



Annual Members' Meeting

UniSuper Limited

(ABN 54 006 027 121)

MINUTES

Thursday, 5 December 2024 from 5.00 to 6.30pm AEDT

The 2024 Annual Members' Meeting, held on Thursday 5 December 2024 at 5.00 pm AEDT was conducted virtually. Ms Danielle Mair, Chief Member & Advice Officer, acted as host.

The Annual Members' Meeting was attended by the Responsible Officers of UniSuper including the Directors, Executive Leadership Team, the Company Secretary, Mr Tom May, the Fund Auditor, Ms Nicole Osborne from PricewaterhouseCoopers, and the Fund Actuary, Mr Travis Dickinson from Willis Towers Watson.

Important information

The presentations, Questions and Answers session and Minutes may include general financial advice which does not take into account the personal objectives, situation or needs of any individual.

Before making a decision, please consider whether the information is right for your financial objectives, situation and needs and read the relevant Product Disclosure Statements and Target Market Determinations available on the UniSuper website at unisuper.com.au.

Information provided primarily relates to the financial year ending 30 June 2024. Investment returns are not guaranteed, and past performance is not an indicator of future returns. Comments on the companies we invest in are not intended as a recommendation of those companies for inclusion in personal portfolios. UniSuper's portfolios have been designed to suit UniSuper and may not be appropriate for others.

Information presented at the meeting and in these Minutes is provided by UniSuper Management Pty Ltd (ABN 91 006 961 799, AFSL 235907) on behalf of UniSuper Limited (ABN 54 006 027 121, AFSL 492806), Trustee of the UniSuper Fund (ABN 91 385 943 850).

We note that answers to questions raised at the meeting, but not answered at the meeting, form part of these meeting minutes.

Welcome by Ms Danielle Mair, Chief Member & Advice Officer

Ms Danielle Mair welcomed all those attending the meeting, and acknowledged the Traditional Owners of Country, paying respects to their Elders, past and present.

Ms Mair noted that it had been another challenging year for many, with cost-of-living pressures and higher interest rates. UniSuper continued to support its members and employers through guidance on important superannuation and financial decisions, and continuing to invest in delivering more value and benefits to members generally.

Ms Mair advised that the speakers would be:

- Mr Mark Armour, Chair
- Mr Peter Chun, Chief Executive Officer
- Ms Danielle Mair, Chief Member and Advice Officer
- Mr John Pearce, Chief Investment Officer

Ms Mair advised that also attending online were the UniSuper Board of Directors, the Executive Leadership Team, Company Secretary, the Fund Auditor, Ms Nicole Osborne from PwC and the Fund's Actuary, Mr Travis Dickinson from Willis Towers Watson.

Ms Mair highlighted the availability of closed captioning and advised those online how to access help in the event of any technical difficulties.

Ms Mair noted many topic suggestions were received from members prior to the meeting and have informed the content of the formal presentations. She explained how members could ask questions during the meeting and that questions would be answered either during or after the meeting, with responses published on the UniSuper website within a month of the meeting. Ms Mair alerted members to the general nature of any advice given, which may not be appropriate for individual circumstances. Ways of accessing personal advice through UniSuper were explained.

Ms Mair then introduced UniSuper's Chair, Mr Mark Armour, to present. Mr Armour has been on the UniSuper Board for seven years and was elected Chair on 1 January 2023.

Chair's Address – Mr Mark Armour

Mr Armour welcomed all members to the meeting and acknowledged fellow Board members in attendance online. Mr Armour discussed the governance role of the Board and recent changes in Board membership with the departures of Professor Lelia Green and Professor Peter Dawkins on 12 November 2024, and Nicolette Rubinsztein on 30 November 2024, each having served nine years on the Board. Mr Armour thanked them for their outstanding service over that time and welcomed Professor Hazel Bateman, Professor Alec Cameron and Rebcca McGrath as incoming directors, noting the specialist knowledge and expertise they bring to the Board.

Mr Armour highlighted the Fund's strong long-term performance (noting that past performance is not an indicator of future performance). The Balanced option, which is the default option for many members, returned 7.9% per annum over the 10 years to 30 June 2024. Looking shorter term, over the 12 months to 30 June 2024, the Balanced Option returned 9.2%, or 10.3% for Pension accounts. Figures are net of fund taxes and investment fees, but not account based fees nor other potentially applicable taxes. For members in our Defined Benefit Division, it remains in a healthy surplus with accrued benefits well-funded. Our fees continue to be

competitive: as at 30 June 2024, UniSuper fees were lower than many of our competitors across a range of investment options.

