

MINUTES OF CARESUPER¹ ANNUAL MEMBERS' MEETING

HELD ON THURSDAY 27 FEBRUARY 2025

Held via Video Conference

PRESENTERS:

Linda Scott	Chair
Jason Murray	Chief Executive Officer (CEO)
Suzanne Branton	Chief Investment Officer (CIO)
Tim Lambert	Employer Relationship Manager and Master of Ceremonies (MC)

PRESENT

Directors

John Mazengarb, Maria Wilton, Jeremy Johnson, Jessica Munday, Anthony Cavanagh, Andrew Dettmer, Thomas Lynch, Geoffrey Lowe, Peter Savige, Michael Drew, Nola Watson and Rebecca Girard.

Executives and other attendees

Ningning Lyons (Chief Strategy Officer), Kathleen Crawford (Chief Operating Officer), William Sadler (Chief Risk Officer), Robyn Judd (Chief People Officer), Samuel Horskins (Chief Financial Officer), Simon Reiter (Chief Technology Officer), Jean-Luc Ambrosi (Chief Member Officer), Sui Mui Koh (Company Secretary), Sheetal Basavaraj (Deputy Company Secretary), Michael Berg (Actuary, Deloitte Consulting Pty Ltd) and Maree Pallisco (External Auditor, Ernst & Young).

Important

Please note, the presentations may include general financial advice which do not take into account Members' personal objectives, situation or needs. Before making a decision consider if the information is right for you and read the Product Disclosure Statement, available at caresuper.com.au/pds and the Target Market Determination (TMD) on the CareSuper website. The presentations relate to the financial year ending 30 June 2024².

¹ CareSuper Pty Ltd (ABN 14 008 650 628), Trustee of CareSuper (ABN 74 559 365 913)

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1. OPENING AND WELCOME

Mr Lambert opened the CareSuper Annual Members' Meeting for 2024 (AMM) at 6.00pm and welcomed all Members and attendees present. He acknowledged the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. Mr Lambert paid respects to Elders past and present and extended that respect to all Aboriginal and Torres Strait Islander peoples attending this meeting.

Mr Lambert noted that this year marked the first AMM as a newly merged fund following the successful merger of CareSuper and Spirit Super on 1 November 2024. He noted that Members would be apprised of matters in relation to their superannuation (super) for the 2023-2024 financial year and the financial year investment results of Spirit Super as well as CareSuper.

Mr Lambert noted that Directors and senior staff were present, and he disclosed that the meeting would be recorded. Mr Lambert also noted that the Chair was joining the meeting from overseas where she was representing CareSuper at the Superannuation Investment Summit in Washington DC and New York City.

Mr Lambert also informed Members of how they could submit their questions online.

2. CHAIR'S UPDATE

Ms Scott welcomed all those present and thanked Members for joining CareSuper's AMM. Ms Scott also welcomed CareSuper's Directors, its employer and union representatives, and CareSuper staff noting that their hard work and support have been crucial in the continual improvement of CareSuper.

Ms Scott shared a CareSuper member story which highlighted the impact CareSuper strived to make in Members' lives.

Ms Scott acknowledged all of the dedication, contributions and commitment of the following directors and former directors:

- Former directors of both Spirit Super and CareSuper – David Smith, Anne O'Donnell, Rhonda O'Donnell, Susan Parr, Rob Potter, Vanessa Seagrove, Merran Kelsall and Kathy Sampson.
- Ms Maria Wilton AM who was the Chair of Spirit Super and now a Director at CareSuper.
- Mr Terry Weatherill AM who was the former Chair of CareSuper.

Ms Scott also thanked previous CareSuper CEO, Michael Dundon and welcomed current CareSuper CEO, Jason Murray, and CareSuper CIO, Suzanne Branton.

