

Minutes of the 2023 Annual Member Meeting for Russell Investments Master Trust

- **iQ Super**
- **Resource Super**
- **Nationwide Super**
- **iQ Retirement**

Date: Tuesday, 12 December 2023

Time: 12.00pm – 1.00pm (Sydney Time)

Conducted online.

Agenda	<ol style="list-style-type: none"> 1. Event Welcome and Acknowledgement to Country 2. Introduction 3. Chair Update 4. Economic Outlook and Investment Performance Q&A 5. Member Research Q&A 6. Member Advice Options Q&A 7. Member questions
TRM Directors in attendance	Patricia Montague , Chair of the Board Magali Azema-Barac , Chair of the Investment Committee Keith Knapman Alexis Dodwell (online)
Also in attendance: Office of the Superannuation Trustee Russell Investments Executives Auditors and Actuaries	Liam Nevin , Senior Manager, Vendor Oversight & Risk - OST Emma Barrett , Russell Investments - Director of Member Services Tim Cook , Russell Investments - Head of Investment Strategy, TRM Asset Consultant Alexander Cousley , Russell Investments - Investment Strategist Sophie Imbert , Russell Investments – Head of Member Experience Usman Rauf , Russell Investments – Head of Advice Various representatives

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1.	Event Welcome & Acknowledgement to Country Keith Knapman opened the meeting at 12.03pm and acknowledged the Traditional Custodians of country throughout Australia.	Keith Knapman, TRM Director
2.	Introduction Keith: <ul style="list-style-type: none"> • Introduced each of the presenters • Advised the meeting will provide an overview of activity and results for the 2022/23 financial year, the plans for the current year and provide an opportunity for questions. • Advised members how to submit their questions online. • Reminded everyone that the information provided today was general in nature and was not in any way personal financial product advice. A general advice disclaimer was shared on screen. • Confirmed a quorum of the TRM Board Directors in attendance. 	Keith Knapman, TRM Director
3.	Chair Update Patricia acknowledged her recent appointment as Chair of the TRM, taking over from Jim O'Connor according to Director guidelines and tenure limits. Good investment returns <ul style="list-style-type: none"> • Shared the range of default GoalTracker investment option returns for the year to 30 June 2023 and that members could see their individual returns in Annual Statements • Discussed the returns putting GoalTracker among the top MySuper performers across all funds for the year. • Noted that with high inflation and rising interest rates causing market volatility throughout the year that the returns highlighted the strength of Russell Investments investment capabilities. • Made the point that longer-term performance was important and noted the annualised performance of GoalTracker since launch in March 2020. GoalTracker Program <ul style="list-style-type: none"> • Highlighted the recent global iCXA award for Innovation achieved for GoalTracker • Covered the three key steps of the broader GoalTracker program and encouraged members to check it out online Retirement <ul style="list-style-type: none"> • Touched on the range of support tools and services available for members planning for retirement including webinars and the Retire Ready meetings. Fees and costs <ul style="list-style-type: none"> • States that standard fees and costs will never be the lowest in the market as we aim to deliver value for money through benefits and members services. • Recalled the significant reduction in standard %-based administration fee from 1 October 2023. • Referred members to their Annual Benefit Statement, Product Disclosure Statements and Guides for details on the fees applicable to their individual account. Finished by touching on the key role of the Board being to provide members with the best chance of a great life after work through various services and support options.	Patricia Montague, Chair of the TRM Board
4.	Economic Update and Investment Q&A	Magali Azema-Barac, TRM

