

Minutes

Annual Members' Meeting
Fiducian Superannuation Service (FSS)

Held at the Amora Hotel Sydney, and via Video Link

Wednesday 8 December 2021

4.00pm – 5.00pm AEDT

Present Drew Vaughan Nikki Hoad Frank Khouri Ross Martin	Board Chair, Trustee Director Trustee Director Trustee Director General Manager Superannuation, Trustee Director
Apologies Ramani Venkatramani Sam Hallab	Trustee Director Trustee Director
Attendees Paul Gubecka Conrad Burge Jessica Dass Rahul Guha Luke Grbin Andrew Reeves Eugene Gnan	General Counsel - FSL Executive Chairman – FIMS Chief Risk Officer - FSL Executive Chairman – FSL Head of Operations – FSL Partner at KPMG – external auditor Manager at KPMG – external auditor

The meeting commenced at 4.00pm AEDT.

1 Welcome to Members and Introductions

Drew Vaughan

Mr Vaughan welcomed members to the 2021 Annual Members Meeting (AMM), noting:

- This is the second AMM, and provides an opportunity to introduce to members the people who manage and operate the Service
- Four Trustee Directors are in attendance, with two Trustee Directors offering their apology as they were unable to attend.
- The meeting will include an introduction to the key team members who manage the day to day operations of the Service and updates on investment returns, member operations and the economic outlook
- The meeting is being held via video link due to ongoing COVID19 circumstances

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- The FSS Annual Report is available online at Fiducian.com.au, which contains the formal report by the Chair to members
- The AMM, together with any questions and answers, will be published following the meeting, at Fiducian.com.au
- The agenda items for the meeting

Mr Vaughan introduced the following people in attendance at the meeting:

- Conrad Burge representing the Investment Team
- Jessica Dass as the Chief Risk Officer for the Service
- Rahul Guha as the Executive Chairman – FSL
- Luke Grbin as the Head of Operations - FSL
- Paul Gubecka as General Counsel – FSL
- Representatives from KPMG as the external auditor for the Service

Mr Vaughan introduced to members each of the FSS Trustee Directors:

- Ms Nikki Hoad
- Mr Frank Khouri
- Mr Ross Martin

and noted apologies from Ramani Venkatramani and Sam Hallab.

Mr Vaughan further noted:

- FSS is a public offer superannuation fund regulated by APRA
- FSS operates through a corporate trustee, Fiducian Portfolio Services Limited, of which all Trustees are Directors
- The role of the Trustee is to be independent and ensure the fund is run in the best interests of members
- A wide range of investment products are offered to members to enable them to structure a suitably diversified portfolio, currently over 70 products

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- Investment products include multi asset strategies, asset sector specific products, and managed share portfolios
- The manage the manager nature of the Fiducian Balanced Fund, and the pleasing short and long term returns when ranked against similar style products, as well as a strong performance following the impact of COVID19 on investment markets
- The continuing growth of the Service to \$1.98 billion, an increase of \$472 million over the past year
- The strong investment performance, over both short and long term periods, of two of the Service's most widely used investments, the Fiducian Balanced Fund and the Fiducian Growth Fund

Mr Vaughan introduced Ross Martin, who would be providing a summary of the operational aspects of the Service over the past year.

2 General Manager Superannuation Report

Ross Martin

Mr Martin advised that his presentation would provide an outline of the resources necessary to efficiently run a superannuation fund in the current complex legislative and investment world.

Mr Martin commented that while the Trustee has the ultimate responsibility for the operation of the Service in the best financial interests of members, specialist outsourced service providers are appointed by the Trustee to fulfil specific tasks. The service providers include both resources from within the broader Fiducian group, and from external organisations as follows:

From within the Fiducian group

- Administration and call centre services
- Finance and accounting services
- Investment management services
- Risk management services
- Information technology services
- Legal and compliance services

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From external organisations

- External audit services – KPMG
- Internal audit services – Ernst & Young
- Custodial services – National Asset Servicing (NAB)
- Insurance services – TAL

Mr Martin highlighted a number of the financial achievements of the Service over the past year, noting:

- Contributions of \$70 million received during the year
- Rollovers of \$170 million received during the year
- Member numbers exceeding 7000 during the year
- Members' average account balance growing to \$290,000 at June 2021
- Member benefit and pension payments of \$90 million during the year

Mr Martin commented that the operations of the Service had for the entire year been operating under Covid19 restrictions, and that despite this impact all operational service targets had been met without any discontinuity of service. Mr Martin thanked all the service providers and staff for their continuing dedication during a difficult year.

Mr Martin passed the meeting back to Mr Vaughan, who introduced Conrad Burge to provide an economic outlook update.

Mr Vaughan introduced Conrad Burge, who would be providing a summary of the investment aspects of the Service over the past year.

3 Economic Outlook

Conrad Burge – Executive Chairman, Fiducian Investment Management Services

Mr Burge discussed a number of investment topics relevant to members of the Service, supported by a range of investment data and charts, noting:

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- The Service's investment strategy provides members with a broad range of investment products, including both multi manager and single manager products, and both diversified and single asset sector products
- The strong performance of the multi manager products is due to two factors: a careful selection process for underlying managers and an investment strategy based on careful analysis of the economic environment
- Fiducian's multi manager product approach provides the added benefits of high levels of liquidity and diversification
- The Fiducian Balanced Fund, as an example of the multi manager products offered, provides diversification across 5 asset sectors, as well as across investment products from 26 different investment managers and across hundreds of individual securities
- The International Monetary Fund is forecasting a strong global economic growth for the current year and 2022, however notes that Covid19 "health risks abound, holding back a full return to normalcy"
- Unprecedented levels of financial stimulus continue to be applied by central banks and governments around the world
- The US economy grew by 4.9% over the year to September 2021, and is forecast to grow by 4.5% in 2022
- Global interest rates are at historic lows and are expected to continue at these levels for some time
- Leading economic indicators for OECD countries are recovering, an indication that stimulus measures have been working well
- China's economic indicators have gone above their pre pandemic level, while India is still recovering from the effects of the pandemic
- The Australian economy is recovering well and has handled the pandemic better than most countries, but will need further support from the RBA and government in 2022
- Global purchasing manager indexes for the manufacturing sector slipped dramatically during 2020 as the pandemic hit, and despite an expansion in manufacturing activity during 2021 would benefit from further stimulus
- Consumer and business sentiment is slowly improving across the developed world
- Savings and investment rates remain too low in many economies
- Monetary policy is expansionary but needs to remain so for much of 2022
- Corporate earnings are forecast to improve this year but the outlook remains uncertain

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- Overall, we have a positive view of the economic outlook for 2022, and see further potential market upside, assuming global monetary and fiscal stimulus remains in place, as expected

4 Questions

Mr Vaughan noted that no general questions have been received, and that member specific questions would be responded to direct with the member.

5 Meeting Conclusion

Mr Vaughan thanked members of the Service for their attendance at the meeting, and reminded members that should they have any specific questions in relation to the structure of or investments of their superannuation or pension accounts in the Service that they should in the first instance contact their professional financial planner.

The meeting was declared closed at 4.40pm.

The Trustee has agreed that these minutes be released to the Fund website.

Signed as a true record



Drew Vaughan
Chair

Date: 8/12/2021