

N.M. Superannuation Proprietary Limited  
ACN 008 428 322  
(Trustee)

**MINUTES**  
**of the 2023 Annual Members' Meeting**  
**held on Thursday, 2 March 2023 at 1.00pm**

via webcast

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**PRESENT**

**Responsible Officers**

Tony Brain, Chair  
Sarah Brennan, Non-Executive Independent Director  
Andrew Byrne, Non-Executive Independent Director  
Christopher Hall, Non-Executive Independent Director  
Kerrie Howard, Non-Executive Independent Director  
Tricia Klinger, Non-Executive Independent Director  
Catherine McDowell, Non-Executive Independent Director  
Paul Scully, Non-Executive Independent Director

**Auditors and Actuaries**

John McDonald, Audit Partner, Ernst & Young  
Doug Drysdale, Actuary, PFS Consulting  
Jeff Humphreys, Actuary, AIS  
Janice Jones, Actuary, PWC  
David Lewis, Actuary, PFS Consulting  
Mark Nelson, Actuary, Mercer  
David O'Keefe, Actuary, ALEA Actuarial Consulting  
Andrew Sach, Actuary, Willis Towers Watson  
Mark Samuels, Actuary, Mercer  
Nerida Seccombe, Actuary, Heron Partners  
Saffron Sweeney, Actuary, Aon  
Nicholas Wilkinson, Actuary, Willis Towers Watson

**Other Attendees**

Scott Hartley, CEO, Australian Wealth Management, AMP  
Steve Vaid, Director, Client Services  
Anna Shelley, Chief Investment Officer  
Edwina Maloney, Director, Platforms  
Shane Oliver, Head of Investment Strategy & Chief Economist  
Sharon Suan, Superannuation Trustee Executive  
Julia Pryor, Chief Risk Officer, Superannuation, Retirement & Platforms  
Christopher Millard, Company Secretary

## APOLOGIES

There were no apologies.

## IMPORTANT NOTE

The opinions of the individuals at this meeting are their own and not necessarily those of AMP.

Any statements made during this Annual Members' Meeting are general in nature and any speakers have not taken your circumstances into account.

It is important that attendees consider their personal circumstances, read the product disclosure statements and financial services guide and consider speaking to a professional before deciding on what is right for them.

## WELCOME TO COUNTRY

Binowee Bayles, AMP's Head of Indigenous Programs:

- Acknowledged the Gadigal People of the Eora Nation, the traditional custodians of the land on which the Annual Members' Meeting (AMM) is being held and paid respects to Elders past, present and emerging.
- Recognised all First Nations people of the many lands from which members have joined the AMM.

## WELCOME

Steve Vaid

Steve Vaid, AMP's Director of Client Services:

- Welcomed the members of the AMP Superannuation Fund and the Wealth Personal Superannuation and Pension Fund (Funds) (Members) to the AMM being hosted from AMP's offices in Sydney.
- Introduced those who will present to the AMM, the Trustee Directors and key AMP personnel in attendance, together with the Actuary and Auditor representatives for the Funds.
- Advised that the presentations to be made at the AMM had been informed by questions submitted by members prior to AMM and would be followed by a live Question and Answer session (Q&A).

## BOARD CHAIR ADDRESS

Tony Brain

Tony Brain, the Chair of the Trustee Board, joined Binowee Bayles in paying respects to and acknowledging the Gadigal People of the Eora Nation, the Traditional Custodians of the land from which the AMM is being hosted.

The Chair spoke to the following key matters:

- The AMM is an opportunity for Members to hear from, and ask questions of, those responsible for looking after their superannuation.
- The Annual Reports for the Funds are available online and provide more detail on many of the topics that will be covered at today's AMM.
- Many of the questions received prior to the AMM relate to the current economic challenges and investment returns, which is not unexpected, as it has been another challenging year for the Australian community, with many Members being impacted by rising interest rates, inflation and associated cost of living pressures.
- These economic issues have presented a challenging environment for investment markets from a short-term perspective.
- The Trustee's four strategic priorities for the Funds during the year were:
  - Ensuring that the Trustee governs effectively and autonomously on behalf of Members.
  - Delivering strong and sustainable long-term returns for Members.
  - Investing ethically and responsibly on behalf of Members, while also providing choice and access to high-quality responsible investment options.
  - Helping Members retire better.