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	<p>Magali provided a brief introduction market performance for the year before beginning questions.</p> <p>Magali asked Alex Cousley: What were the key dynamics that drove financial markets through 2023. Alex:</p> <ul style="list-style-type: none"> • Three key factors – firstly, higher interest rates, as central banks continued attempts to reduce inflation • Second was the introduction of generative Artificial Intelligence, like ChatGPT, which drove equity markets and pushed US megacap tech names higher • And a resilient US economy that defied many expectations of a slowdown <p><i>Asset Class Performance slide shown</i></p> <ul style="list-style-type: none"> - The main things to highlight in the asset class performance table here are European, Japanese and US Growth equities outperforming, while commodities, Treasuries and REITS underperformed <p>Magali to Tim Cook: How have the funds been positioned relative to the increase in interest rates?</p> <p>Tim:</p> <ul style="list-style-type: none"> • Let’s start with our philosophy around portfolio construction, where we look at the design, construct and manage. The design is where we focus on the long term strategic allocations – and here we have seen government bonds start to look more attractive as interest rates have risen. Our forecasts for fixed income returns is better than it was previously • On the manage piece, which is more opportunistic and tactical, we have been gradually adding to government bonds as valuations look attractive (segue way as to the why aka bond prices down enough with higher yield) , the cycle is becoming increasingly supportive and we think that sentiment has become a supporting factor. <p>Magali to Tim: Can you provide some details about how the different options in the Master Trust performed through the year and how they compared to peers? <i>Chart showing market performance was displayed</i></p> <p>Tim:</p> <ul style="list-style-type: none"> • Looking at the 2023 year all our diversified options including GoalTracker performed extremely well. • The slide on screen illustrates GoalTracker’s return across various ages. We see consistent top quartile performance over the 12 months to 30 June 2023. In the top LHS we see how others performed over the last 12 months again illustrating how well GoalTracker has performed relative to peers. The RHS of the slide extends this back over 3 years 	<p>Director and Chair on Investment Committee</p> <p>Alex Cousley, Investment Strategist – Russell Investments</p> <p>Tim Cook, TRM Asset Consultant</p>

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	<p>and again we see very strong predominantly top quartile performance from GoalTracker.</p> <p><i>Slide showing investment returns for Choice options displayed</i></p> <ul style="list-style-type: none"> The next slide illustrates the performance of the choice diversified options where members have selected their own growth allocation. Over the 12 months to 30 June 2023 we again see strong peer relative performance across the board. Performance coming from the assets classes selected and positive alpha in equities and fixed income <p>Magali to Alex:</p> <p>Last year we talked about recession risk coming in 2023, is that still the expectation and why hasn't the recession happened yet?</p> <p>Alex:</p> <ul style="list-style-type: none"> Let's look back on why we thought recession risk was elevated coming into 2023. Effectively, the US labour market was very tight and the US Federal Reserve had raised interest rates a lot and very rapidly, and was pulling the handbrake on the economy. From where we sit today, that story really hasn't changed Why hasn't a recession happened really comes down to two things: the resiliency of the US consumer and the delayed sensitivity of the consumer and corporate sector to interest rates. Effectively, the US consumer and companies have been insulated from interest rate rises thus far as they pushed out their loan maturities – however, for corporates that starts to change next year. Closer to home, we think that recession risks are lower in Australia than elsewhere. The RBA have been less aggressive than its developed market peers and the strong immigration profile provides a nice buffer. <p>Magali to Tim:</p> <p>How has the portfolio positioning changed over the year to reflect this concern around recession risk?</p> <p>Tim:</p> <ul style="list-style-type: none"> We have been reducing the amount of growth assets in the portfolio through the year, but avoiding getting too defensive given there is still uncertainty around the recession timing The two key levers we have used are equities and high yield credit. High yield credit refers to credit to lower rated companies and tends to be quite cyclical. Through this year, we had observed that high yield credit was not pricing in much concern about downside risk and we took this opportunity to reduce our allocation. 	

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	<ul style="list-style-type: none"> • To that effect we are positioned at our Strategic Asset Allocation and are ready to act if and when opportunities present themselves to add value for our members in 2024. <p>Magali to Alex: What are the Russell Investments professionals looking for in 2024?</p> <p>Alex:</p> <ul style="list-style-type: none"> • There is a couple of big watchpoints for 2024. The first is whether the US economy enters recession. We think that is more likely than not, as mentioned earlier, but there is still some uncertainty around it • The second is whether the Chinese economy can pick up some speed after what has been a relatively disappointing 2023. We expect the government to take a more active approach to supporting the economy, and think the growth outcome should be decent there • The third, and this is a broad point, is going to be geopolitics and politics more generally. Right now, we are dealing with the Russia-Ukraine situation as well as the Israel-Gaza situation. To the extent that they remain localised, that should limit further volatility – but it is something that we are monitoring very carefully. We also have the Taiwanese election in January of 2024 and then the US Presidential election in November 2024, so it is bound to be a very busy year. <p>Magali to Tim: Last year we talked about unlisted assets including private debt and private equity. This year, we’ve seen headlines about declining valuations for commercial property. Do we still see opportunities for unlisted assets, and are we worried about the valuations of the assets we hold?</p> <p>Tim:</p> <ul style="list-style-type: none"> • Unlisted assets continues to be an area where we think that there is a lot of opportunity for strong returns over the long-term, whether that be through private credit, infrastructure or real estate. We believe that in all these areas there are quality managers around the world who can source quality assets and provide value add opportunities to our members. • We have a global manager research team that is constantly looking for attractive deals and the best-in-class managers in the space • In terms of valuations, let’s focus in on Australian commercial real estate. We have seen some revaluations, although they have not been as aggressive as what we have seen in other parts of the world (namely the US). We generally hold higher quality assets than the average office tower, and so we have been more shielded from those revaluations. There could be a little bit more to come, but we don’t think that this impacts the longer-term view – and keeping a long term view is key for unlisted assets. 	

