VISION SUPER PTY LTD
ABN 50 082 924 561
Minutes of Annual Members' Meeting held at
State Library of Victoria, 328 Swanston Street Melbourne
and online on Thursday 30 November 2023 at 5.30pm

1. Attendance and Apologies

PRESENT:

Directors

Lisa Darmanin (Chair)

Graham Sherry (Deputy Chair, Remuneration Committee Chair)

Casey Nunn (Audit Committee Chair)

Joanne Dawson (Investment Committee Chair)

Peter Gebert (Benefits Committee Chair)

Diane Smith

Kerry Thompson (Governance Risk and Appointments Committee Chair)

Stephen Brown

Executives

Stephen Rowe, Chief Executive Officer

Michael Wyrsch, Deputy CEO and Chief Investment Officer (online)

Tim Ridley, Deputy CIO

Noelle Kelleher, Chief Financial Officer and Company Secretary

Sean Ellis, General Manager Strategy and Growth

Nikki Schimmel, Chief Risk Officer

Steven Leach, General Manager Operations and Transitions

Emma Robertson, General Manager Data and Analytics

Nick Pratley, Head of Human Resources

Rebekka Power, Head of Communications (Minute taker)

External service providers

James Dickson, BDO, External Auditors (online)

Matthew Burgess, Senior Director, Willis Towers Watson, Fund Actuary

Members

In attendance in person: Approximately 45 members and others

In attendance online: Approximately 150 members and others

Apologies

Vijaya (VJ) Vaidyanath

Sean Ellis, General Manager Strategy and Growth, opened the meeting at 5.30pm, welcomed members and introduced the Chair, Lisa Darmanin. He gave a brief outline of the agenda.

2. Acknowledgement of Country

The Chair acknowledged the Traditional Owners of the land:

"I'd like to acknowledge the Traditional Owners of the land on which we meet, the Wurundjuri people of the Kulin nation, and for those joining us online, the Traditional Owners of the lands from across Victoria. We pay our respects to the Elders past, present and emerging, for they hold the memories, the traditions, the cultures and hopes of Aboriginal and Torres Strait Islander peoples across the state. We extend that respect to any Aboriginal or Torres Strait Islander peoples with us today in person or online."

3. Chair's address

The Chair, Lisa Darmanin, welcomed members to the meeting, noting that members were always at the forefront of Directors' minds when the Board made decisions on the Fund, but that chances to meet with members in person were limited.

Lisa noted the strong investment results and the impact of investment results on member outcomes. She talked about the Heads of Agreement to merge with Active Super and the work underway to transition their members onto Vision Super systems. She thanked the management team and the staff for their hard work over the year, particularly on the merger.

Lisa introduced the audience to the Board of Directors. She thanked the members for joining the annual members' meeting, and for their trust in Vision Super.

4. CEO's address

The CEO, Stephen Rowe gave a fund update. He presented an overview of the Fund's key facts and figures, noting that with 76 years of experience, Vision Super was one of the oldest superannuation funds. He reported that net assets were sitting at $12.8 billion as at 30 June 2023, and gave a breakdown of the Fund's payments to members and contributions over the course of the year. He gave a snapshot of member accounts and average balances across the Fund's divisions.

Stephen gave a high-level investment overview, noting that the default MySuper option had performed strongly, and was among the top ten MySuper options in the SuperRatings Fund crediting rate survey, MySuper SR50 index for periods of 1, 3, 5, 7 and 10 years for the period ending 30 June 2023. He noted that the MySuper (Balanced growth) option's return was the second highest in that survey for the 1 year period and gave a comparison with some other funds. He briefly summarised the returns of other options for both accumulation and pension members, noting that detailed returns could always be found on the website as well as in the Fund's annual report.

Stephen reported on the costs of running the fund, including details of the operating and investment expense ratios and comparisons with the industry.

Stephen reported that the Melbourne-based Contact Centre had over 84,300 interactions with members over the year, and that interactions with the Contact Centre and with Vision Super financial planners are highly rated by members both on the Fund's internal surveys, as well as through the externally run CSBA superannuation customer experience benchmarking. He noted the awards won by the Fund over the year, including a SuperRatings award for the Fund's quality service.

