



Retirement Portfolio Service

OnePath Custodians Pty Limited ABN 12 008 508 496

Trustee of the Retirement Portfolio Service (Fund)

Responses to member questions not answered during 2022 Annual Members' Meeting

Important information: The answers to member questions 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 <https://www.onepath.com.au/> or by calling 133 665. Past performance is not an indicator of future performance.

1. How do you propose to change the 60's investment plan to make up for the last year's losses in time for our retirement?

We have been shifting the Smart Choice Lifestages 1960s investment option to incorporate greater investments into attractive alternative and unlisted assets such as unlisted infrastructure, commercial real estate and various forms of private credit. Performance has been strong recently with returns of +4.6% in the December 2022 quarter.

2. How much of an impact on global financial market integration will the structural shift away from a USD standardised market have in the short and long term?

Currently US financial markets and the US Dollar dominate global markets and trade. A change in the short term appears to be a very low chance. However, there are risks that this US dominance could diminish over the next 5 to 10 years. This could occur because of China's strength as the world largest economy and the opening of China's financial markets to more global capital flows. Another possibility is that European financial markets become even more integrated with Frankfurt and Paris emerging as major financial centres that eclipse London. This could also encompass more European countries joining the Euro as their currency (potentially Denmark, Sweden). Additionally India's rapid economic growth and likely status as the world's most populous nation in 2023 (eclipsing China) suggest that a multi-polar world is likely over the very long term. This would see the US, China, Europe and India all being influential in global financial markets rather than the current US dominance.

3. I liked your focus on risk and diversification, specifically how diversification helps reduce risks. The conversation and education on risk is lacking compared to focus on returns. How can members better educate themselves on risk and returns?

We provide a range of online resources to help our members better understand their super. This includes educational seminars and webinars each year that members are invited to and bring together industry experts to share the latest knowledge and insights on super. We publish informative articles on super on our website that are often featured in our member newsletters and

finally we have an education hub for ANZ Smart Choice Super members delivered by professionals and experienced financial advisers to help our members get on top of things like super, budgeting and investing. More help is always available by giving us a call.

4. What can be said by directors of a report late last year which rated OnePath the worst performing superannuation fund with 9 underperforming options for 10 years in a row.

We regularly review our offering to ensure it remains competitive, including the features we offer to our members such as re-pricing, investment settings, terminating options and/or moving members to better performing new/existing options.

5. What is the current % of funds divested in fossil fuels? Will that % reduce in the future as we move towards a lower carbon economy out of economic and environmental necessity?

The Smart Choice Lifestage 1970s investment option (selected to illustrate fossil fuel exposure in a diversified fund) had 4.9% exposure to fossil fuels as at 31 January 2023. Fossil Fuel exposure has been defined as any company directly involved with fossil fuel extraction, equipment supplies, storage and transport, conversion to electricity etc but does not include major consumers of fossil fuels such as airlines.

The percentage of Smart Choice Lifestage 1970s investment option invested in fossil fuels will decline in future, particularly as we shift the portfolio to invest in more alternative assets such as essential infrastructure and renewable energy assets.

6. What's the performance of Smart Choice 1980's in 2022?

For the 12 months to December 2022 Smart Choice Super Lifestage 1980s investment option achieved a net return of -7.72% (after the deduction of investment fees and tax). This reflects the decline in markets over the past 12 months.

It is important to remember that super is a long-term investment, and when we invest your super, we do so with the aim of maximising your long-term savings and helping you retire with more. Over 5 years to December 2022 however, we have delivered a return of 5.34% pa. More information about our investment performance is available at <https://www.anz.com.au/personal/investing-super/superannuation/member-centre/super-performance/>.

7. Where does OnePath stand in top ten superfunds?

OnePath does not currently feature in the top ten super funds, as ranked by SuperRatings. We recommend you visit their website to see the top ten super funds measured against returns, fees and insurance. Their website is: <https://www.superratings.com.au/top-10-super-funds/>.