For the fourth year in a row, the APRA Performance Test results have demonstrated that UniSuper is the number one performer of all public offer funds for the MySuper product in 2023-24 (based on the figures reported in the APRA Performance Test data). This is a great result for UniSuper and further strengthens our position as a top-performing fund.

Mr Armour noted the passage in federal parliament last week of the Superannuation Objective Bill, which identified the key purpose of superannuation, being to preserve savings and provide income in retirement in an equitable and sustainable way. This legislation is designed to safeguard that purpose and provide more stable and effective policy settings and, in turn, greater certainty and security for individuals when planning for retirement. Given the superannuation asset pool has recently reached a new milestone of more than \$4 trillion, it has never been more important to have a strong and stable superannuation system in place.

Mr Armour then spoke to the strategic focus of UniSuper to be the industry leader in retirement. He noted approximately 3 million Australians will move into retirement over the next ten years, with over 30 years' worth of retirement savings. UniSuper recognises that retirement looks different for every individual, and is focused on providing members the right products, services and advice to help plan for and manage their retirement journey. We aim to deliver exceptional experiences with every interaction, whether through our digital channels, over the phone, or receiving guidance from the Advice team.

On behalf of the Board, Mr Armour thanked the CEO and executive team for their dedication and hard work over the past year, and thanked members for trusting UniSuper to manage their retirement savings. UniSuper is committed to acting in the best financial interests of members and helping members achieve their retirement goals.

Mr Armour then introduced the Chief Executive Office, Mr Peter Chun.

Chief Executive Officer's Address – Mr Peter Chun

Mr Peter Chun thanked Mr Armour and welcomed all members. He noted that it has been a challenging and uncertain time for many members and encouraged members to reach out to the Member Services team if they need any additional support.

Mr Chun addressed the systems outage experienced in May this year. This was a one-of-a-kind technology event caused by our third-party cloud provider, Google Cloud, but our resilience planning ensured our members were protected. UniSuper was able to confirm on day one that it was not a malicious attack; that members' accounts were safe; and that our Investments team was not impacted and could continue to operate as usual. UniSuper committed to providing regular communications to members throughout the period. A full review of the incident has been conducted by an external auditor and we are further strengthening our operations to ensure that, whenever possible, the risk of disruption in the future is minimised.

Mr Chun noted that UniSuper continues to invest in information technology and cybersecurity capabilities crucial to protecting members, employers and the Fund. In addition to multi-factor authentication processes to keep members safe when using the mobile app or website, from February 2025 we will be rolling out passkeys. Passkeys allow 'sign in' without entering a password and are designed to be more secure and easier to use than passwords. Our Information Security Team continually reviews and assesses our preparedness for a cyberthreat and our internal controls, so that we stay at the forefront of a continually changing landscape.

Mr Chun highlighted the Fund's strong position and the importance of being at the right scale. UniSuper does not aim to be the biggest super fund, but the best. The right scale enables us to keep fees competitive and enables our Investments team to take advantage of quality

investment opportunities. UniSuper will only ever consider a merger if it meets our strategy and is in the best financial interests of all our members.

As of 30 June 2024, UniSuper is managing close to \$140 billion in assets on behalf of around 650,000 members, with funds under management maintaining steady growth since we opened to the public in July 2021. For members in the Defined Benefit Division (DBD), its financial position remains sound with the accrued benefits index (ABI) over 130%, meaning there is a strong buffer of surplus assets supporting the DBD.

In terms of investment performance, we continue to provide strong long-term returns for our members (noting that past performance is not an indicator of future performance). Our Balanced option returned 7.9% per annum over the 10 years to 30 June 2024. Over the 12 months to 30 June, the Balanced option returned 9.2%, and 10.3% for our pension accounts. A highlight for the financial year were our two sustainable branded options, with Sustainable High Growth returning 15.2% and Sustainable Balanced returning 12.2% for the year. Figures are net of fund taxes and investment fees, but not account based fees nor other potentially applicable taxes. We were also pleased to see these options classified as Sustainable Plus by the Responsible Investment Association Australasia under its Responsible Investment Certification Program.