Stephen spoke to the APRA Heatmap, noting that the Fund remained clear across all dimensions.

The Fund's brand campaign was covered, with Stephen noting that sustainability through continuing to increase the Fund's membership was important for the Fund's future fees and costs. He noted the Fund had grown overall over the financial year, with 9,021 new accounts opened.

Stephen ran through information required to be given to members as part of the AMM, including executive remuneration for the executive team, sitting at $3,866,882 for the 30 June 2023 financial year. He noted that this does not include any bonuses as Vision Super does not have performance-based pay. He noted that total spend on marketing, promotions and sponsorships over the year was $3,037,321, most of which had been spent on brand and marketing to grow the fund. He reported that Vision Super doesn't make political donations, so the reported amount for political donations was zero. Total payments to industrial bodies were $296,054, and total related-party payments were $537,202, all of which can be found on the Fund's website. .

Finally, Stephen reported that the Vision Super's remuneration is governed by a Remuneration policy, which is overseen by the Board's Remuneration Committee. Salaries are benchmarked under the policy to ensure they are fair and in line with industry standards. During the financial year ending 30 June 2023, staff covered by the enterprise agreement had a 3.5% salary increase plus the statutory increase to superannuation of 0.5%, and executive salaries also rose by 3.5% plus superannuation.

Stephen updated the meeting on the cyber security measures the Fund has in place, noting that Vision Super's cyber maturity was rated above the Financial Services sector industry benchmark under the NIST Cyber Security Framework . He explained the multiple layers of protection in place to safeguard member data and accounts, and the active monitoring in place both internally and externally.

Stephen gave an update on insurance arrangements, noting that insurance was a very important aspect of superannuation for those members who found themselves in the unfortunate position of needing to claim.

Stephen also gave a detailed update on the progress of the merger so far, and work on the merger transition underway with Active Super. He reported that detailed systems design and planning were underway. He outlined that an assessment of equivalent rights would then be conducted by the Vision Super Board, to ensure that members would enjoy equivalent rights in the new fund as they currently enjoy with Vision Super, along with an assessment of whether the merger would be in members' best financial interests. He noted that if these assessments were positive, the merger could then proceed in the second half of calendar year 2024.

Finally, Stephen gave an update on some of the Fund's investments in renewable energy infrastructure.

5. Investments Committee report

Director Jo Dawson, the Chair of the Investments Committee, outlined the role of the Investment Committee in implementing the investment governance policy and framework, including the development, selection, management and monitoring of the Fund's investments and investment strategies. Jo noted that the Committee met five times during the year ending 30 June 2023, and had reviewed the long-term investment strategy for all the investment options and define benefit plans, as well as stress tested the options and plans under a range of investment environments.

Jo noted reviews of asset classes during the year had included Australian equities, International equities, Infrastructure and Alternative debt, and noted changes to the ESG approach during the year. Finally, Jo thanked Chief Investment Officer Michael Wyrsch, Deputy CIO Tim Ridley and the whole Investments team for their hard work on behalf of members.

6. Deputy Chief Investment Officer's address

Tim Ridley, Deputy Chief Investment Officer, gave an address on the investment performance of the Fund for the year ending June 2023, and the outlook for the year ahead.

Tim reported that the Fund had strong results for FY 2023 and that markets in general had been much stronger than in the previous financial year.

Tim spoke to US inflation, noting the monetary policy response had been slow at first and then rapid. He noted that historically, US recessions had occurred within two years when inflation was over 4% and unemployment was under 5%, but that it might not happen this time as the circumstances were unique. He did note the labour market was weakening.

Tim noted the challenges facing China, with low inflation, high debt levels and an ageing population.

Tim also considered inflation and employment in Australia, noting that inflation was elevated and the labour market remained tight.

On the global front, Tim noted there are tensions and challenges ahead. There is a significant risk of a US recession in 2024, and recession risk is also high for Australia. Inflation looks likely to fall as demand weakens, but the outlook overall is lower growth than was seen in 2023.

7. Member questions

The meeting was opened for questions about the fund.

All questions received and responses to those questions (including those questions asked during the meeting) are in Appendix A and can be found on our website.

