't make investment decisions on your behalf, the Trustee provides investment options to create an investment portfolio that is tailored to your investment philosophy, including your specific ESG preferences; and your adviser will be best placed to identify if your portfolio includes assets involved with these sorts of activities. <p>From a Macquarie Group perspective, you can access information on Macquarie's ESG approach in the Macquarie Annual Report which is available on the Macquarie website.</p>
7.	What fund growth is predicted in the short and longer terms considering market conditions?	<p><i>The following response was provided by Chris Kalliris and Dan Fabbro.</i></p> <p>Chris Kalliris - The Macquarie Superannuation Plan is a choice product, and therefore the growth of your portfolio will depend on the assets you've selected.</p> <p>Dan Fabbro - Our economic forecasts are for slower global growth in 2024. Although 2023 was a resilient year for the global economy, largely due to strength in the United States of America ('USA') economy, we remain cautious about the outlook. Some of the factors that held up growth in the USA economy are fading and the effects of tighter monetary policy are still yet to be fully seen.</p> <p>Growth in the Australian economy is also likely to be slower in 2024 than in 2023, as population and employment growth slow from the strong pace seen in the past year, and with businesses expected to slow the pace of investment growth.</p> <p>We're likely to be at or near the peak in interest rates for most developed economies. However, rate cuts are still some way off, as it will still take some time for inflation to come down to a level that central banks are comfortable with. We're expecting interest rate cuts in the USA to start in June 2024, and to start in Australia in August 2024.</p>
8.	I have \$600,000 in super, I'm 68. Will this be enough for retirement?	<p><i>The following response was provided by Cathy Aston.</i></p> <p>The amount of superannuation you need in retirement will vary depending on your personal circumstances. Some of the factors to consider are your likely living expenses, whether you have any dependents, your lifestyle preferences and any other sources of income, such as savings outside superannuation or the Age Pension.</p> <p>A financial adviser is best placed to help you develop a retirement plan that is suited to your circumstances.</p> <p>You can also access articles on key retirement topics on our website at macquarie.com.au/investing/macquarie-wrap.html#education-resources.</p>
9.	What is your opinion on the likelihood of further adverse changes to taxation applied to Super funds?	<p><i>The following response was provided by Curtis Dowel.</i></p> <p>The Government has recently introduced legislation to Parliament that will reduce the tax concessions available where an individual has a superannuation balance that is greater than \$3m. These changes will apply an additional 15 per cent tax on the earnings above \$3m and are proposed to commence from 1 July 2025 if they are passed by Parliament.</p> <p>We continue to monitor regulatory developments in this space, although it is not appropriate for us to comment on the likelihood of further legislative changes in this area.</p>

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10.	<p>I know that this may be out of Macquarie's control but I find it ridiculous that we wait more than 5 months for our annual statements as at 30 June. Finalising tax issues in various managed funds seems to be the root cause. For me if those particular funds could be identified I would look to use a manager who could deliver a more timely outcome.</p> <p><i>Please note several questions were received from members in relation to statements. 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 statements.</i></p>	<p><i>The following response was provided by Curtis Dowel.</i></p> <p>Annual statements include certain information, such as fees and performance figures for your investments.</p> <p>Before we can produce, review and send statements, this information needs to come from each of the individual fund managers for all of your investments.</p> <p>It can take some time after the end of financial year for this information to be received before we can begin to produce statements.</p> <p>We're continually working to streamline our statement processes.</p>
11.	<p>What cybersecurity measures does Macquarie have in place and how do they help protect me from cyber attacks?</p> <p><i>Please note several questions were received from members in relation to cybersecurity. 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 cybersecurity.</i></p>	<p><i>The following response was provided by Michelle Weber.</i></p> <p>The Trustee takes cyber security very seriously and we have dedicated teams that provide capabilities to prevent, detect and respond to cyber threats.</p> <p>There are a number of things that you can do to protect yourself online. Specifically, I would encourage members to do two things:</p> <ol style="list-style-type: none"> 1. download the Macquarie Banking App to your mobile device and set the security settings to the highest level, and 2. download the Macquarie authenticator app. <p>By doing these two things, you will have greater transparency on your account and more control over changes over any transactions or changes made to your account.</p>
12.	<p>Why does the Cash portion of my pension attract virtually no interest, when I hold a savings account with Macquarie that does?</p>	<p><i>The following response was provided by Curtis Dowel.</i></p> <p>There are two ways you can hold cash in your account, through the cash account or through managed funds that invest into cash assets.</p> <p>The cash account is the hub of your superannuation or pension account. It is designed as an operational account, into which contributions are made and income paid. It is used to fund investment purchases, receive proceeds from redemptions, pay taxes and make pension payments. It is not designed as a long-term investment option.</p> <p>The current interest rates in the cash hubs are between 3.5 per cent and 4 per cent, which is comparable to cash accounts available in the market. Current interest rates are available on our website at macquarie.com.au/investing/macquarie-wrap.</p> <p>For managed funds that invest into cash assets, there are a number of these that are available for members to select on the Fund's investment menu. These products provide an alternative way for you to invest the cash portion of your portfolio. For questions relating to the performance of these products, we encourage you to contact your adviser.</p>