## BOARD CHAIR ADDRESS

continued

Tony Brain

- Reported to Members on progress against the above strategic priorities during the financial year ended 30 June 2022 (FY 22), including:

### Effective governance

- Further strengthening the Board’s governance frameworks which has enhanced the Trustee’s ability to have clear oversight of all operational and strategic aspects of the Funds.
- Expanding the Trustee Board from seven to eight Independent Directors during FY 22 and replacing two Directors who retired in 2021.
- Welcoming Tricia Klinger and Andrew Byrne to the Trustee Board as Non-Executive Directors in FY 22, with Christopher Hall also joining the Board in September 2022.
- Maintaining a close overview of how AMP manages cybersecurity and ensuring they are doing everything they can to protect you from cyber-related breaches.

### Strong long-term investment returns

- Ensuring longer-term returns remain strong in FY 22, which was a challenging year for investment markets.
- AMP’s MySuper funds again passing APRA’s annual performance test.

### Invest responsibly

- Consider economic, social and environmental risks and opportunities in the Funds’ investment program.
- Providing specialist ESG options on the North platform menu and continue to evolve our ESG approach alongside industry developments while meeting Members’ expectations.

### Helping Members retire better

- The publication of AMP’s retirement income strategy as part of the Government’s new Retirement Income Covenant.
- The launch of the new MyNorth Lifetime Retirement income solution in October 2022.

## MACRO INVESTMENT OUTLOOK

Shane Oliver

Shane Oliver provided a presentation on market performance in 2022 and the economic and investment outlook for 2023. He also discussed the longer-term drivers for investment markets.

## INVESTMENT MANAGEMENT AND PERFORMANCE

Anna Shelley

Anna Shelley welcomed the Members and noted the following key matters:

- A summary of AMP’s MySuper Lifestages approach, where superannuation is automatically and progressively moved into less risky investment portfolios as Members get closer to retirement.
- As anticipated, FY 22 was a difficult year for markets, which were impacted by:
  - challenging global and Australian equity markets
  - falling bond markets
  - central banks lifting interest rates in an attempt to reduce inflation
  - geopolitical challenges, particularly Russia’s invasion of Ukraine, which continues to disrupt energy markets.
- While it can be worrying, short-term volatility in investment returns is to be expected and is a normal feature of markets. It is the longer-term outcome that matters most.
- When comparing the performance of different superannuation funds, it is important to understand the types of assets that each fund holds and how the assets relate to Members’ risk profile or age.
- The Trustee’s long-term investment strategy includes the following aspects:
  - depressed markets present buying opportunities
  - diversified investments
  - regularly review the asset mix.
- How AMP manages ESG risks and opportunities.

## **AMP SUPERANNUATION FUND**

Scott Hartley

Scott Hartley, Chief Executive Officer, Australian Wealth Management discussed the AMP Superannuation Fund, which includes the SignatureSuper solution, noting that:

- AMP’s primary objective is to help Members achieve the best possible retirement. To achieve this, AMP focuses on:
  - strong long-term investment returns
  - competitively low fees
  - easy access to help.
- Outlined the range of help and intrafund advice available to Members to assist them in planning and transitioning into retirement.
- Delivering to Members across the above areas has been acknowledged in the many awards received by AMP’s superannuation and retirement products.
- Simplification of AMP’s superannuation business in recent years has also benefited Members with low fees.
- Discussed the six Help Program pathways offered for SignatureSuper members.