8. Meeting close

Sean Ellis thanked members for attending and informed them that the minutes (including answers to questions) would be made available to view on the Vision Super website. The meeting was closed at 7.30pm.

Appendix A: Member questions

Question	**Answer**
Questions relate to the Defined Benefit Pension 1 What is the number of persons who receive DBP from Vision Super 2 Similarly what is the number at the NSW entity (the proposed merger entity) that is assuming they have Define Benefit Pensions3 If it is feasible to calculate, or approximate, what is the liability of each, assuming there is a liability	1 As at 30 June 2023, there were 4,030 lifetime pensioners in the LASF DB sub-plan. 2 Based on Active Super's publicly available information on their website, at 30 June 2021, Active Super had a total of 1,371 pensioners in their DB scheme: 1,232 in their Division B and 139 in their Division D. 3 Each trustee is required to meet its obligations under their respective trust deed in relation to their defined benefit members (including their lifetime pensioners). While Active Super and Vision Super are merging, the DB plans of each fund will not be co-mingled under the Vision Super's amended trust deed. Each DB plan will continue to be funded on a stand-alone basis. There are a number of factors the impact the value of the DB pensioner liabilities including the take-up rate of the pension option by eligible members, the longevity of the relevant pensioners/reversionary spouses, any pension indexation that occurs and so on. As at 30 June 2021, the Active Super DB pension liabilities were $638.1million. As at 30 June 2023, the Vision Super DB pension liabilities were $976.9million. As indicated above, the above amounts will vary from year to year based on a number of factors and do not represent that maximum DB pension liability for the relevant DB plan at any one time.
Does the NSW entity have DBP's. If so how do the numbers compare. Is the liability greater for one over the other?	
How are (you) planning for uncertain world events and conflicts?	The Investments team considers a range of scenarios. The outlook is very uncertain, but there is a range of possibilities. One of the major factors is whether the US experiences recession or not. Our judgement is it's most likely to have a recession as we look forward into 2024. The main reason is the lagged impact of interest rate increases. The lag tends to be 12 to 18 months. Interest rate increases stopped this year (most likely), and that lagged impact of interest rates will likely be felt most acutely next year. If that typical relationship holds, we would expect to see recession occurring in 2024. The other aspect we are likely to see is inflation coming down. It looks like central banks are targeting their inflation rates to come down to where they were prior to the pandemic starting. We don't have an Australian recession as our central case, but it's certainly a high risk, much higher risk than we've had for quite a while.

Question	Answer
	In terms of the risks around our view, it's possible inflation comes down and growth doesn't moderate as much as we anticipate and that would be a positive for markets. That's a soft landing, which is essentially what the markets are pricing today. Conversely, it could be that the interest rate increases have a larger impact on demand and, as a consequence, the US recession is deeper than we anticipate. We think the probability of that is on the low side, but it is a possibility. And one of the reasons it's a low probability event is the imbalances in the US don't appear to be that great.
How is growth in membership is coming along	The super industry as a whole is shrinking as people consolidate accounts, and workers get older and retire and take their money out of the system. accounts. Despite this, Vision Super saw account growth. Overall net account growth was 0.8%, thanks to 9,021 new accounts created with the fund.
Why doesn't Vision Super Australia pay Non-commutable Account based pensions weekly?	The frequency of paying pensions is a balance between administration cost, time, and service. Providing weekly payments would be an additional cost for members, and we have not seen a demand for additional options. We have two payment runs each month which allows us to offer the following options: twice monthly, monthly, bi-monthly, quarterly, four-monthly, half-yearly and annually.
Would it be possible to increase holdings in infrastructure to more then 25% of my whole portfolio?	The Infrastructure option is subject to restrictions including the maximum of 25% and only being able to be traded during certain windows as it illiquid in nature - the underlying investments are rarely traded and/or less frequently valued than liquid assets such as shares. There can also be significant events which further impact valuation or market stress that may result in the option being frozen and/or further restrictions. If the option was frozen, members would only be able to access their balance in exceptional circumstances such as terminal illness or permanent incapacity. The restrictions are in place to protect members and ensure they have adequate liquidity.
Cost of Offshore renewable energy project	Vision Super has invested in several offshore wind projects at varying stages of development within the infrastructure asset class. Currently, the main exposure is to Copenhagen Infrastructure Partners (CIP) Fund IV which develops and constructs renewable infrastructure projects, before owning stakes in these over the longer term. This fund is diversified across several projects in different regions using various renewable technologies and includes a material exposure to offshore wind. Vision Super's commitment to CIP IV is EUR60 million, which will be progressively drawn down as projects progress. Members can find the allocation to CIP IV on our portfolio holdings disclosure page on our website. The Balanced Growth option had a 0.48% allocation to this fund as at 30 June 2023. https://www.visionsuper.com.au/invest/portfolio-holdings-information/investment Through the investment in CIP IV, Vision Super has exposure to the Star of the South

