



Annual Member Meeting

Wednesday, 8 March 2023, 4pm

Agenda

1. Welcome and introductions
2. CEO update and fund overview
3. Investments and market update
4. Q&A
5. Final remarks

Speakers

- Danny Casey (Chair of the Board)
- Scott Cameron (Chief Executive Officer)
- Andrew Howard (Chief Investment Officer)

Minutes

The Minutes comprise a summary of key aspects of presentations, questions and answers.

MyLifeMyMoney's Annual Member Meeting for the 2022 financial year was hosted by Danny Casey, Chair of the Board, Scott Cameron, Chief Executive Officer, and Andrew Howard, Chief Investment Officer

Meeting commenced at 4pm Australian Eastern Daylight Time.

1. Welcome and introductions – Danny Casey

- Welcomed members and introduced attendees to the meeting of the MyLifeMyMoney divisions of Equip Super (these are Catholic Super, MyLife MySuper, Transport Super and MyLife MyPension) and confirmed a quorum of Directors and our Auditor were present,
- Acknowledgement to the Traditional Owners of the land of the Wurundjeri People of the Kulin Nation, paid respects to their Elders, past, present and emerging, and the First Nations Elders of other communities who joined the meeting.
- Introduced the Board members and provided an overview of the Board make up
- Provided an overview of MyLifeMyMoney's commitments to members' long-term financial security.
- Stated MyLifeMyMoney's four guiding values:
 - We put members first
 - We do what we say we will do
 - We collaborate and innovate
 - We celebrate success.
- Confirmed that we are focussed on providing our members with excellence in super, delivered with care.
- Recognised MyLifeMyMoney's achievements including:
 - The fund was awarded the highest platinum performance rating by SuperRatings for the 15th year in a row
 - The fund was also named as a finalist in the SuperRatings Momentum awards
 - The fund received a 5 Apples rating from Chant West for 2022
 - MyLifeMyMoney brands including Catholic Super, passed the 2022 Australian Prudential Regulation Authority (APRA) Performance Test.
- Outlined MyLifeMyMoney's focus for 2023 financial year, including excellent governance, strong long-term performance and the best possible service and advice for members.

2. CEO update and fund overview – Scott Cameron

- Welcomed members and attendees who joined the meeting
- Provided an overview of the 2022 financial year, noting the fund focused on a program of simplification, consolidation and aiming to improve investment returns
- Acknowledged the challenges experienced in 2021 and 2022 due to COVID, inflation and the impact of geopolitical volatility on investment markets
- Noted that the Fund has delivered strong long-term performance for members, with the Growth Plus option achieving a strong average return of 9.55% per annum over the last 10 years and the Balanced Growth option achieving returns of 8% per annum over the same period
- Advised of significant developments at the fund including:
 - The fund moved its insurance arrangements to MetLife to simplify and harmonise operations

- We reduced investment fees for most investment options, up to 30% in some cases
- Five investment options were closed to simplify operations and reduce costs
- Industry updates for the year ended 30 June 2022
 - MyLifeMyMoney's response to regulatory changes, including the 'stapling' obligations to minimise multiple super accounts when employees change jobs.
 - In response to the Federal Government's Retirement Income Covenant Equip developed and published our Retirement Income Strategy.
- Reported on plans to deliver significant improvements for members who are thinking about, or already in, retirement, including a new website, updated forms, and a new program designed and dedicated to service members during this period of their lives, called The Next Chapter.
- Noted that MyLifeMyMoney will be deploying an action plan to improve employee engagement, and to support employee retention
- Commented on our key strategic initiative for 2023, One Fund. Noting the objective to improve members' retirement outcomes through consolidations, including fee reductions for most members, a single set of fees, a single MySuper default product, and a single investment choice menu.
- Thanked members and the dedicated MyLifeMyMoney team for their tireless efforts and support through the pandemic.

