



ANNUAL MEMBERS' MEETING – 25 FEBRUARY 2020
Answers to member questions not addressed at the meeting

Important Information:

The responses provided below may contain general advice that does not take into account your objectives, financial situation or needs. Before you act on any general advice, you should consider whether it is appropriate to your individual circumstances. Before making any investment decision you should obtain and read the Fund's product disclosure statement which is available at <http://www.onepath.com.au/superandinvestment/products.aspx> or by calling 13 12 87. Past performance is not an indicator of future performance.

1.	<p><i>Q: What percentage of your investment portfolio is invested in fossil fuels? And, how much is invested in renewables, such as solar, wind, etc?</i></p> <p>ANZ Smart Choice Super has many investment options available to members; the percentage invested in fossil fuels and renewables depends which option a member is invested in. Our approach to managing ESG risks, including climate change, was discussed in our answer to Question 7 in the minutes. The ANZ Smart Choice Super Lifestages 1970s option, the largest in Lifestages option, currently invests in passive index funds resulting in allocations to fossil fuels and renewables in line with the market index. We estimate a Carbon Emissions score for this option using MSCI ESG data and methodology at 8.4 out of 10, with 10 being the best outcome.</p>
2.	<p><i>Q: What age do I need to be to take my first distribution from my super account? Is there any limit on the amount of the distribution?</i></p> <p>Pension payments can start to be distributed from your account once you meet one of the conditions of release and a pension account is created.</p> <p>There is a minimum limit you must receive which is dependent on your account balance and age. There is no limit to the amount you can withdraw unless your account is required to maintain a minimum account balance.</p>
3.	<p><i>Q: When will ANZ Australia permit Customers to transfer to Australia and amalgamate their ANZ New Zealand Super savings into ANZ Australia Super accounts to focus on growing Super in Australia (as the country of residence) and save on paying fees in both countries?</i></p> <p>Currently, ANZ Smart Choice Super doesn't allow transfers from a KiwiSaver account. However, other funds may accept them. We suggest you speak to a tax expert regarding the tax implications of doing so.</p>
4.	<p><i>Q: What's your annual investment return vs market and other similar funds?</i></p> <p>ANZ Smart Choice Super has many investment options available to members. The annual investment return depends which option a member is invested in. Focusing on the MySuper ANZ Smart Choice Super Lifestage options, it is important to note these funds have a long-term focus of growing members' real return and delivering a comfortable retirement. These funds are ahead of their 'Inflation+' strategic objectives over 5- and 7-year periods. Looking at SuperRatings peer group surveys, the ANZ Smart Choice Super 1970s option returned 2.27% over 1 year to December versus the Growth Survey median of 3.59%.</p>

5.	<p><i>Q: What are the fees being charged as a percentage and dollar amount? And how do the fees compare to the market?</i></p> <p>Current fees for our primary ANZ Smart Choice Super offer are \$50* admin fee per annum and 0.50% investment fee[^] (except for the Cash option which is 0%). There are some slight variations for largescale employer arrangements. SuperRatings quarterly fees survey places the product's fees among the lowest in the market.</p> <p>*For TOLL employees the admin fee is \$35.00. [^] For QBE employees the investment fee is 0.44%</p> <p>Note: Fee changes have been approved by the OnePath Custodians Board and information on these changes is included in the relevant significant event notice that was sent to members in February 2021.</p>
6.	<p><i>Q: Why did superannuation fund performance have a huge decrease during January to April 2020? And, do you think it is time to recover the loss by adjusting investment percentage risk?</i></p> <p>The ANZ Smart Choice Super Lifecycle funds have a long-term goal to provide members a comfortable retirement. The fund is on track to deliver on these long-term investment objectives. Over the January to April period market returns, equities in particular, were negatively impacted by the pandemic and associated economic lockdowns, and this was reflected in the returns of many funds including ANZ Smart Choice Super. However, the massive fiscal and monetary policy response has supported a recovery in equity markets through the current financial year. In response to the recovery of returns over the coming ten years, significant enhancements to our ANZ Smart Choice Super funds are being implemented this year.</p>
7.	<p><i>Q: I would like to understand how much did the cost of maintaining the fund increase and why was it so much that it required a massive raise on the fees that will take place?</i></p> <p>We understand the importance of keeping costs low and there's been no change to our fees since 2013. However, keeping the same fees would hinder us from providing our members an enhanced digital experience and the ability to offer investments designed to potentially deliver higher returns. In designing our new fee structure, we considered the cost to manage a member's account and how those costs can change over time, keeping the fees simple and improving member outcomes.</p> <p>Rest assured that the new fees will remain among the most competitive in the market and still within the lowest 25% of all super funds.</p>
8.	<p><i>Q: Why is ANZ adding a percentage-based administration fee in addition to increasing percentage-based investment fees?</i></p> <p>See the answer at 7.</p>
9.	<p><i>Q: What will happen to accessing my super account when IOOF will convert current account to IOOF Super. Will I need to set up another online account.</i></p> <p>A letter recently provided to members referred to changes to online access. In relation to your own personal circumstances please contact our call center on 13 12 87.</p>
10.	<p><i>Q: How does ANZ Smart Choice Super Fund Rank against other Super Funds in the market for e.g. AustralianSuper?</i></p>