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	<p>Magali to Alex: How are Russell thinking about artificial intelligence, both from a markets perspective and also ways in which Russell are looking to use AI?</p> <p>Alex:</p> <ul style="list-style-type: none"> • The key issue from a markets perspective is the benefit to productivity, which flows through to revenue, profit margin and interest rates • Within Russell, we are looking at a number of AI applications for our business as a whole • One Investment area where we think the potential is there is our manager research process. We cover a huge range of managers, over 15800 and we think that AI could be very beneficial in parsing and extracting value-add information hence boosting our analysts productivity • From a business perspective – developing AI models to track of when potential clients are looking to make changes in their portfolio so that our sales team are aware and ready to get in contact and offer our services. <p>Magali summarised key focus areas and market watch points for 2024.</p>	
6.	<p>Listening to Members Q&A Introduction to the topic by Emma.</p> <p>Sophie, can you give us a quick overview of why you measure, track and monitor the member experience.</p> <p>Sophie</p> <ul style="list-style-type: none"> • Measuring the member experience gives us a pulse check of how we are doing. It is important for any business to listen to their customers to make sure that 1. We are doing right by them and 2. That we are servicing them in the best way we can. • Over 12 months ago we established our member Voice of Customer program. This is a program that helps us measure and monitor the member experience at multiple stages across the member journey. <p>Do you have any examples of what you heard from members or what has been done since the VoC program has been in place?</p> <p>Sophie</p> <ul style="list-style-type: none"> • Issues with the reset password process to log into the online member account and that the website needed some improvements to the user experience. This was investigated and improved. We are also working on an online member account upgrade, which will lead to improvements to the user experience. • We also heard from members who are starting to think about retirement that they would like a clear roadmap around what to do when planning for retirement. We are currently working on a digital experience to meet that need, supported by tools and services. 	<p>Emma Barrett, Director of Member Services - Russell Investments</p> <p>Sophie Imbert, Head of Member Experience – Russell Investments</p>

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	<ul style="list-style-type: none"> We also heard from members who applied for a pension account with us, that the application process was pretty painful, and we are also working on a completely new pension application process. <p>Can you tell us a bit more about how you engage members in research and a couple of research projects that have been completed in the last year?</p> <p>Sophie</p> <ul style="list-style-type: none"> We recruited for a member insights panel specifically for getting your support to undertake research and testing. The panel was named by members and is called COMPASS COMPASS members participate in activities such as surveys, polls, interviews, focus groups etc. to help us better design experiences We undertook a number of research projects since the inception of COMPASS to better understand your preferences around the delivery of our education. And you even told us some of your thoughts about the use of AI in that space. More recently, we ran a set of interviews with our COMPASS members to look at optimising our GoalTracker experience. 	
7	<p>Advice Services Q&A Emma introduced the session.</p> <p>Emma to Uzi: Tell me a bit about your role at Russell Investments.</p> <p>Uzi:</p> <ul style="list-style-type: none"> Part of my role entails managing an outbound team that conduct call programs such as welcoming our members to the Fund when they first join. About 18 months ago my role expanded to Head of Advice. This has involved looking at our advice proposition for our members, investigating gaps in our advice offer and how we can improve the current offer, ensuring a better member experience with existing services and staying on top of the ongoing legislative changes that impacts the way we provide advice services as a Fund. <p>So why is advice important?</p> <p>Uzi:</p> <ul style="list-style-type: none"> Superannuation is a very complicated topic and it's hard to be across everything. For a lot of our members it will be one of their biggest assets to fund their retirement. Advice can play a key role in informing you what you need to consider and help you understand the impact certain decisions can have. Advice also provides different perspectives and feedback which can eliminate uncertainty. The Fund offers many advice options at no cost which can provide a great starting point for our members. 	<p>Emma Barrett, Director of Member Services - Russell Investments</p> <p>Usman Rauf, Head of Advice – Russell Investments</p>