Ms Scott noted that the past year was marked by significant economic challenges for many Australians due to persistent inflation and high interest rates which put pressure on household budgets, making it difficult for many to manage everyday expenses and the cost-of-living crisis which has been a concern, affecting not just the ability to save, but also manage overall financial wellbeing.

In response to these challenges, CareSuper has taken proactive steps to support its members and to maintain and grow their retirement savings despite the economic headwinds by:

- Focusing on providing robust financial advice and resources to help Members navigate through these uncertain times.
- Ensuring that CareSuper investment strategies are resilient, aiming to deliver strong returns even in volatile markets.

Ms Scott noted that the passing of the *Superannuation (Objective) Bill 2023* is a positive step towards ensuring that member retirement savings are secure and that Members could look forward to a dignified retirement. Ms Scott also noted CareSuper:

- will continue to work tirelessly to represent Members' interests and to provide the support Members need to achieve their financial goals.
- is dedicated to helping Members build confidence for their retirement planning.
- can help Members with financial advice, which is provided at no additional cost and designed to guide Members through every step of their superannuation journey.
- is here to help Members make informed decisions that align with their personal financial goals.

Members also have access to an award-winning health and wellbeing program that offers a range of professional health and medical services from the comfort of the Members' own homes. These services are available to Members and their families at no extra cost, reinforcing CareSuper's commitment to Members' overall wellbeing throughout life.

CareSuper's services and strong investment returns are the driving force behind the many awards that the Fund received over the previous financial year.

Ms Scott thanked the Fund Members for their continued support and loyalty as the Fund became CareSuper post-merger of two great funds. Ms Scott noted that as a bigger, stronger profit-to-member fund, CareSuper will work even harder to build member retirement confidence through exceptional care and connection.

CareSuper will continue to strengthen and support local workers and businesses, as well as nominating bodies – Business NSW, the Victorian Chamber of Commerce and Industry and the Motor Trades Association of Australia, Unions Tasmania, the Australian Manufacturing Workers' Union, Unions NSW and the Australian Services Union.

Ms Scott conveyed the Fund's aim to strike the right balance between being big enough to make a significant impact and small enough to provide Members with personalised care, and ensuring Members always come first. CareSuper will continue to provide Members with superannuation, retirement and advice options when Members need them to help Members feel confident on their journey to and through retirement.

3. CEO'S UPDATE

Mr Murray welcomed everyone to the AMM. He noted that it was great to see so many Members online. The CEO's update covered the past financial year which focused on Spirit Super along with an update on the future of CareSuper.

Mr Murray noted that over the past few years, the superannuation industry has been going through significant consolidation, resulting in fewer, larger funds. This has been driven by the changing expectations on the industry and the evolving needs of members. Meeting those changing member needs and growing expectations requires a significant and sustained investment in the products, services and experiences that funds offer, and the capabilities and

technologies that deliver them. As such, would be harder for smaller funds to sustain the investment required.

Therefore, last financial year was a hugely important year for Spirit Super and CareSuper as the two funds prepared for transformational merger while simultaneously ensuring that both funds kept performing for members. Throughout the year:

- The teams worked tirelessly to bring together the best of both funds so that the Fund could deliver a bigger and stronger profit-for-member fund for Members.
- As separate funds, Spirit Super and CareSuper were both delivering strong long-term returns, winning awards and growing, with Spirit Super's membership growing 6% last financial year.

By merging the strengths of the two funds, CareSuper was able to accelerate both funds' development, combining products and services as well as leveraging the scale benefits, looking after \$56 billion in funds under management and more than 550,000 members across Australia. Joining forces now makes the CareSuper big enough to make a difference to super, while remaining small enough to provide Members with personalised care.

Mr Murray noted there are a lot of complexities when it comes to safely merging the systems, data and investments of two super funds and acknowledged that:

- For a few weeks, as per the merger plan, not all of the Fund's services were available.
- Through the transition period, the phones were very busy and there were longer wait times.

On behalf of the Fund, Mr Murray apologised for any inconvenience that a member may have experienced through this planned and very important limited services period.