## **AMP’s PLATFORM BUSINESS**

Edwina Maloney

Edwina Maloney provided a summary of AMP’s platform business, including:

- The Platform sits within the Wealth Fund and includes North, where most Wealth Fund members hold their investments.
- Investment platforms are designed for members who may have more complex investment needs than are offered through a traditional superannuation fund, and who, in most cases, have an adviser.
- MyNorth was awarded the highest 5 Apples platform rating by Chant West, recognising North is one of the leading platforms in the market.
- AMP’s goal is to make North the leading platform offer in the market for Members and their advisers, by providing:
  - Access to a broad range of quality investments, across asset classes and strategies.
  - Access to these quality investments at the lowest possible cost.
  - A seamless functionality and technology experience to ensure investment portfolio administration and oversight is easy and efficient.
  - High-quality and informed service and support, both for members and advisers.
- North offers close to 100 managed portfolios and more than 700 managed investment options across all asset classes and fund structures. This includes a growing range of ESG-based options – an area we know is of increasing importance to members and advisers.
- A new mobile app for North members was launched during the year, making it easier for members to stay connected and track their investments.
- AMP continues to invest in North’s functionality, making investing and transacting through the platform as seamless as possible, allowing members and advisers to maximise the value of their investments.
- Not long after the release of our Retirement Income Strategy last year, we launched our new, market first MyNorth Lifetime account, which has already won two Longevity Cover Excellence Awards.

## WRAP UP

Tony Brain

The Chair concluded the presentations by summarising the Trustee's four most important areas of focus for the Funds in the coming year:

- Continuing to develop innovative solutions for our Members – such as in the retirement solution area and digitisation of the member experience and their advisers.
- Completing the program of work related to simplification of each of the Funds, including reduction in underlying products and investments in order to continue to deliver competitive fees for Members.
- Continuing to manage our investment decisions in a way that balances long-term returns with shorter-term measures and expectations – expectations that include how we continue to address climate-change and other sustainable socio-economic expectations as a society.
- Reviewing our member insurance arrangements.

## QUESTIONS AND ANSWERS

Steve Vaid advised how members could participate in the Q&A and noted that a recording of the AMM and answers to any questions unanswered at the AMM will be grouped into related themes uploaded to the AMP website within 30 days after the event at [amp.com.au/amm](http://amp.com.au/amm).

Steve Vaid presented a series of questions both pre-submitted by members before the AMM and submitted during the live Q&A.

Tony Brain, Scott Hartley, Anna Shelley, Shane Oliver and Edwina Maloney formed the panel and answered the questions set out in **Attachment A** to these minutes.

## CONCLUSION

Mr Vaid closed the meeting at 2.30pm.

Signed as a correct record:

*Tony Brain*

Chair of N.M. Superannuation Proprietary Limited

27 March 2023

Date

# Attachment A

## Questions and answers from AMM

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### PANEL

**Tony Brain**, Chair of Trustee Board  
**Shane Oliver**, Head of Investment Strategy & Chief Economist  
**Edwina Maloney**, Director, Platforms  
**Anna Shelley**, Chief Investment Officer  
**Scott Hartley**, AMP Australia CEO

### QUESTION 1

The world is experiencing historic levels of volatility in markets. How is the fund adapting to build additional resilience to protect its assets?

#### Answer from Shane Oliver:

If we look back through history, volatility is quite normal. What we are seeing is not that unusual in a historic context, although it is very unnerving for investors at the time. In the 1980s, the share market fell by more than 20% on one day. Over two months, it fell around 50% and then we saw a recovery. So, if you look back through history, you do see this volatility. Unfortunately, it's part and parcel of investing in shares. But we also see that shares provide higher returns for investors over the longer term than having your money in cash or, say, government bonds. And that is the reason why most super funds bias towards growth assets, like shares, particularly in the accumulation phase. So yes, it is unnerving, but history tells us we do see these things. It is the price we pay for the higher returns we get from growth assets. And the norm is that markets fall, the volatility then settles down, and then we see a recovery. So, I think the key is to try and stay the course, not get blown off by this volatility.