Mr Chun noted that UniSuper continues to have competitive fees across a range of investment options.

Managing more than 70% of our funds in-house is a key reason for being able to maintain competitive fees.

Mr Chun highlighted that while UniSuper already had excellent insurance terms and a strong claims record, on 1 June 2024 we implemented a range of enhancements to our insurance offering. This included:

- a new default insurance cover design, to provide more Death and Total and Permanent Disablement cover at the life stages when members are likely to need it most, such as starting a family or buying a home;
- reshaping our insurance premium rates to better reflect the likelihood of claims at different ages;
- enhancing the circumstances under which members can make a claim through improved policy terms, creating better value for members; and
- transitioning to MetLife insurance following a robust tender process. This has enabled the introduction of the 360Health virtual care platform which provides confidential access to leading medical specialists and health professionals, from the convenience of a mobile phone or laptop, and is available to all UniSuper members and their families at no additional cost.

Mr Chun noted UniSuper's strategic focus is to deliver on our purpose of providing great retirement outcomes for our members, and our vision is to be the leader in retirement through great personalisation. Over the last year, UniSuper has taken steps to make retirement simpler by focusing on ongoing education, advice, tools and assistance to guide members. We have recently boosted the capability of our retirement calculators by introducing new features and improving the user experience, to help members make more informed and confident decisions on their retirement planning journey. He noted UniSuper is pleased to receive awards such as *Money* magazine's Best Pension Fund for 2025, but more important than any award is knowing that our members feel confident and prepared for their retirement.

Finally, Mr Chun thanked members for their attendance and for entrusting the Fund with their retirement savings. He affirmed UniSuper's commitment to helping members achieve their best retirement outcomes and providing more great value in the year ahead. Mr Chun then handed over to Danielle Mair to provide a Member Services update.

Chief Member and Advice Officer – Ms Danielle Mair

Ms Mair highlighted UniSuper's focus on service excellence and continuous improvement. During financial year 2023-24, UniSuper made it easier for members to transact with us anytime, anywhere, by providing additional digital self-service options. We made it faster and easier to make a withdrawal from superannuation or pension accounts via the app or Member Online, and for those who have an income stream with UniSuper, they can request an income stream schedule through their online account or the app. Over 65,000 members have interacted with our retirement calculators over the past year and many have taken action, such as making an investment switch or consolidating their super accounts, as a result. Members are encouraged to engage with these tools.

Ms Mair noted another digital enhancement that will be available soon, being the ability for members to make a binding death benefit nomination online. A valid binding death benefit nomination ensures that UniSuper has clear legal instructions on where to pay your benefit in the event of your death. Bringing the nomination process online makes it a much simpler process and will help improve the experience for loved ones when making a claim.

Ms Mair noted that during the 2023-24 financial year, the Member Services team handled more than 410,000 interactions, an increase of more than 10% on the previous year. Customer satisfaction remained high with our phone channel above target for the year, rating 8.6 out of 10. During the systems outage in May, communication throughout the incident was key to ensuring members felt confident that their accounts were safe. We increased our capacity, opening on two Saturdays during this period to answer member queries and provide assurance during this challenging time.

The team also delivered an excellent level of service during financial year 2023-24, handling over 370,000 member service requests and completing 98% of these within three days, and 99% within five days. Over the 12 months, we received and managed approximately 3,500 member complaints, ranging from customer service dissatisfaction to more complex issues, with 99% of complaints resolved within regulatory timeframes.

Ms Mair noted that over 2,900 insurance and benefit claims, and \$368 million in benefits, were paid to members during financial year 2023-24. This is \$60 million higher than the previous financial year. UniSuper handles the service and administration of all claims in-house, whether due to illness, injury or death. This is a key differentiator in the experience that we deliver to our members. We are vigilant and active in managing claims and drive continuous improvement to ensure that we pay claims in a timely manner. UniSuper adopts a case management model, with members having direct access to dedicated claims consultants and assessors, as well as a direct claims assist line for queries and assistance. Our teams are committed to service excellence and we were pleased to maintain our high rate of member satisfaction across the board, with a score of 8.5 out of 10 for financial year 2023-24.