Question	Answer
	project, which involves developing offshore wind generation off the coast of Gippsland. Vision Super invested in the project at the feasibility stage. There is quite some way to go before the project reaches final investment decision (FID), with several government approvals required. As such, the amount invested by CIP IV to date is small. Should the project reach FID, we would expect to see the amount invested to increase significantly. Vision Super's share of this will depend on where and in which CIP investment vehicle the development takes place. The cost to date is small for Vision Super. In terms of the system wide energy mix, the cost of offshore wind generation is higher than onshore wind or solar, though can improve network resilience through a different generation profile to onshore wind or solar. Individual projects developed by our asset managers undergo detailed due diligence and feasibility studies. Deployment of capital is risk managed, with the decision to proceed to construction occurring only after detailed business planning and contracting of certain key risks are resolved. The overall attractiveness of any individual project will depend heavily on the specific project, particularly the demand of the customers as well as site specific factors such as the wind resource and the costs of the capital works involved. Vision Super's largest offshore wind investments are in CIP IV, however, some of other infrastructure managers may add offshore wind assets in time. Also, Vision Super has some other investments connected to the offshore wind industry in the listed equities portfolio and are detailed in our portfolio holdings disclosure linked above.
Why can't Members get access to their Annual Statements earlier?	There is a legislated timeframe for annual member statements, which we comply with. Vision Super has a rigorous quality control process in place, which adds to the time it takes to complete the statements. However, by logging into the Vision Super secure member site or accessing your account via the Vision Super App you can view your current account balance at any time. We are looking at this process and expect to have statements out earlier next year.
How has the share only pre-mixed option gone this year?	For the 12 months to 30 June 2023, the Just Shares option (untaxed) returned 20.19%, above the benchmark return of 18.51%. The Just Shares taxed option returned 18.0% for the year to 30 June 2023 above the benchmark return of 16.4%. Please note that the stated investment objective for this option is to outperform the benchmark (after fees and before taxes) over rolling 15-year periods, not 1 year. Over 15 years to 30 June 2023, the Just Shares option (untaxed) has returned 9.06% per annum, above the benchmark return of 7.60% per annum. The Just Shares option (taxed) returned 8.07% p.a. above the benchmark return of 6.97% p.a. over the same 15 year period. Past performance is not a reliable indicator of future performance.

<table>
<tr><th>Question</th><th>Answer</th></tr>
<tr><td>Will there be a merger if so when and what companies are being looked at.</td><td rowspan="2">Vision Super has signed a heads of agreement to merge with Active Super, which is the traditional fund for local government workers in New South Wales. There is an enormous amount of work that's going on at the moment to organise the transition of Active Super members onto Vision Super’s systems.

The heads of agreement was the result of a really extensive due diligence process and along with the development of a target operating model for the merged fund that will optimise members’ best financial interests and harness efficiencies that can come from a larger organisation.

Together, we think that Vision and Active will create a fund of the future, bigger and able to attract more members and give them, the exceptional service and strong retirement outcomes that you expect from Vision. The target operating model the funds have developed provides optimal outcomes for our members and will hopefully help to position us as a competitive fund that can continue to grow and satisfy all of the needs of our members.

In the merger scenario Vision Super will still be the fund that manages retirement savings for members in the local government and the authority sectors like we've already been doing for more than 76 years. What we'll be doing is just serving a larger membership that's more geographically diverse, but culturally quite similar to Vision in New South Wales.