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	<p>You carried out an extensive Review of Russell Investments Advice Proposition 12 months ago, what were some of the key insights and takeaways?</p> <p>Uzi:</p> <ul style="list-style-type: none"> • I did a deep-dive on each advice service we offer which included getting our members feedback, seeing what our competitors do, exploring cost effective solutions and reviewing the end-to-end journey our members go through with our current offerings. • Some of the insights that came out of the review were: • We asked a series of advice related questions in our annual member survey last year and there was strong demand from our membership to get more help regarding Centrelink which is something we are addressing. • 60% of members we surveyed said they will likely seek some form of advice and half of those members did not know where to go. • Cost is a key reason members do not go ahead with advice so we are looking at solutions that make advice more affordable/accessible. <p>Can you share more information on these advice services?</p> <p>Uzi:</p> <ul style="list-style-type: none"> • Simple Phone Advice – We have partnered with a company called Link Advice that provides limited personal advice on your Account with the Fund. Topics for advice include investment strategy, making contributions, insurance, setting up a pension account and transition to retirement. • Retire Ready - A one-on-one meeting with our Retirement Consultant Adam, designed to give you general information on your retirement options and key areas of consideration regarding your super. Ideal for members are close to the age of accessing super and wondering what their options are as they start planning for retirement. • GoalTracker Plus – uses the information you provide about yourself through our GoalTracker program, such as your income goal for retirement and the age you wish to retire, to create and manage a tailored investment strategy for you. To ensure it remains appropriate for your circumstances, GoalTracker Plus will regularly review your investment strategy, make a recommendation and implement any changes (unless you opt out), to help keep you on track. What is great is that you can opt in and out of the service for no cost. <p>So on the back of the feedback from the review, can members expect any new advice offerings?</p> <p>Uzi:</p> <ul style="list-style-type: none"> • RetireAssist is ideal for our members that are within 12 months of their proposed retirement date. • This type of personal advice would typically require a full financial plan and could cost over \$3,000. 	

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	<ul style="list-style-type: none"> • The Fund is subsidising the cost of RetireAssist to provide a more cost effective solution for members approaching retirement and seeking advice. In most cases the cost to you will be under \$1,000 for this service. • Some of the topics covered by the Retire Assist Service include: <ul style="list-style-type: none"> - Setting up an income stream and tailoring it to your needs. - Contribution strategies that may boost your super and/or help you to save tax. - Assist with potential Centrelink Age Pension entitlements (if applicable). - The advice can take into consideration your Spouse (if applicable). <p>Session wrap up by Emma.</p>	
8	<p>Member Questions</p> <p>Keith reminded everyone that any member questions not answered today will be included in the Q&As available to members published after the event, and that responses were general information only.</p> <ol style="list-style-type: none"> 1. Can we automate the process for after tax contribution on line rather than having to complete a manual form and email it to your call centre? <p><u>Response from Patricia</u></p> <p>The good news is that you don't need to complete a form to make after tax contributions. You can make BPAY payments directly to the Fund using a biller code and your unique Customer Reference Number. You can see those details in the 'Contributions' tab of your online member account, and there's also information about the process on the website. You can also call our member helpdesk for assistance on 1800 555 667 or 1800 025 241 for Nationwide Super members.</p> <ol style="list-style-type: none"> 2. How are refunded franking credits incorporated into an iQ Retirement allocated pension? The annual and quarterly reports do not show franking credits and what value they have added to the balance? <p><u>Response from Keith</u></p> <p>As an iQ Retirement member, you hold units in each investment option. Across the RIMT, all the balances are pooled together under each option. The appointed investment manager, invests the balances in each option in line with the investment strategy as outlined in the PDS. Where there are distributions or franking credits (as an example) that are paid by the underlying assets, they are re-invested into the pool of assets and flow through in the unit price of the option. They are not separately allocated in your account which is why you don't see them in your transaction listing.</p> <ol style="list-style-type: none"> 3. The same member has also asked when a mobile app will be made available to those in an iQ Retirement allocated pension <p><u>Response from Usman</u></p> <p>We have an ongoing development pipeline for our website and app. We manage that alongside the regular maintenance required to make sure that it remains operational and secure, which isn't visible to members. The development of an app for pension members is part of our development plans but we're unable to confirm when it will be available at this point.</p>	Various