Ms Mair then spoke to UniSuper's nationwide team of over 160 professionals across 40 locations that are available to provide personalised service and expert advice to members. Over the financial year the Advice teams engaged in over 60,000 interactions with members, and 85% of our members reported feeling more confident after receiving advice, with 99% indicating they would implement the advice provided. We also achieved an average Net Promoter Score of plus 91, indicating how likely a member would be to recommend our products and services.

Ms Mair outlined the different levels of advice members can access:

- UniSuper's super consultants can assist with general questions about superannuation, investment and insurance, and this service is available at no extra cost;
- if members wish to obtain specific advice about investments, insurance or super contributions, the Select Advice service may be a suitable choice. This service is now also available at no extra cost;
- the Comprehensive Advice team provides a thorough and fully customised service where advice is tailored to individual goals and aspirations. This service is priced to reflect the extensive value and depth of advice provided; and
- we are also currently implementing our Digital Advice Strategy which focuses on enhancing our service capabilities through industry-leading digital and hybrid advice experiences.

Our goal is to ensure members receive the best possible advice and education, no matter how members choose to engage with us.

Ms Mair noted the importance of education for superannuation and financial wellbeing and noted the online Learning Hub, which features videos, podcasts, webcasts and interactive tools for members to learn in a way that suits them best. During financial year 2023-24, there were more than 20,000 unique visitors to our Learning Hub. UniSuper also conducted more than 140 webcasts and events, both online and in-person, covering a range of topics and resulting in more than 38,000 webcast registrations. Many of these are available on-demand in the Learning Hub. We also held our signature annual Retirement Outlook event in July 2024 in-person across seven cities, with a livestream for those unable to attend in person.

Ms Mair noted she is proud to lead a highly dedicated team of service and advice professionals passionate about creating exceptional experiences for members, and looks forward to sharing even more service enhancements and milestones at the next Annual Members' Meeting. She then handed over to the Chief Investment Officer, John Pearce.

Chief Investment Officer's Address – Mr John Pearce

Mr Pearce noted that he would review the performance of the economy, markets and option returns over the 2024 calendar year to the end of November 2024, rather than the financial year.

Mr Pearce advised that whilst, in October 2022, he had predicted that the economy would move from crisis to stimulus, recovery, tightening and then recession, this had not eventuated. Most of the major central banks of the world have started to ease interest rates, even though there is no sign of recession. The US central bank led this move, followed by Europe, Canada and the UK. There have been a few major exceptions, and Australia is one of them, with our central bank keeping interest rates on hold.

Mr Pearce noted that although some aggregate measures show our economy is growing, this is not the case if we consider population growth. GDP per capita shows that in seven out of the last eight quarters, the Australian economy has been stalling whereas the US economy is thriving. A weak economy relative to the USA has also not translated into lower inflation. In fact, the US inflation rate has fallen to the 2% mark, and a 'Goldilocks' outcome of a strong economy and low inflation, whereas the Australian inflation rate is staying relatively high and 'sticky'. Australian governments are largely to blame for this outcome, given their high levels of expenditure. Less than a decade ago, government spending as a percentage of GDP was around 21%; today it is around 27-28% and does not look to be falling. This suggests that inflation is going to stay 'sticky' and the Reserve Bank of Australia will find it hard to justify cutting interest rates.

In terms of markets, Mr Pearce noted that the market 'roller-coaster' of the previous year had changed with markets being positive for most of the past year, except for a blip in August. As a result, option returns have generally been strong across the board, with one exception. It is worth highlighting that the Balanced option, our default option, returned over 11% over the calendar year to the end of November 2024, which is a strong outcome (noting that past performance is not an indicator of future performance). Figures are net of fund taxes and investment fees, but not account based fees nor other potentially applicable taxes.

Looking at the full range of option performance, at the top is International Shares and Global Companies in Asia, and at the bottom is Global Environmental Opportunities (GEO). All three of these options are almost fully invested in international shares, so it is interesting to look at why there is such a dispersion in results. The difference is largely driven by the US tech companies and the US market more generally. This calendar year, on the back of the AI revolution, the US tech sector has returned about 40% and, leaving the tech sector aside, the US market is up about 25%. The tech superstar is Nvidia, a company with an incredible growth story. Four years ago, it was earning US\$4-5 billion annually, this year it is on track to earn about US\$76 billion. The big tech companies also have very healthy balance sheets with net cash, so any increase in interest rates leads to increased revenues for these companies and enables them to reinvest heavily in their own ecosystems, to fortify their positions going forward.