Our target merger date is the second half of next year and we'll keep you updated as that date gets closer. But there's quite a lot of work to do between now and then. Active Super's members and data will be transitioning onto Vision's existing systems and there's a lot of work to make sure that that happens smoothly and accurately.</td></tr>
<tr><td>Update with the Active Super merger</td></tr>
<tr><td>Why doesn't Vision contact members when their capitol is rapidly decreasing while invested in the market share portfolio to the point where their initial investment may be depleted?</td><td>Equity markets are volatile with lots of ups and downs - market movements including decreases are expected. Contacting members every time there was a decline in returns would mean very frequent letters or emails for expected market movements. When there is a major event we do highlight this on our website but for example events like Covid saw a rapid fall and then an almost equally rapid rise in markets, and if members switched investment options when markets fell, they may have missed out on returns when markets rebounded. We believe that members should carefully set their investment strategy in a deliberate manner, considering their individual goals, risk tolerance and circumstances, and stick to it. There will always be periods where it appears that a strategy is not working in the short term, but switching investment options when the markets have fallen generally compounds a loss.</td></tr>
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Question	**Answer**
Clarity on which fund perform well or otherwise. better comparison tool/s	The ATO has a comparison tool online to compare different super fund products. This can be found at the following website: https://www.ato.gov.au/calculators-and-tools/super-yoursuper-comparison-tool Vision Super's investment option performance as at 30 June 2023 has been reported on pages 20 to 23 of the 2023 Annual report, which is available at https://www.visionsuper.com.au/wp-content/uploads/annual-report-2023.pdf . The annual report compares performance to the return objective we have set for each investment option and to the median of comparable investment options in the SuperRatings Crediting Rate survey, over a range of periods (1 year, 3 year, etc). Our online charting function allows for comparisons between the historical performance of the various Vision Super investment options. The charting function displays the cumulative performance of an investment of $1000 and allows the user to filter by selecting different time periods, option names, and account types. Please remember that investment returns are not guaranteed, and past performance is not a reliable indicator of future returns. The charting function can be accessed via the Investment Performance page on our public website by clicking on the "Charts" button at https://www.visionsuper.com.au/invest/investment-performance/
What's the forecast for annual returns in the next five years?	Annual returns over the next five years will depend on the option being considered and factors such as the investment environment over the period. For designing the investment strategy for investment options, we utilise the asset class return projections developed by our investment consultant Frontier Advisors. These projections provide broad guidance on the returns over 5-, 10- and 20-year periods. Based on the most recent projections, the MySuper Balanced Growth option has a central 5-year return expectation of approximately 5.5% p.a. net of all costs, fees and tax - but there is a very wide range of possible outcomes. Please remember that investment returns are not guaranteed, and past performance is not a reliable indicator of future returns.
Changes implemented or government intended changes for the financial year	During the previous 12 months, we did not see significant super changes however there are proposed changes that we are monitoring. These include payday super (paying super at the same time as salary and wages from 1 July 2026), better targeted super concessions (tax concessions will be reduced for certain earnings for super balances above $3 million from 1 July 2025), and legislating the objective of superannuation. There are also new laws that will come into force that aim to improve the risk and governance cultures at financial institutions (financial accountability regime) and new prudential standards on operational risk management (APRA standard CPS230).