3. Investments and market update – Andrew Howard

- Presented on investment strategy – highlighting the key principles including diversification, long-term investing, and taking advantage of market opportunities as they arise
- Noted that diversification is key when navigating through a period of heightened volatility
- Updated on the official cash rates in the US and Australia over the last year
- Advised MyLifeMyMoney's focus is on decarbonising existing assets and ensuring our portfolio is exposed to companies that will drive energy transition.
- Observed that engagement and management of assets are important for meeting our net zero emissions commitments by 2050.
- Provided an update on the Growth Plus option's 10-year performance
 - 9.00% average annualised return to 31 January 2023.
- The Australian equity market has been performing well despite challenging global market conditions, noting this can be attributed to the makeup of the market index, which has a large exposure to sectors such as resources, energy, and utilities that have delivered positive returns due to the ongoing energy crisis.

4. Q&A – Danny Casey

"Why is it that I am unable to see the historical balance of my pension account, only the current balance? When I asked why I was told that is what the program does. Not a satisfactory answer. I manually record my balance which is pretty poor in these times. Thank you"

Answered by Scott Cameron

MyLife Online is a technology platform supplied by our administrator Mercer. We agree that being able to access your balance history is valuable and we are looking at future technology options to enable this.

Whilst the platform currently doesn't have the capability to report historical balances, you can access your account online at any time to see how your super is tracking.

In the meantime, you can access past statements through MyLife Online which reference your historical account balances at the end of each financial year.

It's important to remember that super is a long-term investment, and your daily account balance reflects the ever-fluctuating investment market.

We're always looking for ways to make member experiences smoother and easier, and we really appreciate you taking the time to provide this feedback. If you have any other queries or comments relating to your experience with the Fund, please contact our Service Centre or you can submit an online enquiry via our website.

“I want to know who CSF has made donations to during this financial year. I also wish to know where I can find this information in your documentation.”

Answered by Scott Cameron

The fund doesn't make any charitable or political donations.

The fund's Annual Financial Statements detail the current financial position, payments and cash flow for the year ended 30 June 2022. The Annual Financial Statements are available in full on the fund website and in a shortened version in our [2021-22 Annual Report](#).

“What steps are you taking to protect my information in light of the Optus and Medibank Private cyber attacks?”

Answered by Scott Cameron

We take the privacy of our members very seriously and protecting your data is a top priority. We have a range of security measures in place to do this, including strict data handling protocols.

We also assess all of our external vendors against our extensive set of Security Standards, as required under APRA CPS/CPG234. Vendors are required to report annually on how they meet or exceed our standards.

If you have a specific concern relating to your data and the Optus and Medibank breaches that occurred in 2022, we can place a 'payment flag' on your account. This is an added precaution that means you need to personally approve any payments before we release the funds from your account. This is something you can discuss with our Service Centre team.

There are also things you can do to help protect yourself. For example, we advise members to:

- use multi-factor authentication

- use strong passwords
- be wary of unexpected communications
- update your devices and,
- never provide your personal details in response to unexpected communications.

You can find more information, including our Privacy Policy, on our website.

“Hi there, When I checked online today, the latest Investment Performance details I was able to find was as at 30 Nov 2022, information that is over six weeks old. Could I please ask that this information be updated more regularly.”

Answered by Andrew Howard

The investment performance on our website is updated monthly. However, there can be a short delay between when monthly performance returns are calculated and finalised, and when that information goes live on our website.

If you would like more frequent updates on how our investment options are tracking, our unit prices are updated daily and can be viewed on our website.

“I’ve seen reports in the media about how Catholic Super doesn’t have good performance and doesn’t pass the government’s performance test. Does that mean the fund will be closing?”

Answered by Andrew Howard

A great question and one that we have received a number of times since the introduction of the Performance test, overseen by APRA, the superannuation regulator.

I can absolutely confirm that Catholic Super has passed this test in each of the first 2 years since it was introduced.

The media reports you are referring to noted that another similarly named fund, Australian Catholic Superannuation & Retirement Fund, and sometimes referred to as “Australian Catholic Super”, has failed the performance test.

That fund has no connection to Catholic Super in any way.