If we consider renewable energy companies or environmental companies in general, the story is very different. For renewable companies, their balance sheets are not nearly as strong as they have very long lead times before they generate cash, so interest rate hikes hurt these companies. Then there is the significant competition from China in EVs and solar panels, and the lack of 'champions' that are generating cash to reinvest for growth. This explains the poorer performance of the GEO option and, being true to label, it also means we are more limited in the number of companies to invest in, and we can expect continued volatility going forward with this option.

Mr Pearce advised that UniSuper has aimed to reduce the volatility of the GEO. We recently expanded its investment universe to include an allocation to private equity, such as the Macquarie Green Energy and Climate Opportunities Fund (Macquarie Green Fund). UniSuper has committed \$600 million to the Macquarie Green Fund, which has a pipeline of around 95 gigawatts of renewable opportunities, and UniSuper will have a say about what projects are funded. We want to see companies that have scalable technology, with payback within 10 years. This means we are currently not particularly keen on nuclear, hydrogen and being cautious with offshore wind projects. Of further note is that Macquarie is also contributing dollar for dollar to the Macquarie Green Fund alongside UniSuper.

Mr Pearce then highlighted UniSuper's \$450 million investment in Burrah Park, which is industrial land adjacent to Western Sydney Airport, along with a commitment for another \$500 million to develop this asset. This land is in a prime location and offers great development potential. The Burrah Park transaction was enabled by our in-house expertise and agility. We will update members on this investment as we develop this asset.

Mr Pearce turned to the forward outlook and noted he is cautious over the short term, but positive medium to long term. The return of Donald Trump as the next President of the USA will have an impact in global markets. History shows that the replacement of a Democrat president with a Republican president often results in an initial 'sugar shot', with promises of lower taxes and deregulation. However, if a trade war starts, we can expect those gains to be given back. There are also some signs that markets might be a bit overvalued, with some big investors like Warren Buffett selling and building up cash in their portfolios. We are starting to build up our own cash levels in anticipation of some better prices in future.

In the medium to longer term, there are reasons to be more positive. Firstly, taking a historical view, the level of interest rates is at a reasonable level and expected to fall. More importantly, we consider the tech revolution has longer to run and we expect to see a big impact from AI and global corporate leadership driven by the US tech companies. UniSuper maintains an overweight to US tech but also looks to Japan and, to a lesser extent, India.

Mr Pearce then hand back to Ms Mair for the Q&A session.

Member Question and Answer

Ms Danielle Mair invited questions from members, reminding them to omit personal information and she advised that:

- it may not be possible to answer all questions at today's meeting;
- questions and responses answered today will be included in the minutes of the meeting and will be available on the UniSuper website within one month;
- when preparing responses, we may summarise or group similar questions together. No member contact details or personal details will be published.

Question 1 [Have higher fees for some of our investment options in recent years led to any tangible and quantifiable increases in return on investment?](#)

Mr John Pearce, Chief Investment Officer, responded to the question noting that whenever investments are being considered, investment costs and expected returns are also considered. Investments can take a long time to play out, so pointing to a quantifiable improvement in the short term is not really possible. However, the reality is that investment fees over the last 4-5 years have actually stayed flat. What may be seen as increasing costs is more likely one-off transaction costs, such as stamp duty fees, payable on the purchase of unlisted assets like Burrah Park. This will occur whenever we have unlisted transactions, although we are not anticipating the same level of acquisition activity over the next few years.

Question 2 [Can members access UniSuper benefits and make contributions from abroad?](#)

Ms Danielle Mair, Chief Member and Advice Officer, responded to the question noting that there are many services and features available to members who reside overseas. Accounts can be managed via members' online accounts or by contacting the Member Services team. Insurance can be retained, as long as premiums continue to be paid on that insurance and the insurance remains active. Members should ensure their contact details are kept up to date, including residential and postal addresses and mobile phone numbers. If an Australian bank account is retained, members can continue to make after-tax contributions to their account via BPAY using their online account. Lump sum withdrawals can also be made via the app or members' online account. The Member Services team can provide assistance should members need additional support.