Question	Answer
When will the profit of investment will be visible to our super account?	Investment performance is allocated to member accounts through the daily unit pricing process. When money is added to your account, your account “buys” a number of units. When money is deducted, your account “sells” units. Your account balance is calculated based on the number of units in your account and the daily unit price (for each investment option). The unit price is the price of one unit of an investment option. Unit prices are dollar values that reflect the value of the assets or investments within each investment option. Unit prices include the market close prices for the domestic market and all applicable international markets, and all investment income and capital gains or losses. The unit price of an investment option will go up and down to reflect investment earnings, which can be positive and/or negative. Unit prices are also net of tax on investment earnings, net of the reserving margin, and all investment fees and costs, including transaction costs. Note that investment earnings on retirement pension options are untaxed and investment returns are not guaranteed. Past performance is not a reliable indicator of future returns. Unit prices are usually set each Victorian business day and are published the following business by about 8.30pm. Therefore, investment performance is allocated to member accounts each Victorian business day. Unit prices for each investment option are available on our public website at https://www.visionsuper.com.au/invest/unit-prices/ Monthly option performance for each investment option can be found at https://www.visionsuper.com.au/invest/investment-performance/
Has Vision Super considered options for divestment of all financial interests in fossil fuels? What would be the consequences of such a divestment in terms of the financial impact on Vision Super and the retirement savings of its members? In the event of an impact would Vision Super be able to offset any losses by alternative investments? Has Vision Super set aside a budget to engage third-party economists to look at these options?	Vision Super supports carbon emission reductions and agrees that action on climate change is urgent. Vision Super has an ESG policy which we use to guide our decision-making. As a super fund, our primary legal duty is to act in the best financial interests of our members. We consider ESG issues and how they impact our investments, as we believe companies that act responsibly are likely to represent better long-term investment prospects for our members. Vision Super is frequently assessing the impact of potential ways of managing risks around fossil fuels. Our assessment is there is a reasonable risk of a disorderly transition from fossil fuels. While the carbon emissions related to an investment is an important factor, there are other factors that impact the attractiveness of an investment. Reflecting this, Vision Super has chosen to manage the financial risks of transition to a low emissions economy through a carbon budget approach for our international and Australian equities asset classes, effective from 1 July 2023. This allows each manager to take a holistic approach to assessing stocks while at the same time reducing the total exposure to the high emitting companies that are expected to be most exposed to transition risk. For each equities manager, the carbon budget is expressed as a material discount to the carbon intensity of the manager’s benchmark. This is the maximum level of carbon intensity for the manager’s portfolio. This means that managers can still look for opportunities for

Question	Answer
	mispriced stocks across the relevant investment universe, and all stocks can compete for a place in the portfolio, but there is an additional hurdle for high carbon intensity companies. We also believe that owning stocks allows Vision Super to have greater corporate engagement that can be effective in improving the way companies operate, reducing their environmental impact and increasing transparency. Over the past few years, we have been active in co-filing shareholder resolutions and in campaigns to encourage change at companies such as BHP, Woodside and Glencore. We believe we need to encourage change while protecting members' financial interests at the same time. You can read more about our carbon budget approach and other ESG initiatives at https://www.visionsuper.com.au/invest/esg/
My question takes the form of a recommendation and secondly some background information Recommendation: That the Board of Vision Super consider the mechanism to change, and then implement a change to the timing of the index arrangements for the defined benefit pension to equate that of the Commonwealth Government with pensions paid under Age, Disability Support etc. Background: Currently VS index in June according to CPI relating to the previous year's September quarter which is a lag of 9 months, and the December quarter which is a lag of 6 months. Similarly the December adjustment lags by the same amount. I consider this is an excessive and in fact unfair timing. The Commonwealth adjust Pensions in March and September which is basically 3 months in advance of VS. This seems a fairer approach This matter has only really come to light in recent years whereby the CPI is at a much higher level than it was in past years and a lag of 9/6 months was not really a significant issue. However in the current climate, it is. I realise there may be legal issues to overcome and a change to the superannuation deed, however I am sure if there is a will, it could be done. Further, as an amalgamation is afoot, with the NSW entity, this seems like an ideal time to effect this change. I am sure a number of legal issues will be considered and the necessary changes made. In terms of benefit and disbenefit, those members receiving the DBP would not object (and they must be a declining cohort!) A very minor disbenefit may apply to the general membership due to increased cost, however this may be fairly minor, particularly per head of membership. I trust this brief description is adequate and of course I submit this in good faith	Vision Super is required to manage the LASF DB sub-plan is accordance with the trust deed requirements, including the indexation requirements were set by the Victorian State Government when the pension arrangements were established. Any benefits paid out from the LASF DB sub-plan (including the lifetime pensions) need to be paid out by assets of the LASF DB sub-plan. Any shortfall in the assets of the LASF DB sub-plan (both current or future shortfalls) need to be made up by the LASF DB's sponsoring employers (namely Victorian local government, water authorities and other similar organisations). That is, the sponsoring employers are required to make additional contributions to LASF DB so that it has sufficient assets to make the required payments – both now and into the future. Any changes to improve the benefits of the LASF DB members would need to be approved by the sponsoring employers as they are ultimately responsible for funding the promised benefits to the LASF DB members (including the pensioners). As the LASF DB sub-plan is a multi-employer sponsored plan, this means that every employer sponsor would need to be agree to the change prior to Vision Super implementing such a change.