	<p>There are different factors you need to consider when comparing super funds. Among them: fees, historical performance, member benefits, insurance offering and others. We recommend you check Money Smart's website and in particular this page: https://moneysmart.gov.au/how-super-works/choosing-a-super-fund which has valuable information regarding super fund comparisons</p>
11.	<p><i>Q: Why is the risk profile of ANZ Smart Choice Super Fund high and what does this mean for me?</i></p> <p>ANZ Smart Choice Super offers different investment options with varying levels of risk (from low to high risk) to cater for members with various risk appetites. More information on the risk of each investment option is available in the Additional Information Guide https://www.anz.com.au/content/dam/anzcomau/documents/pdf/smart-choice-super-pension-aig.pdf or via the ANZ Smart Choice Investment Tools available on: anz.com.au/smartchoicesuper. In relation to how this impacts your own personal circumstances please contact our call center on 13 12 87.</p>
12.	<p><i>Q: Regarding your recent fee hike of 0.2% on the balance of members' funds - other funds have capped such percentage fees to between \$300 and \$600. This prevents penalising those with higher balances (which you are already profiting from proportionally in Investment Fees). Will you institute such a fee cap?</i></p> <p>When considering the new fees we have taken into account a number of factors, including:-</p> <ul style="list-style-type: none"> • The actual cost to manage a member's account and how those costs can change over time • The effect of pricing on the average member in our fund and how that can change over time • Keeping the fees simple • The value and improved member outcomes commensurate with the cost. <p>We are not currently considering introducing a fee cap, but our fee arrangements are regularly reviewed and this may be considered as part of our next major review.</p>
13.	<p><i>Q: What is the plan for the OneAnswer product? Will the OneAnswer product transfer/merge with other IOOF products? Will any transfer/merge of OneAnswer product with other IOOF products constitute a move to a new product?</i></p> <p>While there are no immediate plans to transfer/merge the OneAnswer product suite into other products, OnePath Custodians (OPC) as Trustee of the Retirement Portfolio Service consistent with its trustee duties, will consider whether to transfer members and/or merge products where this is in the best interest of members. The circumstances of any transfer and/or merge will determine whether it constitutes a move to a new product and members will be informed appropriately.</p>
14	<p><i>Q: I left Australia in 2011 and came back to NZ and would like the option of transferring my superfund into my NZ Kiwisaver account. Can I do this and are there any penalties/tax implications?</i></p> <p>Yes, you can transfer your ANZ Smart Choice Super into your KiwiSaver account. Whilst ANZ Smart Choice Super doesn't charge exit fees, there may be Australian and New Zealand tax implications that you would need to consider. We suggest you seek your own information or</p>