Mr Murray appreciated the patience of Members while their funds were securely merged together. Genuine care is fundamental to the culture of both Spirit Super and CareSuper, and this alignment of purpose and passion for Members is what made the merger so appealing and ultimately successful.

Mr Murray noted that CareSuper is proud to continue and extend its philosophy of care into everything that it does. The Fund seeks to provide excellent retirement products and tools, the best financial advice, extra care and support for its most vulnerable members, and wellbeing services that go well beyond the financial and a digital platform that empowers Members to manage their super anytime, anywhere.

Mr Murray noted that last financial year:

- The Fund was recognised, once again, as having the best customer experience in superannuation by Customer Service Benchmarking Australia (CSBA). This is a back-to-back award win for the Fund's member support team.
- The Contact Centre helped over 125,000 Members with their super over the phone and over 7,000 members through the Fund's Live chat service.
- The advisor team met with over 7,000 members and responded to 1,200 pieces of advice across topics like boosting super and planning for retirement. These services are provided as part of membership of the Fund so that Members do not have to pay anything extra.

CareSuper's award-winning member support heroes are still operating out of the Hobart office, and they are now joined by a new team in Melbourne to make sure all Members across the country get the level of care and support that they deserve.

Advice services have been extended since the merger and the Fund now provides personal, comprehensive advice. Members can speak with one of the Fund's advisers over the phone or in person. Mr Murray also encouraged members to take advantage of the various advice services.

Mr Murray also noted that over the financial year:

- Members engaged with the Fund digitally, with over 1.5 million visits to the website and 280,000 account logins.
- Saw a high take up of the recently upgraded mobile app which allows Members to manage their super anytime, anywhere.
- The merger has seen new education topics and tools added. Members can now get a view on how their super is tracking with the Fund's new retirement projection tool, which gives Members an estimate on how much money they might have when they retire.

Mr Murray said that the Fund continually strives to support and care for its employers. Through a range of customised services and resources, employers are provided a personal approach. Onsite visits, education seminars and toolbox talks offer hands on support for Members so that they can get the most from their super and understand the nitty-gritty of retirement planning. The superannuation landscape is forever evolving, so supporting employers through change is as important to the Fund's business as it is to theirs.

On investment performance, Mr Murray noted that:

- Both CareSuper and Spirit Super had similar strong annual returns in the last financial year.
- The Fund actively manages investments, takes advantage when as markets rise, but also protects super during volatile times.

Finally, Mr Murray provided an update on the following:

- The Federal Government announcement that from 2025, super will be paid on the Commonwealth Paid Parental Leave Scheme. CareSuper is very happy to support this measure. Along with other Industry SuperFunds, CareSuper has long advocated for the change and is delighted that its members will be among those who benefit from it.
- Super does and will pay an important role in closing the gender pay gap. That is why CareSuper pays its employees super on paid and unpaid parental leave and offers fee-free insurance to insured members while they are on parental leave.
- Other changes saw contribution caps increase, which are the limits on how much a member can contribute to their super each year, and gives Australians even more tax incentives to build their super balance for a confident retirement.
- The Super Guarantee (SG) saw another rolling increase with the SG rate moving from 11% to 11.5%, and to increase to 12% in July this year.

In conclusion, Mr Murray thanked the CareSuper Board, executive team, strategic partners, employers, and service providers for their continued dedication, commitment, and passion throughout the year. Mr Murray acknowledged the incredible and dedicated team at CareSuper and former Spirit Super for their exceptional commitment to making the merger a success for Members. Most importantly Mr Murray thanked Members and employers for being part of the journey as CareSuper grows and evolves.

4. CIO'S UPDATE

Ms Branton noted that as part of the Spirit Super and Care Super merger, CareSuper brought two investment portfolios together. She noted that as the merger was after financial year end, the performance of both previously separate funds would be discussed and an update on current investment market conditions would be provided.