#### Answer from Anna Shelley:

In terms of portfolio construction, some of the key things we do to protect your assets or to dampen that volatility coming through from the share market include diversification. We look really closely into managing the risk-return profile of the various options, and we are always looking for new investments to help dampen volatility. Some of the examples of the new investments we've introduced over the last year include private debt and unlisted infrastructure investment. So that's the approach that helps us to try and protect your assets through market volatility.

### QUESTION 2

What are the chances of AMP adding a general cryptocurrency fund option for those who wish to choose it? And what are your views on crypto?

#### Answer from Anna Shelley:

We are very mindful of the speculative nature of cryptocurrency, which has been an extremely volatile asset. We have a responsibility to you as members to prudently assess the risk and also the risk-return profiles of any investments that we put either onto the platform or into SignatureSuper. To date, cryptocurrencies haven't met any of those basic minimum qualities that we need to see in an investment, and so we haven't put it on. However, it is a nascent market. It's still evolving, and we're keeping an eye on it. There is always the potential that we might add an appropriate option down the track.

#### Answer from Shane Oliver:

I'm a little bit sceptical about cryptocurrencies. I think there is some value in there, particularly in the concept of non-fungible tokens and decentralised finance. There are aspects of that which may yield value, but trying to put a value on the whole area of cryptocurrencies is very, very hard. There's something like a thousand different cryptocurrencies out there. Some people just seem to think them up, and there they are, with no value story behind them. That makes them very, very hard to value. If I look at a property or look at an infrastructure asset or look at a share, I can attach some value to it because of the services or goods that it provides. So that's the first big question here, what is the value proposition for crypto? And separating those areas which may offer value out from those that probably won't. The other one, of course, is the volatility. Crypto has had great runs. If you measure Bitcoin from the very start, that's partly because more and more people have jumped onto it and pushed the value up. But it is also extremely volatile. A couple of years back Bitcoin peaked at phenomenal levels, only to then collapse at an equally phenomenal rate. That, of course, also presents difficulty for investors trying to manage that volatility. They are the sort of issues we've been grappling with. We are keeping a close eye on it, but at this point, it doesn't tick the boxes you would normally want to see ticked to include it in our funds.

### QUESTION 3

Given the recent increase in financial and cybercrime, what is AMP doing to protect its customers? And what are you doing to stay abreast of and educate your members on industry changes that impact investment operations?

#### Answer from Tony Brain:

The whole area of cyber has had increased exposure over the last 12 months. The trustee is working very closely with AMP to ensure we are protecting our members from cyber risks. You heard earlier in the presentation from AMP's Chief Technology Officer, Felicia Trewin, some of the protections. We have a dedicated team of cybersecurity experts and they work with other financial services organisations, the Cyber Security Centre, law enforcement and other threat intelligence organisations. The systems monitor 24/7 the risk of a cyber attack, and we engage independent cybersecurity consultants from time to time to test and challenge those processes. I think the final thing I'll mention is for the members yourselves to stay vigilant to risks. There's many unfortunate stories out there where people have been duped into delivering their own personal information, and that's allowing cyber attacks to then happen.

#### Answer from Anna Shelley:

In terms of the investment education aspect of cybercrime, I want to refer you to our Insights Hub, which is a fantastic educational resource that offers material across superannuation, retirement and investing more generally.

### QUESTION 4

How much do I need to retire?

#### Answer from Edwina Maloney:

Understanding how much you need to retire depends very much on your personal circumstances. It will depend on your lifestyle goals and how long you plan to spend in retirement. A great first step could be to use one of our retirement calculators, which are available online. Those calculators can help you understand the gap between what you're expected to retire with and what you think you'll need. They can be a really good starting point to help you plan for how to close that gap. Our SignatureSuper members also have access to an adviser who can help them with a retirement health check or a retirement conversation, which is available at no cost to them. If you have your own adviser, we recommend that you should have a conversation with them about what you will need in retirement. We also recognise that retirement and what you need for retirement is very complex and confusing for some members. We are very committed to providing more help to members around retirement and better solutions for members in retirement, like the MyNorth lifetime income account that we launched last year. The account gives members more confidence that they will have an income for life that will never run out.