Question 3 [Does UniSuper make donations to political parties or causes, such as the Labor Party or the CFMEU?](#)

The Chair, Mr Mark Armour, responded to the question noting that UniSuper does not make donations to political parties, nor any payments to the CFMEU. However, we do make payments to the National Tertiary Education Union and Universities Australia in the form of director fees

and conference attendances. It is worth noting our trustee constitution provides for equal representation from higher education unions and employers on the Board.

Question 4 **What is the justification for UniSuper spending large sums of members' funds on marketing activities?**

The CEO, Mr Peter Chun, responded to the question noting that, like most super funds, UniSuper does advertise and promote its products and services through different media channels. The aim is to build our Fund profile in the market; attract new members and retain existing members. By increasing scale, we can then pass on those scale benefits to members whether in the form of reducing fees, keeping fees competitive or building up reserves so we can continue to invest in our products and services or access new investment opportunities. However, all marketing spend is subject to rigorous and thorough assessment on a regular basis to ensure its effectiveness and value for money and to ensure it is in our members' best financial interests.

Question 5 **Can you discuss the performance of the Australian Income option and what people managing it are thinking about corporate credit in Australia?**

The Chief Investment Officer, Mr John Pearce, responded to the question noting that UniSuper revamped this option 2-3 years ago and it now contains a lot of Australian bank credit and high-grade Australian corporate credit. Approximately 98% of the option is investment-grade, with 2% in private credit that is very high-quality credit. While the option would be hurt by a big downturn in the Australian economy, we are not envisaging this outcome for Australia. We aim to achieve a cash-plus return on this option (the performance objective of this option is to achieve a return exceeding the RBA cash rate by 1% per annum over four years, which is the suggested minimum investment time frame of this option). Mr Pearce mentioned that the underlying portfolio of the option has a healthy yield of around 5.8% as at the time of the Annual Members' Meeting. Past performance is not an indicator of future performance.

Question 6 **Will UniSuper allow members to have some voluntary exposure to Bitcoin like many international superannuation funds?**

Mr John Pearce, Chief Investment Officer, responded to the question and advised that UniSuper would not set up a Bitcoin option for members to voluntarily invest in, nor would we include Bitcoin in any UniSuper options. In fact, we are not seeing much evidence of pension funds around the world including Bitcoin in their products. What members may be seeing is retail platforms offering Bitcoin as a trade, and potentially endowment funds using it. Pension or superannuation funds are generally not investing in Bitcoin, or any other crypto-currency, given the responsibility of investing individuals' life savings.

Question 7 What steps have been taken to improve UniSuper's cyber preparedness and how confident can members be that their funds are safe?

The CEO, Mr Peter Chun, responded to the question noting he had made some comments on this topic in his earlier presentation. Cybersecurity, and ensuring members' assets and data is safeguarded, is very important to UniSuper. It is worth emphasising that we:

- continue to make large investments into cybersecurity because it is paramount that we protect members' data and that members' funds are safe;
- have a large in-house team with dedicated cybersecurity and financial crime specialists focussed on monitoring our systems, including our website and mobile app;
- partner with global service providers and can leverage their global capability to detect and prevent cyber threats; and
- continue to enhance our member verification solutions and will move from multi-factor authentication to the use of passkeys in February 2025.

Question 8 What options are available for those wishing to leave their superannuation to a specific person who is not a relative?

Ms Danielle Mair, Chief Member and Advice Officer, responded to the question noting that this can be a complex area so we would recommend that members seek advice from either a financial advisor or lawyer to provide you with guidance around your specific circumstances.

Since superannuation does not automatically form part of your estate, it is important that members nominate their beneficiaries or where you want your superannuation to go. You can do this in two ways: nominate a beneficiary who is a dependent; or nominate your legal personal representative so that your superannuation forms part of your estate and will be distributed according to your will. We encourage members to seek advice in relation to their personal circumstances.

Question 9 Can you discuss the impact, risks and management of greater outflows than inflows into the Fund?

The Chair, Mr Mark Armour responded to the question noting it is a topic that both the management team and Board actively consider given the expected large number of retirees over the next decade or so. At a Fund level, we currently have net inflows—contributions plus rollovers-in from other super funds. This is one of the benefits of marketing as these continuing roll-ins help to strengthen the Fund. We also regularly monitor and stress-test the Fund's position should we get to the point of having net outflows, particularly in terms of the liquidity of the fund and scalability of the investment options.