“Will you ever have index fund options to invest in?”

Answered by Andrew Howard

We are always thinking about the range of Options to offer members and I am pleased to be able to you that we will be launching a new low cost index diversified option on 1 July this year

- 70% growth assets/30% defensive assets
- Comprised of low cost index strategies

Will be a great complement to the existing option suite and appeal for members looking for a low cost option.

“I’ve heard the government is looking to increase tax on super contributions, can you explain this?”

Answered by Scott Cameron

Under the proposed super changes, if a member has over \$3M in super, the earnings on the proportion of their super account above the \$3M threshold will be taxed at 30%. This is higher than the usual rate of 15% at which super earnings are taxed. It's important to note that this change will not affect 99.5% of Australians and is not expected to come in until 1 July 2025.

“What is the fund doing to address and help manage the energy transition?”

Answered by Andrew Howard

When we're considering issues like energy transition our focus is on where and how this may impact the best financial interest of you, our members, over the long term.

Energy markets have been through a significant period of turmoil in recent times, which further highlights that the changes needed may not be linear. This means that there is no 'one size fits all' solution and we approach issues like this from multiple angles:

- Firstly, working with our investment managers to ensure they are considering how the energy market will develop over the next decade plus and including this information in their investment decisions.
- Secondly, we're investing in the assets and companies that will either contribute to or benefit from the changes that will happen across the market over the next decade or more. This includes through our allocation to unlisted low carbon technologies and renewable energy infrastructure.
- Thirdly, we work with our engagement partners and industry groups to encourage change, at both a company and regulatory level, that will drive the transition away from carbon intensive energy sources whilst also supporting resilience and affordability in the energy market. MyLifeMyMoney is part of a number of initiatives, including Climate Action 100+ and the Investor Group on Climate Change, that are working to promote these changes.

Fundamental changes are needed across the energy market to reduce this sector's contribution to climate change, and improve access to affordable, reliable energy both here in Australia, and across the globe. Delaying this transition won't help but, as I mentioned earlier, we also can't achieve this overnight. It's a balance that we'll continue to consider.

“After the joint venture between Equip and Catholic Super I noticed the media has reported on a lot of merger activity in the super industry. Are there any future mergers on the horizon for the fund?”

Scott Cameron

Our Fund has been active in this space completing several Successor Fund Transfers in the last three years including Toyota Super, Pitcher Partners, Dow, and BOC.

Our current focus is to ensure that we're capitalising on the fund's recent growth by simplifying and consolidating all business areas through a project that we call One Fund. This process ultimately aims to ensure that we are delivering the best outcomes for our

members. As I mentioned earlier, we will continue to update you on this project and the benefits it delivers.

Back to the topic of future mergers - We continue to look for opportunities, but we won't be rushed into finding our next merger partner. We evaluate any and all opportunities to ensure they are in the best financial interest of our members and, as always, we will notify members if there are any updates.

Ultimately, such mergers must be in the best interests of our members.

“Does MyLifeMyMoney invest in cryptocurrency? If not, Why not?”

Answered by Andrew Howard.

We do not invest directly in crypto for the reasons below:

- Although this has been an area of growing interest to some members, we do not consider it an appropriate investment of members' money at this point in time.
- The technological architecture behind cryptocurrency is an interesting area and we appreciate there could be meaningful applications of this technology in varying ways going forward. However, when investing, we are very careful to understand the various risks and the return drivers of any investment.
- With cryptocurrency being a relatively new phenomenon, we find it difficult to get comfort with these factors.
- Understanding the attractiveness or not of cryptocurrency in terms of valuation is extremely difficult. This has been evidenced by the volatility experienced in these markets, which have generally been subject to retail speculation rather than long term institutional investment.

5. Final remarks – Danny Casey

- Danny Casey thanked members and attendees for attending the meeting and reminded them that the minutes from the meeting and written responses to questions, including any that weren't addressed on the day, will be available on our website in April.

Meeting concluded at 5pm Australian Eastern Daylight Time.