### QUESTION 5

What resources does AMP provide to help inform and educate its members about their super fund?

#### Answer by Scott Hartley:

Access to help and advice is a cornerstone of our offering to our members. The Help Pathways program, including intrafund advice and our education specialists, are key to this. We developed the program around topics that are most relevant to our members, such as investment choice in retirement and transitioning to retirement. I encourage you to take full advantage of this if you haven't already. Also, as Anna mentioned, our Insights Hub is also a very rich source of information for members, for education and self-help.

### QUESTION 6

What sustainability practices are employed in all investment categories? Is there a minimum all must comply with?

#### Answer from Anna Shelley:

AMP has a responsible investing and ESG framework in place, which informs all of our investment management processes for SignatureSuper. It also provides guidelines where we seek to avoid exposures to certain companies or sectors where AMP Investments is the appointed investment manager. The other key aspects of our responsible investing program include active ownership voting and offering sustainably focused investment options. I should note that where we invest through external unit trusts, the ESG approach of that fund will apply. There are also a number of reports that you can find on our website, including our modern slavery statement, our annual sustainability report, and the carbon footprint for many of our key funds. I would encourage you to go onto our website and access those reports.

### QUESTION 7

Are there any legal changes to superannuation on the horizon?

#### Answer by Scott Hartley:

There are often legislative changes for superannuation, but the good news is those that are already legislated are clear and positive. The first one is that the super guarantee rate, the contribution rate that employers contribute, will move from 10.5% to 11% this year. And this will make a meaningful difference to your superannuation balance over the long term. The second piece of good news is that the amount an individual can have in pension phase is increasing through indexation to \$1.9 million. The Government has also recently announced an intention to legislate a formal objective for superannuation, which we think is a positive development because it will make it easier for industry and government to collectively and cohesively work together to get the best outcome for members. The Government has, in the last couple of days, announced that there is going to be a cap, or additional taxation, for members with over \$3 million in their super balance. This applies to a very small percentage, less than 0.5% of total super members in the industry. We are reviewing the Government's proposals in relation to this cap and will work with industry as part of the consultation process and on behalf of our members.

### QUESTION 8

What is the market outlook for 2023 to 2024 and can you also provide more background on why bonds underperformed last year?

#### Answer from Shane Oliver:

I'll start with the latter part of the question – why bonds underperformed last year and performed so poorly. It's largely because of something quite basic, and that is when bond yields rise, the way bond returns are calculated means that their value goes down. So if the yield on an asset goes up, it's often because the value of the asset goes down. And that is what happened here. Bond yields rose very substantially from the record lows we had back in 2020. At one point there, the 10-year bond yield in Australia was down at 0.6%, and of course it rose through last year, up to around 4%, and we're still close to those sort of levels. So that meant a huge capital loss on investments in bonds. Of course, there is a running yield income flow, but the capital loss swamped that and resulted in those extraordinary negative returns out of fixed-income assets. And that might seem unusual to many because they are seen as a defensive asset class, partly because governments don't default on their debt, or not at least developed country governments, like Australia, so they are defensive in that sense. But you did see that loss through last year. Now, mind you, if you hold those bonds to maturity, and this is a bit of a technicality here, you won't lose anything. You'll get the original return you were offered, and that will continue through the time, and that will be reflected in your superannuation fund. But year to year, month to month, the value will move around a little bit. And unfortunately, that's what happened last year. The broader part of the question was the outlook for this year and next. My view on that front is that returns will be somewhat better this year than they were last year, and that will probably continue into 2024. I think volatility will remain high. The key driver of all this, though, is that inflation, which rose very substantially through last year, is likely to start slowing. We're already seeing signs of that globally, and I think we will see clearer signs of that in Australia. We're seeing an improvement on the supply side of economies and we're also seeing cooler demand as the economies slow down. The combination of those things will mean lower inflation, taking pressure off central banks, enabling better returns out of investment markets over the next couple of years. But it is still going to be a volatile ride. We've got the geopolitical issues, we've got the risk of recession, we've got interest rates still being quite high. So that volatility level will remain high, even though the broader return we think we will get will be better than it was last year.