Question	**Answer**
Will VS consider aligning DBP index. with the Com Aged Pension which is indexed by the Comm in March and Sep. VS index in June and Dec which is a 6 &9 month lag	
1. Has Vision Super actually invested to date in any State Government major projects and particularly in Victoria ? 2. If the answer is Yes to question 1, then what due diligence and governance procedures did the Vision Board undertake to ensure members funds are secure from loss and the rate of return on such investment aligns with the financial risk ? 3. If to date, the Vision Board has not invested in any State Government major projects, will the Board do so in future and what due diligence will be undertaken to ensure such investments are responsible and have a sound business case ?	We have not invested in any State government projects directly. As a super fund, our primary responsibility is enshrined in law – we have a fiduciary duty to act in the best financial interests of our members by investing their money soundly in a way that is expected to generate favourable returns over the longer term. Therefore, Vision Super will not invest in any project where we consider suitable risk-adjusted returns will not be generated for our members. Generally, Vision Super invests via third party professional investment managers, who undertake due diligence to ensure the appropriateness of any investments within the confines of their mandates. Should Vision Super ever decide to invest directly in any such project, we would ensure the employment of appropriate investment, tax and legal expertise along with appropriate governance before proceeding. At this stage, we are not currently considering any investments in State government projects. There are investments in our infrastructure portfolio where government is either a counterparty, a co-investor or a key stakeholder through regulation. We also have exposure to government as tenants in our property investments. These investments are made by

Question	Answer
	professional asset managers with appropriate governance structures and a focus on delivering suitable outcomes to our members. Similarly, we hold listed companies which may contract or be regulated by government entities with their own governance structures.
How much did fund give to yes vote	Vision Super does not make political donations, and the Fund generally votes against political donations when the matter comes up at meetings at the companies we invest in. We did not give any money to either campaign during the recent Voice referendum.
Do rising interest rates have a positive bearing on superannuation for the members or negatively impact them?	This depends on how you're invested. For example, if your balance is in the Cash option, rising interest rates will generally give a reasonable outcome. If you're in diversified bonds, that will tend to give you a negative return if long-term yields rise quickly. Often favourable outcomes from equities occur when interest rates are rising unless the rise in yield reflects inflation. At the start of last year, both bonds and equities performed poorly because inflation expectations were rising. So the impact of rising interest rates on returns partly depends on what's driving the bond yields and also what other offsets you have in your own portfolio or within the option that you've chosen.
I'm a retired member who is on a pension with Vision. In the past I have had an advisor I dealt with on most issues. Is it the plan to continue this service	Vision Super is committed to face-to-face member servicing, and Active Super is likewise. In the modelling we did, there was an absolute commitment to maintaining face-to-face member services, member education and planning and advice. So yes, we will continue what we think is incredibly beneficial for members.
What are the proposed Shareholder and Director appointment arrangements in the new merged entity?	We're still working through the details, but the agreement is because we're both of similar size that there will be half directors from Active and half from Vision Super. So five from Vision Super would remain and five from Active. Who those people are is yet to be determined - we're going through a process to work out what skills the entity will need and who's best suited to fulfill those roles.
We're drawing a pension now. Should we die, I'm not clear on what the income tax does for our beneficiaries. Some of our super is taxed. Is that correct?	The tax on a super death benefit depends on whether: • You were a dependant of the deceased • It's paid as a lump sum or a super income stream benefit • The income stream is an account-based income stream or a capped defined benefit income stream • The super is taxable or tax-free, and whether the super fund has already paid tax on the taxable component