Question 10 Will UniSuper divest from fossil fuels?

The Chief Investment Officer, Mr John Pearce responded to the question noting that, as reported in UniSuper's 2024 [Climate risk and our investments report](#), our exposure to fossil fuels was 2.38% of the Fund as at 30 June 2024. UniSuper also recently sold down a large parcel of APA since that time which would mean our exposure to fossil fuels is currently well below 2%. Mr

Pearce noted that this sell down was driven by measures to reduce volatility in the Defined Benefit Division and to fund more unlisted assets, rather than ideological reasons.

In terms of divestment more broadly, UniSuper's position is that we will only divest if it is in members' best financial interests to do so. We cannot divest purely for ideological reasons.

Mr Pearce noted UniSuper has various options spanning the whole risk and return spectrum that have a lower exposure to fossil fuels. Members have a choice to select those options.

We calculate the fossil fuel exposures of our investment options on a look-through basis. Please see our annual [Climate risk and our investments report](#) for details of our methodology and approach. Note that the fossil fuel look-through exposure of our investment options may have changed since the publication of the report.

Question 11 What steps have been taken to ensure that another outage, as occurred earlier this year, does not occur in the future?

Mr Armour, Chair, responded to the question noting that the Board was actively involved and briefly daily by the CEO during the outage. Since resolving the outage, UniSuper has commissioned external specialists to review the incident, our processes and systems, and advise actions to mitigate the likelihood of a similar event in future. This report was recently presented to the Board, and the Board have agreed actions to implement.

Our focus is on ensuring, should we have another unforeseen event, that we can minimise the disruption to our members, and that the services we provide to you can be maintained to the highest possible level.

On behalf of the Board, Mr Armour apologised to all those impacted by the outage earlier in the year.

Question 12 Can you discuss the strength of the fund underpinning the Defined Benefit Division?

Mr John Pearce, Chief Investment Officer, responded to the question noting the DBD is in a very strong surplus position as reflected by the Accrued Benefits Index. Given the strong surplus position of the DBD, UniSuper has taken the opportunity to de-risk the portfolio and reduce its volatility by selling listed assets in favour of more unlisted assets and high yielding bank subordinated debt. The DBD is in very sound health.

Question 13 Has UniSuper taken advantage of AI in recent years?

The CEO, Mr Peter Chun, responded to the question noting that UniSuper is embracing AI technology and that we see enormous potential in this technology helping us drive efficiencies and deliver more superior service to members.

UniSuper is upskilling staff to make sure that we are AI-fluent as a workforce. We have deployed Microsoft Copilot to every staff member, and we are seeing positive personal productivity

enhancements. Two examples of how AI is enabling our teams to deliver greater value to members include:

- through operative intelligence, and an AI powered advanced data analytics platform that enables us to identify automation opportunities and remove pain points for member experiences, and
- the creation of AI file notes for our Advice team, which streamlines the way we deliver advice documentation, ensuring it is delivered faster to our members.

It is early days, and we will continue to leverage AI technology and to see benefits for our members. However, we will always operate the technology within strict guardrails to ensure we protect member data and privacy.

Close of Questions

Any financial advice in these answers is general financial advice which does not take into account the personal objectives, situation or needs of any individual. Before making a decision, please consider whether the information is right for you and read the relevant Product Disclosure Statement and Target Market Determination available on the UniSuper website at www.unisuper.com.au/pds. Information presented at the meeting and in these Minutes is provided by UniSuper Management Pty Ltd (ABN 91 006 961 799) on behalf of UniSuper Limited (ABN 54 006 027 121, AFSL 492806), Trustee of the UniSuper Fund (ABN 91 385 943 850).

Meeting Close

Ms Danielle Mair thanked everyone for attending and for the questions that had been posed. Ms Mair noted that while we did not get to all questions during the meeting, UniSuper will publish responses to those unanswered questions, along with the meeting minutes and a recording of this meeting within a month.

The meeting closed at 6.32 pm.

The above record of the meeting held on 5 December 2024 is confirmed by Tom May, Company Secretary, UniSuper Limited and UniSuper Management Pty Limited.