No.	Member question	Response
13.	How [can I] move from Macquarie Wrap Account to Macquarie Super without incurring costs as a retired person?	<p><i>The following response was provided by Curtis Dowel.</i></p> <p>It is possible to move between Macquarie Wrap accounts without incurring fees related to the transfer. This includes moving between superannuation and pension accounts, and also from our investment accounts into the superannuation fund.</p> <p>When moving between superannuation and pension accounts, there is no capital gains tax applied. However there may be capital gains tax implications if you move assets from an investment account in your name into the superannuation fund.</p> <p>As each person's circumstances are unique, we encourage you to speak to your adviser to determine an appropriate course of action for your individual situation.</p>
14.	Do you see use of AI as a risk to technology stocks?	<p><i>The following response was provided by Michelle Weber.</i></p> <p>We note that artificial intelligence ('AI') is an area of strong interest for many investors. However, as we cannot provide financial advice, we suggest that you reach out to your adviser to discuss this further.</p>
15.	What is the outcome of the ASIC investigation that was started in 2021? What is Macquarie doing to improve governance.	<p>We can confirm that the Trustee, Macquarie Investment Management Limited, was not investigated by ASIC in 2021.</p>
16.	Given the enormous profits made, where and how are they spent as they don't come back to us.	<p>Questions about the profitability of the Macquarie Group should be directed to the Macquarie Group Annual General Meeting or Macquarie Investor Relations.</p> <p><i>Please note several questions were received from members in relation to profit. 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 profit.</i></p>
17.	I would like to be able to buy direct international shares through my Macquarie Superannuation similar to how you can through a non-super Macquarie Wrap account or a [competitor] Account, is this something that is going to be available in the future?	<p>We acknowledge some members would like new features to be added to the Wrap Platform. We prioritise our enhancements to the Wrap Platform after taking into consideration a number of factors, including the demand for features and capabilities. We continue to refine our development priorities, including the capability to trade international shares.</p> <p>We are always happy to hear feedback, you can provide this through the Client Portal or through your adviser.</p>
18.	Yesterday saw a takeover of Origin Energy by a Canadian lead investment business consortium by scuttled due to Australian Super not supporting it. This allowed Origin to stay in Australia. This had a bonus in lifting Aus Super's profile as an ethical super fund and a lot of free advertising. Does Macquarie have ethical views that would take a similar stand if the situation occurred?	<p>As the Fund's assets, including shares, are held in the Trustee's name, the Trustee exercises votes on behalf of the Fund based on its Proxy Voting Policy.</p> <p>In determining how to exercise a voting right, the Trustee will act in a manner that equitably protects and preserves the value and the best financial interests of all members in the Fund. Therefore, the Trustee will exercise voting rights where it considers that:</p> <ul style="list-style-type: none"> its ability to significantly influence the outcome of a resolution is probable, and the estimated benefit associated with the resolution outweighs the estimated cost having regard to the interests of the members in the fund. <p>You can access the Trustee's Proxy Voting Policy at macquarie.com.au/investing/yourwrap.</p>