	<p>Speak to a financial adviser. More information about how to transfer your ANZ Smart Choice Super to your KiwiSaver account can be found here: https://www.anz.com.au/content/dam/anzcomau/documents/pdf/smart-choice-trans-tasman-application-Form.pdf</p>
<p>15.</p>	<p><i>Q: For those of us approaching retirement age, increasing insurance premiums are a real issue in terms of value/return. While the issue is a 'natural cause' because of our ageing population etc, and it is both right and appropriate that these payments be made, it appears those of us left are carrying the can, so to speak. Near-retirement age people, facing a more challenging employment market than ever, have to make hard choices about what they can afford. Income protection etc when you aren't working or have to cut back because of the economic climate can seem a luxury. Can you tell us how OnePath's Board will ensure these 'generational' challenges will be managed as a generational issue, to ensure the investment over decades of some of us is not lost because we find, when we need them most, some services may be out of our new capacity?</i></p> <p>The Trustee has an Insurance Management framework and Insurance Strategy. These outline the governance framework which the Trustee has undertaken to abide by when managing insurance for superannuation members. In accordance with this framework, where there is a significant change in an existing insurance arrangement, the Trustee is required to consider the ongoing appropriateness of the arrangement.</p> <p>The Trustee considers:</p> <ul style="list-style-type: none"> • The demographics of the product such as: <ul style="list-style-type: none"> ○ Gender ○ Age ○ Occupational profile • The cost of the insurance • The impact of premiums on member account balances • The insurer's Claims Philosophy • Service level agreements • Policy terms • Rate sustainability • The period of any premium rate guarantee. <p>These factors are addressed in the context of insurance engagement and negotiation. Additionally, members can alter or change their levels of cover and premiums to suit their needs. It is also standard practice in our communications to direct members to engage with a financial advisor to review their cover to ensure it aligns with their individual needs.</p>
<p>16.</p>	<p><i>Q: Are there ways to reduce premiums by having lower risk factors (eg: demonstrating you are regularly exercising, maintaining weight, sleeping, etc)?</i></p> <p>Currently our insurer doesn't offer this feature. Generally, gender, occupation and age are the risk factors taken into consideration for insurance in super arrangements. However, we will forward your feedback to our insurer as we're aware that health-related incentives have their place or make more sense in some insurance arrangements.</p>
<p>17.</p>	<p><i>Q: Are you going to change and improve the quality and content of the customer annual reviews? Currently, they are of little value.</i></p> <p>Thanks for this valuable feedback, our customer annual reviews are one of the key engagement and communication events. We do try to make the content relevant and informative within the regulatory rules for reporting.</p>

18.	<p><i>Q: Will 50% pension payments continue beyond 1 July 2021?</i></p> <p>The Government reduction of the pension minimum payments only applies for the 2019-2020 and 2020-2021 financial years. At this time, the Government hasn't announced an extension of this measure. However, we'll keep you informed if this measure will extend beyond 1 July 2021.</p>
19.	<p><i>Q: Can New Zealand kiwi saver be transferred to this fund. If so what are the tax implications?</i></p> <p>Currently, ANZ Smart Choice Super doesn't allow transfers from a KiwiSaver account. However, other funds may accept them. We suggest you speak to a tax expert regarding the tax implications of doing so.</p>
20.	<p><i>Q: When switching a portfolio, is it possible to break down the transaction into buy/sell cost of the portfolio and the administration fees?</i></p> <p>This feature is currently not available. However, our Buy - Sell Spread Guide is available on: https://www.anz.com.au/content/dam/anzcomau/documents/pdf/smart-choice-super-pension-aig.pdf Note that any Buy - Sell Spread cost you incur during the financial year will be included in that financial year's annual statement.</p>
21.	<p><i>Q: Request to improve online features to the self-service superannuation portal to bring greater transparency to self-service portal:</i></p> <ol style="list-style-type: none"> <i>1. Currently investment option summary is presented as a percentage. I would like to see a breakdown of the number of units allocated to each asset class as well</i> <i>2. I would like to see the historical unit price entry / exit price for my assets</i> <i>3. On the transaction summary page, it will be good to set up some sort of alert/notification to inform the customer that they are reaching the cap limit of 25k (as this is the set limit by govt)</i> <i>4. In the transaction fee screen (self-service portal) Insurance fee is entered without any description. It will be beneficial if this is broken down to Insurance Fee - Death, Insurance Fee - TPD etc</i> <i>5. Please advise if this meeting will be available to watch later in case i am unable to make it to this time</i> <p>Thanks for your valuable feedback on our online member portal. We have forwarded your suggestions to the relevant digital development team and they will be considered as part of future enhancements. It should be noted that the Annual Members' Meeting video is now available on our website.</p>
22.	<p><i>Q: Can the information presented on the home page of our super accounts be simplified to include yearly performance indicators in both dollars and as a percentage.</i></p> <p>Thanks for your valuable feedback on our online member portal. We have forwarded your suggestions to the relevant digital development team and they will be considered as part of future enhancements.</p>
23.	<p><i>Q: Can you provide additional investment options such as region, sector (e.g. commodities) or style (e.g., high dividend, growth, small cap) oriented funds?</i> <i>-Are the underlying investment allocations in your funds (fund prospectus) published somewhere?</i></p>