### QUESTION 9

What are you most proud of as it relates to the funds this year?

#### Answer of Tony Brain:

There is probably three areas that I would emphasise amongst all of our achievements during the year, and they are simplification, investments and retirement. Simplification is something that drives improved fees, improved outcomes for members and that's been a program of work that we've spoken to today, that has progressed very, very well. The second area is investments. There's been a lot of change during the year, where we've taken on the whole investment team, now led by Anna Shelley, and they've really become quite embedded in the way we do things and achieving really good outcomes in terms of long-term performance. The third area is retirement: we were one of the first to release our retirement income strategy, and then the innovative product around retirement solutions that Edwina Maloney and Ben Hillier spoke to earlier. A fourth area is also our client servicing teams. Over the course of the year, the Trustee has visited both our main centres where clients are able to call in and ask questions. The work our client service teams do, the passion of their work and the effort they put into helping our members is top class. So I'm certainly very proud of the work they do for our members.

#### Answer from Scott Hartley:

I totally agree. I am particularly proud of our service teams and the help that they provide members every single day. Also, the positive outcomes we've been able to achieve for members, including the low fees through the simplification. I'm also very proud of the innovation we've achieved in the retirement solution space. This is about giving members confidence in their retirement income and the confidence to use their superannuation for retirement income.

### QUESTION 10

Why is there still a member and administration fee?

#### Answer from Scott Hartley

The fees are designed to cover the general cost of managing your account. These are standard across the industry, having a flat member fee and a percentage fee. For SignatureSuper, the fixed dollar amount is \$6.50 per month, and there is a percentage-based administration fee which is capped out at balances of \$500,000. The fixed element means that we can cover the costs of managing the account for low-balance members. This helps ensure equity across all membership in the fund. They are competitively low with the market, and we are committed to maintaining competitively low fees.

### QUESTION 11

How much control do I have over my super account without a financial adviser?

#### Answer from Scott Hartley:

If you're a member of SignatureSuper, you have complete control over how you structure your super through the investment choices and through the insurance cover you have. You also have access to the help I mentioned in my response to an earlier question, which includes help on investment choice and help on insurance matters. You can do all this through My AMP. The My AMP app is very useful and you can use it to make changes and that gives you quite a bit of control. Before you make any changes to your super, we recommend that you do seek help and advice. If you have an adviser, please speak to them. If not, certainly reach out to our intrafund advice team, who can help you. It's important to make informed choices, as some choices can cost you in the long run.

#### Answer from Edwina Maloney:

Members in our North platform typically have an adviser and that's because they have access to a very wide range of investment options, in fact over 700 investment options. An adviser can help members navigate through that choice of investment options to ensure what they're doing with their super is in their best interests. An adviser does add a lot of value for members, particularly as they plan for retirement and think about their longer-term goals. We would therefore encourage you to access an adviser.

### **QUESTION 12**

Does the fund invest in any industry or activities related to the production of fossil fuels?

#### **Answer from Anna Shelley:**

As a general principle, first, we do not exclude fossil fuel related investments, but we do recognise, as a really large investment manager and as a very large super fund, that we have a key role and responsibility in the transition to net zero over time. One of the important ways we do that is by being an active owner by voting on climate related resolutions at companies in which we invest. We also have investment partners, who engage with company boards on your behalf. That engagement covers issues such as coal exposure, coal operations and companies' climate transition planning. I did mention in the earlier presentation that we have had really significant engagement with BHP, one of the largest companies in Australia. In addition, we do offer sustainability themed options on both the SignatureSuper and North platform menus, that do exclude fossil fuels. So, for those members who feel particularly strongly about having that exclusion, then I'd encourage you to either speak to your adviser, the intrafund advice team, or go to our website to get some more information on those options.