Question	Answer
	• Your age and the age of the deceased person when they died. If you are a dependant of the deceased, you don't need to pay tax on the taxable component of a death benefit if you receive it as a lump sum. If you receive the benefit as an income stream, different rates of tax may apply depending on the factors mentioned above. If you're **not** a dependant of the deceased, you can only receive the benefit as a lump sum. The taxable component of the payment will be entitled to a tax offset that ensures the rate of income tax is as follows: • Taxed element – maximum of 15% plus Medicare levy Untaxed element – maximum of 30% plus Medicare levy.
I'm still a bit of a cynic about hooking up with a New South Wales outfit that doesn't perform as well as we do. And you did speak about a very strong performance this year and has been so congratulations to you and all the team. And I'm wondering whether the same vision is in place given that we have performed so well and active hasn't. And you mentioned that active will get active members will get an immediate benefit with lower fees and charges. I didn't hear you say what benefit we might get from the merger. And I think I also heard you say that there's an element of risk that will carry over from active. And once we merge, that risk will become ours.	In terms of benefits to Vision Super members, it's really tough to grow organically. It's expensive and it's hard to compete against the bigger brands. The Board came to a conclusion a few years ago that we did need to grow via a merger. Finding a suitable partner with a similar historical background with DB benefits is difficult, as there are very few of them left in the market. That was one of the reasons we wanted to work with Active Super. If we try to grow organically and get 86,000 members, it would cost us a lot of money to market for those members – if you could actually do it. We'd be looking at around $80 million dollars to grow via organic means, on digital marketing, print and radio and TV advertising. Merging with Active Super will cost but we believe there's a major benefit via doubling in size and doubling in funds, and will apply all disciplines to that to those funds - cost consciousness, extremely rigorous approaches to prudential standards, a great investment team and a good platform, and gain synergies from that larger pool. The consolidation and the capacity to do what we do on a bigger scale is an enormous opportunity.
Is there a statutory regulator that needs to sign off on this [merger]?	The Australian Prudential Regulation Authority (APRA) is the regulator that has prudential oversight of super fund merger and takes a facilitative approach to fund mergers. However, there is no statutory regulator that needs to sign-off on a merger of two superannuation funds. While no regulator needs to sign-off on a merger, there are certain legislative requirements that must be satisfied before a merger occurs. Where a merger is achieved by a successor fund transfer (SFT), the outgoing and incoming trustee must agree that the receiving (successor) fund will provide members with 'equivalent rights' to those the members in the outgoing fund had prior to the transfer. In addition to this, each trustee needs to make sure that any decisions they make regarding the merger (including member equivalency) are in the best financial interest of their members.

Question	Answer
	For the purposes of this merger, we're putting an application in to APRA for approval to operate two MySuper products to help us improve the financial outcomes for our members in the context of this merger and we have been briefing APRA on the progress of the merger on a regular basis. We are continuing to work towards merger in the second half of 2024.
What is going on with the Balanced Growth Investments - surely your qualified investors know when to get in and when to get out. Its balanced Growth for god sake. One FY we sky rocket and next we are sinking and eating into employee and individual contribution with a negative result. What’s being done to manage losses and what is vision doing to become the best Industry Super fund for 2023-24 FY. At the moment there are other that are doing better.	When we design our investment options, we place considerable weight on the expected long-term returns and risk of asset classes. This means that investment options such as Balanced growth have exposure to a range of asset classes including listed equities, with the aim of generating the returns required to meet the option’s investment objective. Reflecting this, the short-term return of the Balanced growth option will be heavily influenced by the investment environment. For example, when equity markets perform well, the return of the option is likely to be favourable and vice versa. While we dynamically adjust the asset class exposures of the option to the asset classes based on our investment outlook, these adjustments tend to be moderate given that the outlook is uncertain and some of the portfolio is illiquid. It’s important to keep a long-term perspective when you’re considering your super. Over the medium to longer term, the performance of our Balanced growth investment option versus peer funds has been favourable. In the 30 June 2023 SuperRatings survey of the top 50 MySuper options, our Balanced growth option was ranked in the top ten over 3, 5, 7 and 10 years (SuperRatings Fund Crediting Rate survey, SR50 MySuper Index, June 2023). We believe our top ten performance shows our approach is working well. The Balanced growth option’s peer fund objective is to outperform (after fees and taxes) the median default superannuation fund over rolling three-year periods, assessed using the SR50 MySuper Index from the SuperRatings Fund Crediting Rate Survey. Please remember that investment returns are not guaranteed, and past performance is not a reliable indicator of future returns.