Appendix A – Consolidated Member Questions

No.	Consolidated question	Member questions
1.	<p>Can you please explain why the fund is performing poorly?</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 1 above.</i></p>	<p>Question 1 Please explain the exceptionally poor performance of my superannuation funds whilst under your management.</p> <p>Question 2 Superannuation returns.</p> <p>Question 3 Average annual return percentage over the last 5 years.</p> <p>Question 4 Performance of Pension Manager II over the last year and last 5-year period.</p> <p>Question 5 Poor performance.</p> <p>Question 6 Why is the fund performing so poorly?</p>
2.	<p>What investment strategies does Macquarie have for its members and why do you limit access to some investments?</p> <p><i>The questions in the column to the right were received from members in relation to investment strategy. These questions were consolidated into one and addressed at question 2 above.</i></p>	<p>Question 1 I'm interested in what investment strategies Macquarie has for its members, along with any industries which are off limits.</p> <p>Question 2 Why do the trustees limit access to less liquid, aggressive growth investment options, when the whole idea of super is long term growth, where liquidity is relatively unimportant?</p>
3.	<p>How can I manage my account without a financial adviser?</p> <p><i>The questions in the column to the right were received from members in relation to financial advisers. These questions were consolidated into one and addressed at question 3 above.</i></p>	<p>Question 1 I would like to know why you insist on advisors when I manage my family accounts myself? I should be able to access the same screens as an advisor.</p> <p>Question 2 How to manage the accounts, transactions without the advisor i.e. after severing ties with the advisor.</p> <p>Question 3 Must I have an adviser to continue to be a member?</p> <p>Question 4 Can Macquarie manage my super for me?</p>
4.	<p>How do the fees you charge compare to other Australian super funds? Why are your fees increasing?</p> <p><i>The questions in the column to the right were received from members in relation to fees. These questions were consolidated into one and addressed at question 4 above.</i></p>	<p>Question 1 How do the fees you charge compare to other Australian super funds?</p> <p>Question 2 How are customers annual fees minimised?</p> <p>Question 3 Fees increase and the reasons for it.</p>

No.	Consolidated question	Member questions
5.	<p>I know that this may be out of Macquarie's control but I find it ridiculous that we wait more than 5 months for our annual statements as at 30 June. Finalising tax issues in various managed funds seems to be the root cause. For me if those particular funds could be identified I would look to use a manager who could deliver a more timely outcome.</p> <p><i>The questions in the column to the right were received from members in relation to statements. These questions were consolidated into one and addressed at question 10 above.</i></p>	<p>Question 1 I know that this may be out of Macquarie's control but I find it ridiculous that we wait more than 5 months for our annual statements as at 30 June. Finalising tax issues in various managed funds seems to be the root cause. For me if those particular funds could be identified I would look to use a manager who could deliver a more timely outcome.</p> <p>Question 2 Why has it been difficult to issue an Annual Statement on the individual Accounts performance for FY23? This STILL has not been issued and makes me question whether I stay in this fund.</p>
6.	<p>What cybersecurity measures does Macquarie have in place and how do they help protect me from cyber-attacks?</p> <p><i>The questions in the column to the right were received from members in relation to cybersecurity. These questions were consolidated into one and addressed at question 11 above.</i></p>	<p>Question 1 Cyber-attack protection measures placed?</p> <p>Question 2 You have recently a protective measure to guard against hacking. Could you expand on how effective this is noting that no level of protection is full (sic) proof.</p>
7.	<p>Given the enormous profits made, where and how are they spent as they don't come back to us.</p> <p><i>The questions in the column to the right were received from members in relation to profit. These questions were consolidated into one and addressed at question 16 above.</i></p>	<p>Question 1 Given the enormous profits made, where and how are they spent as they don't come back to us.</p> <p>Question 2 I would like to know 5 to 10 year profit.</p>

Important information

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