With the performance last financial year, Mr Branton first provided an update on Spirit Super:

- The financial year to 30 June 2024 was a positive one for Spirit Super members.
- The Balanced (My Super) option achieved a return of 8.8% for the year.
- The Balanced (Pension) option was also strong, returning 9.5%.

Ms Branton said when we look at the underlying drivers of those results during that financial year, it was apparent that the performance of the main asset classes was quite varied. It was global shares that really boosted results with an increase of around 20%. Those gains were narrowly focused with more than half of that return coming from a small handful of US companies in technology and artificial intelligence.

Ms Branton noted the following:

- While global shares were the standout performer, there was also good results from Australian shares as well as from infrastructure and private equity investments.
- Defensive asset classes, such as fixed interest and cash, produced more modest returns in a sort of 3–4.5% range.
- Compare the 8.8% return for the Balanced option with the returns for the other premixed or diversified investment options, which showed that options with more shares had better results.
- The financial year return for the most defensive option, the conservative option, was less than the Balanced option.
- Of these options, the Conservative option had the lowest allocation to shares. The Growth option which invested more in growth assets like shares, had the highest return for the financial year.

Ms Branton considered the results for the CareSuper suite of premixed investment options for the financial year and noted:

- While there are differences between the investments of the CareSuper and the Spirit Super options, the performance of the main asset classes meant that the returns of the options follow a similar pattern.
- Overall, returns were strong and CareSuper's Balanced option returned 8.5% for the financial year.

- The Balanced pension option was also strong, returning 8.7%.
- The Growth option, which has the highest proportion of its investments in the more growth oriented or risky assets like shares, was the highest performer during the financial year.

Ms Branton noted that the Members could see the returns of all of CareSuper's options and products on the website. It was a great year for both Spirit Super and CareSuper members across these options and results were higher than the average seen in the past. Returns comfortably exceeded inflation of 3.8%.

Ms Branton noted that CareSuper's distinctive investment strategy, which is recognised in the industry for consistently delivering great outcomes for members, is an active investment strategy that is specifically designed to produce strong long-term outcomes to a variety of market conditions – this is known as 'smooth ride'.

Ms Branton noted that the Fund is actively positioning its portfolios in response to the risks and opportunities arising from significant changes unfolding in the global economy. The policy changes flowing from the Trump administration are expected to have a material impact on the outlook for investments and investor uncertainty has risen significantly. Interest rates and cost of living pressures remain key focus areas and central banks around the world are expected to bring interest rates down, but at different speeds.

While the outlook for the global economy and other key drivers of financial markets appear to be undergoing change and investor uncertainty has risen as a result, CareSuper invests in a way that navigates change, takes advantage of opportunities and also protects Members' savings.

CareSuper's past performance shows that it has been able to do this well. CareSuper's Balanced option is among the top ten performing funds in Australia over the past 10, 15 and 20 years according to SuperRatings. CareSuper is ranked number one in SuperRatings' risk adjusted return survey over the past 10 years as well.

In looking at the long-term performance for CareSuper, Ms Branton noted:

- As part of the merger, investment options were aligned with the format of CareSuper investment options.
- The long-term performance before 1 November 2024 reflects performance of the former CareSuper investment options.
- The performance history of Spirit Super investment options is available on CareSuper's website.

Ms Branton said that Members should be confident that their retirement savings are in safe hands and thanked Members for joining tonight.

5. QUESTIONS AND ANSWERS (Q&A)

Mr Lambert opened the Q&A session. The Chair, CEO and CIO answered as many questions as possible during the AMM, noting that the responses to all questions would be answered in the minutes of meeting – these are set out at Attachment 1.

6. MEETING CLOSE

Mr Lambert thanked everyone for attending the AMM and closed the meeting at 7.00pm.



LINDA SCOTT

CHAIR, CARESUPER

Date: 26 March 2025