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	<p>4. Looking at Global Opportunities unhedged and Australian Opportunities compared to Third Party Indexed Global Shares unhedged and TPI Australian Shares what explains the superior performance of the Third Party Indexed options over 3 and 5 years? What are the relative prospects for the next 5 years.</p> <p><u>Response from Tim</u> For Australian Opportunities sector option, one headwind has been the strong performance of the big end of town while the mid-cap has struggled. Our portfolios are structured to be more overweight the mid cap part of the market, as our research shows that managers are best able to generate outperformance in that part of the market. It is a similar story for the Global Opportunities sector options, with the extreme performance of the megacap tech names. We believe our portfolios are positioned for the next phases of the cycle, and expect that those headwinds will fade.</p> <p>5. How is the recent volatility in Australia's property market informing investment decisions made using super funds?</p> <p><u>Response from Tim</u> We think that Australian listed real estate is trading at a discount and have been slightly overweight to take advantage of that. We have been very closely monitoring our unlisted exposure - we have seen some modest writedowns so far, but we remain very convicted in the quality of assets that we have.</p> <p>6. Is there a reason why the annual statement is taking that long, I mean we're almost end of November and yet to get it! What are the steps the operation team is taking to deliver these statement shortly after the end of the financial year.</p> <p><u>Response from Patricia</u> The Trustee aims to issue annual statements to members as soon as practicable after 30 June, but there's a few elements that do take time to complete. Things like the calculations of forward projections that we provide to most members is time consuming and completed by an external actuary. There's also a significant amount of checking and testing required to ensure the accuracy of statements. This year, the majority of annual statements were issued to members on or before 4 October, with the remaining few just needing further work to fix issues before they were sent. Our Member Helpdesk team can assist with specific account enquiries for any members awaiting the release of their annual statement.</p> <p>7. If you weren't already going to do so, can you please share Russell's view on the current state of the US economy, prediction for what you believe the likely outcomes over the short and mid-term are, and what you are doing from an investment perspective as a result?</p> <p><u>Response from Alex</u> We provided our views on the US economy in the main Investment Q&A. Recession risk is elevated in the US next year. We expect any recession to be mild or moderate. With that view, we have been adding to government bonds.</p> <p>8. How do see the markets and growth for 2024?</p> <p><u>Response from Alex</u> Again, we provided our thoughts on markets and growth for the coming year during the main Investment Q&A. The backdrop of the recession risk is important for the US market and we see a similar</p>	

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	<p>profile for Europe and the UK. We think recession risk in Australia is meaningfully lower. China should look a little bit better than this year, and Japan is in a good place. We are neutral on equities and have been slowly adding to our AUD holdings. As mentioned earlier we've been adding to government bonds and reducing corporate credit.</p> <p>9. What safeguards are you putting in to prevent ID theft being used to access accounts?</p> <p><u>Response from Usman</u> We treat the security of your personal information as a critical priority and took additional steps to increase that security and to detect suspicious transactions following public data breaches at Medibank and Optus last year. We benefit from the global cyber security capability of the Russell Investments team and also comply with APRA's Information Security requirements in Australia. We have strengthened the identification process when members call, using information that's unique to your account, increased account monitoring to identify any new risks, and the team also maintains contact with law enforcement agencies and regulators. There's also a few steps you can take to keep your super safe and there's an 'online super safety' page on our website with tips on detecting fraud and scams.</p> <p>10. Page 5 of the Member Outcome Assessment states "the performance of these options were also below median, due to a combination of factors, including: strategy positioning and differences in asset allocation exposures relative to other superannuation funds in the peer group, and sector underperformance in some asset classes".</p> <p><u>Response from Tim</u> Our positioning in private assets has been a challenge historically, as we have held less private assets than peers. We have been closing that gap with the support of global private assets research team. Sector performance has been a challenge for Australian equities this year, but global equities has done quite well.</p> <p>11. What are the possibilities of the superannuation when leaving Australia? Is there a portability overseas?</p> <p><u>Response from Usman</u> Generally speaking, if you are an overseas resident who has previously worked in Australia, there's a few things to consider. To access your super, you must have been paid super while in Australia on a temporary visa, including subclasses 417 (Working Holiday) and 462 (Work and Holiday), and associated bridging visas. You must have also left Australia and your visa expired or cancelled. New Zealand citizens aren't entitled to access their super early, as the Australian and New Zealand governments have an agreement in place to allow the transfer of super from an Australian fund to the New Zealand super system. If you're eligible to access your super, you can claim your super online or by lodging a paper form - visit the Australian Taxation Office (ATO) website ato.gov.au/DepartAustralia to get started. Your super fund is required to deduct tax before the super is paid to you, but how your payment is taxed depends on your visa type, so again we would refer you to the ATO website for more information on tax rates.</p>	
9	Meeting Close	Keith Knapman, TRM Director

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	Keith reminded members the event was created for them and so their feedback would be greatly appreciated and directed members to the feedback form. He thanked everyone for attending the event, thanked the presenters and then called the meeting to a close at 12.59pm.	