### **QUESTION 13**

How does AMP decide which funds to have available for members and why are some low-performing funds not automatically swapped out?

#### **Answer from Tony Brain:**

We have spoken earlier today about the long-term nature of superannuation and our investment approach. Over the long term, we are monitoring all our investment options and which ones we make available for members to be able to invest in, as well as the underlying investments. We need to make sure they are fit for purpose and performing over the long term in the way we need them to, to be able to provide the returns that we desire for members. So, there is active monitoring of all of the options to make sure they are meeting their investment objectives. We may add, or close, investment options from time to time, particularly if we see a decrease in interest from our membership. With the North platform, as previously mentioned, we provide over 700 investment options for members to access. So there's active monitoring. It's taking a long-term view. It's not ignoring the volatility, but, to some extent, putting it aside when it's very short term.

### **QUESTION 14**

What other investments are AMP looking at to invest our super in?

#### **Answer from Anna Shelley:**

I mentioned earlier, the private debt and new unlisted infrastructure investments that we've introduced into the portfolio. There are also alternative assets, where we're constantly looking at new and complementary alternative assets to add to the portfolio. They can be really key in terms of the diversification I talked about earlier, providing a different risk-return profile into the portfolio, and overall, hopefully lowering the portfolio volatility, as well as increasing its resilience, particularly to market conditions like those we have experienced over the last year or so. Some examples of alternative assets might include sub-investment grade credit, bank loans and absolute return strategies, which is where the investment strategy is focused on achieving a positive return year in, year out.

### **QUESTION 15**

When can you take your super fund and put it on your mortgage?

#### **Answer from Scott Hartley:**

When you turn 65, you can get full access to your super, which is essentially retirement age. There are also certain situations where you can withdraw your super earlier, when you reach preservation age, which is typically from the age of 55 to 60. The intrafund advice service is something that can help you understand that transition period. It's an important decision and it's really important to understand your options. If you have an adviser, they'll be able to help you, but if you don't have an adviser, you can contact the intrafund team. And if you are finding it difficult to meet mortgage payments, I'd encourage you to speak to your bank. Banks are very cognisant of the impact of the current situation on their clients, and they may be able to assist you.

### **QUESTION 16**

What's the difference between North and AMP?

#### **Answer from Edwina Maloney:**

Hopefully we've provided you with a little bit more clarity on this through the course of our presentations today. But simply, North is the name for our wrap platform, which has a super and pension product offer. It sits alongside our broader superannuation offers through SignatureSuper, and is owned by AMP more broadly. So North is typically used for members who work with an adviser, as we said earlier, who have slightly more complex needs, because it does provide that full range of investment choice.

**QUESTION 17**

Why are insurance premiums so high?

**Answer from Scott Hartley:**

Insurance premiums are an industry issue and it's concerning that insurance premiums are rising across the industry, and we're very conscious of the cost to members and the impacts on their retirement savings. Globally, there are a number of factors impacting premiums, including a rise in claims, together with the aging population. We're working hard to ensure that we provide you with the access to quality insurance cover. This year we're conducting a competitor review of the market. And it's worth keeping in mind that you can change the amount of your insurance cover, should you wish. If you want to reduce the cover that you have, that can lead to lower premiums. But again, I would encourage you to seek the help of your adviser, or our intrafund advice team if you don't have an adviser.

**QUESTION 18**

I have my super invested in cash. Based on the current economic state, what has AMP set up for the funds to remain safe while this apparent crash occurs?