	<p>Grow Wrap offers a wide range in investment options, from multi-sector, single sector, separately managed accounts (SMAs), term deposits and ASX listed securities. The investment menu is available at wrapinvest.com.au and the underlying investment PDSs are available from your adviser.</p>
24.	<p><i>Q: How do you think Your Future Your Super legislation will impact the employer default super business?</i></p> <p>The legislation is currently before the House and we are currently working through the impacts of the package for our Employer Super members. The bill includes “super stapling” which means a member’s current super account will follow them on changing employment (unless the member makes another choice). We believe this will go some way to solving the historical problem of multiple super accounts and will encourage greater member engagement with their super.</p>
25.	<p><i>Q: Hi Team, sorry I am not sure what the resolution number is. The ANZ app is great, I can easily check the balance. This balance includes the transaction super guarantee, tax, insurance fee, administration fee, and investment fee adjustment. My question is, I am assuming this is the amount of money which is put into the investment (cash, shares, fixed interest, listed property), how do I see the performance of the investment?</i></p> <p>Thanks for the feedback. The ANZ app allows you to see the performance earnings as well as the contributions made into your account. You can track performance using the 'performance' tab within the ANZ App.</p>
26.	<p><i>Q: Do you provide a free complementary finance advise service to my super?</i></p> <p>Currently we do not offer complimentary financial advice for Grow Wrap.</p>
27.	<p><i>Q: Are there any plans to update the app? to give more details on the asset allocations and performance in real time?"</i></p> <p>The app allows the member to see the asset allocations of their investment under the 'Investments' tab. There are currently no plans to provide members with the ability to monitor performance in real time. Quarterly Performance figures are updated after the end of the quarter.</p>
28	<p><i>Q: Is the historical data still available to be reported as my fund has been moved from one organisation to another (MLC, then One Path, then ANZ, and now IOOF)?</i></p> <p>Yes, historical data of member records has been maintained where organisation/entity changes have occurred.</p>
29	<p><i>Q: Can you Please list all the invested Indices?</i></p> <p>Grow Wrap offers a wide selection of investments sectors; the investment menu is available to review at wrapinvest.com.au. Sectors available to invest in include:</p> <ul style="list-style-type: none"> • Moderate • Balanced • Growth • High Growth • Cash • Term Deposits • ASX Listed Securities

	<ul style="list-style-type: none"> • Australian Fixed Interest • International Fixed Interest • Diversified Fixed Interest • Fixed Interest - Unconstrained Bond • Diversified Credit and Hybrid Income • Growth Fixed Interest • Property - Australian and Global • Australian Shares • Australian Shares - Imputation/ Equity Income • Australian Shares - Concentrated • Australian Shares - Ethical • Australian Shares - Geared • Australian Shares - Specialist • Australian shares - Smaller Companies • International Shares • International Shares - Hedged • International Shares - Regional and Emerging Markets • International Shares - Smaller Companies • International Shares - Infrastructure • International Shares - Commodities and Resources • International Shares - Specialist and Alternatives.
30	<p><i>Q: With the ANZ Smart Choice Super in Australia, can a New Zealand resident in Australia transfer his Kiwi saver from New Zealand to this fund. What are the complications and tax implications.</i></p> <p>Please refer to response to question 19.</p>
31	<p><i>Q: How often do you review and make changes to the ANZ smart choice super default life stage accounts?</i></p> <p>We review ANZ Smart Choice Super every year and conduct major reviews every 3 years. Additionally, various reviews are undertaken periodically for investments, insurance, regulatory changes using external forecasters and specialists. The most recent major review contained a number of recommendations that has led to product enhancements designed to ensure ANZ Smart Choice Super remains contemporary and helps members achieve a comfortable retirement.</p>
32	<p><i>Q: Are there any predictions for the market in 2021 for Retirement Portfolio Service</i></p> <p>Please refer to response to Question 16 in the meeting minutes</p>
33	<p><i>Q: How do you foresee and project the global economic growth post COVID vaccines which is projected to come in the next couple of months? Will there be an economic bust and looming recession, or will there be a solid bounce back?</i></p> <p>Please refer to response to Question 16 in the meeting minutes.</p>
34	<p><i>Q: Why did the Income Protection cover increase from \$1,951 p.a. to \$8,444.40 p.a. in October 2020? Death cover also increased by 50% and TPD cover nearly doubled?</i></p> <p>For some employer plans the insurer (an unrelated party) increased premiums in light of claims history and market movements. OPC has done and continues to do all that it can to support members and they should refer to the relevant communication for suggested action. Alternatively, you can call customer services on 13 12 87 for further information.</p>