**Answer from Tony Brain:**

Firstly, from a structural point of view, I want to emphasise that the superannuation trustee and the superannuation funds that we're responsible for are very much segregated. They're strictly regulated. They're separate from AMP or any other entity. So as a trust structure, the funds are protected from that point of view. The second point I'll make is AMP itself is a large, financially secure and regulated organisation, with a strong balance sheet. In terms of the market conditions right now, there is volatility. It's important to not totally ignore it, but to realise that volatility is normal and that markets do come back. The trustee takes a long-term view. We look at the investment conditions and the economic conditions, but really very much over the long term. We certainly encourage all members to seek out advice. SignatureSuper members can speak to our intrafund advice team.

**QUESTION 19**

How does investment performance compare with market?

**Answer from Anna Shelley:**

In terms of our investment performance, the diversification does mean that even though the returns were negative last year, they weren't as negative as the share market because they're in a diversified portfolio in those MySuper life stage options. If referring to peer relative performance, you can look at the Australian Tax Office website, that has a YourSuper comparative tool, which helps you compare from one fund to another. More specifically against peers, we outperformed most of the market in 2021 in our life stage MySuper options. But unfortunately, over that last year, we didn't do as well because we hold more equities than some of our peer funds do, and we hold less unlisted assets than some of our peer funds. As I mentioned in my presentation earlier, with unlisted assets, there is a lag as the asset valuations come slowly through, over the course of perhaps a year, before those devaluations come through from negative market conditions. So that was one of the key differences for those returns over this last year. Over the long term, that should even itself out. The listed market valuations and the unlisted market valuations should converge, which would mean that our performance will come right back up to around peer levels or above.

## QUESTION 20

What are the fund's plans to tackle inflation and the upcoming recession and how will this impact the fund's performance? When compared to peers, what measures are AMP taking to improve?

### Answer from Anna Shelley:

First, we have to stay true to the long-term investment strategy and the core principles I mentioned earlier about diversification, and then making sure that each of the options that we offer to you are true to their risk-return profile. I also mentioned some of the enhancements that we're making to the investments themselves and the new investments that we have made. We do keep a very close eye on our peers. We are also focused on being more liquid than our peers, which means holding higher levels of liquid assets, which means that we're more flexible. We believe this will help us react quicker in volatile, market conditions, and also help us to buy low if the market should fall further from here. It has been a tough market year, but we think that will give us an edge going forward.

### Answer from Shane Oliver:

Inflation has been a big issue over the last 18 months. Inflation causes volatility and uncertainty in markets. As inflation goes up, it reduces the quality of company earnings, it adds to uncertainty and, of course, it means higher interest rates, which reduces the value of a lot of assets. So all of those things have been big negatives, but there are some positives which are starting to emerge. We are seeing global freight rates, for example, come down quite substantially, back to where they were prior to the pandemic. We're seeing some of the supply issues start to recede. And as global demand slows down, that will also take pressure off inflation. When you're managing the portfolio, you want to protect it, to some degree, against inflation, but there are also opportunities. When inflation spikes higher, markets go down, and that provides an opportunity to look around for value that has been unleashed by that weakness in the share market. So it works both ways. And I also think that in the short term, inflation will trend down, even though the longer-term rate of inflation that we are going to see is probably going to be a little bit higher than it was pre-pandemic.

## QUESTION 21

Has the trustee done enough to create a sustainable super fund for members and AMP? What more is planned?

### Answer from Tony Brain:

The short answer is yes but let me elaborate a little further. We implemented a strategy to transform the superannuation business back in 2020 and significant progress has been made, evidenced, for example, by the reduction in fees and benefits that we've talked about earlier today. That simplification program has also attended to the reshaping of our investment menu, the right balance for members, and to take advantage of scale, which is very important. So, we think, we've certainly set the funds up to compete strongly, and over the long term. We also see significant opportunity in the retirement area. And the capabilities that we have within AMP, we think are fairly unique in that respect. We've launched a retirement income solution within our wrap platform and we have plans to expand this thinking into mastertrust. In summary, we are focused on continuing to deliver long-term steady investment returns, further strengthening our digital capability for members and continuing to innovate, particularly in the retirement solutions area.