35	<p><i>Q: ANZ Smart Choice is in the 8 lowest performing funds. What is being done to rectify this?</i></p> <p>Please refer to response to Question 3 in the meeting minutes.</p>
36	<p><i>Q: What is happening with the Optimix High Grow fund and its performance? What I do is, if a company or individual I deal with does not perform in my best interest I blacklist them, as there are many fish in the ocean....</i></p> <p>The OptiMix High Growth Fund returned just over 2% (gross of fees and taxes) for the year to December 2020, which is below the Fund's objective of CPI + 6% over rolling 10 years or more. The main driver of this is the lower equity returns in a year heavily disrupted by the effects of global shutdowns emanating from COVID19. This type of volatility can be expected over the short term in markets. For example, the Fund's 2-year return is 9.61% (gross of fees and taxes), which is well above its objective. Despite this, we are always striving to create more optimal portfolios and as such are constantly reviewing the portfolio for new opportunities to invest. Some changes over the past few years include new Managers within the Australia and international shares sector, fixed income and alternatives asset classes.</p>
37	<p><i>Q: Do the fees double, treble, quadruple depending on how many funds your super is split across?</i></p> <p>Depending on the structure of fees for your product, particularly where there is a fixed annual administration fee element, typically the total fees you pay will be more if you hold multiple accounts with us as with many other providers. The quantum of fees depends on the investment options held and their fees.</p>
38	<p><i>Q: Can I withdraw to buy a house?</i></p> <p>It depends on your account balance and whether you meet a condition of release. There is also a first home super saver scheme that has been introduced by the Australian Government to help save money within your super for your first home.</p>
39	<p><i>Q: With the increasing popularity of institutional investors opting for bitcoin. I'm curious as to when bitcoin and other alternative crypto currencies such as Ethereum will become a part of our investment plan. I really don't want to have to go and start a self funded super to invest in it myself.</i></p> <p>Please refer to response to Question 10 in the meeting minutes.</p>
40	<p><i>Q: Are there any post-covid19 investment strategies?</i></p> <p>For the Funds actively managed by IOOF, the investment team was able to increase allocation to performing and distressed credit during the market dislocation associated with Covid-19 and generated good risk-adjusted returns. The underlying fund managers also have the ability to take advantage of opportunities which arise from market dislocation on an ongoing basis.</p>
41	<p><i>Q: Fund statements don't differentiate between different employer contributions. Can you please code the statements so that i can identify which contribution aligns with which employer?</i></p> <p>Unfortunately, we're unable currently to distinguish different employers on statements.</p>
42	<p><i>Q: Are there any plans to improve visibility of investments and exposures in the funds?</i></p>

	<p>It is unclear which product this question relates to but our contemporary solutions such as ANZ Smart Choice Super do provide good visibility of investments.</p>
43	<p>Q: What is the difference between 'hedged' and 'unhedged' funds?</p> <p>When an investor invests in an unhedged global shares Fund, they receive two returns - one, return on the underlying asset and second, a currency return. For example, if an investor invests in Apple shares in the US, their return will comprise movement in Apple share price and movement of the US Dollar against the Australian Dollar over the holding period. If Apple share price goes up by 10% and USD strengthens by 10% against AUD, the total return to the investor would be 20% over this period.</p> <p>However, in a hedged Fund currency risk is mitigated and the investor only receives a return of the underlying asset.</p>
44	<p>Q: What are the biggest 'watch out trends' that Super fund retiree's should be aware of in next 5 to 10 years</p> <p>Probably the most important development recently was the Reserve Bank Governor's announcement earlier this month that the Bank expects the cash rate will be held at the current 0.1% for the next 3 years until wages start growing again, effectively keeping interest rates low. The other issue on the horizon for retirees will be the outcome of the Retirement Incomes Review from last November. The Review observed that super could be more efficiently used in the retirement phase to boost income – rather than retirees just drawing down on the minimum pension each year. The Government hasn't responded to the Review yet – the pandemic is front of mind – but changes to the retirement phase of super encouraging retirees to draw down more from their super is on their agenda.</p>
45	<p>Q: When will the one path IOS app be made available to easily check on super funds rather than clunky and old schools online portal ? Thanks.</p> <p>There are currently no plans to develop an App for OnePath but the strategy for this is under review.</p>
46	<p>Q: What is the Bank's view of potential increases in Super fund taxation and/or other cost impact implications in next 5 years?</p> <p>Firstly superannuation funds are managed under a separate trustee and not a part of a bank – so this is the super fund view. We don't see increases in tax on super as coming in the shorter term. The debate in the Government is more about whether the compulsory Super Guarantee will increase from 9.5% salary to 12%, rather than increasing the tax on super. From the Government there is definitely pressure on super funds to reduce fees but, on the other hand, the Government is increasing the amount of regulation in super and that increases costs. We believe that reduced costs over the medium term will come from improving efficiencies – such as rationalizing older products into new more competitive products.</p>
47	<p>Q: How did ANZ Smart Choice Super funds perform in FY20 in comparison to its peers? What are you planning to do in FY21 to improve your fund's performance?</p> <p>Please refer to response to Question 3 in the meeting minutes.</p>