OPC (OnePath-ANZ) FY2023 Annual Members' Meeting Transcript

Lindsay Smartt

Good evening, everyone, and welcome to the Annual Members' Meeting for the 2023 financial year. I'm Lindsay Smartt and I'm chair of OnePath Custodians Proprietary Limited, which is the trustee for the Retirement Portfolio Service. I'd like to start the meeting with our Acknowledgment of Country. In the spirit of reconciliation, we acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. And we pay our respect to their Elders, past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Before outlining tonight's format, I want to thank those of you who've been part of our ongoing conversation through the previous three Annual Members' Meetings, and we extend a special welcome to those joining us for the first time. Thank you for being with us tonight.

In a few minutes, we'll hear from our Chief Investment Officer, Dan Farmer, and he'll provide a summary of key global and domestic events that have affected the economy and what that means to the investment markets and most importantly, your super fund's returns. Then you'll have the opportunity to ask questions about your super fund's performance, investment strategy, and anything else you want to know in the Q&A session.

Some of you have already submitted questions in advance, and we thank you for that. And you can also ask questions via your screen now. And we'll try to cover as many of your questions as possible in these speeches and in the Q&A session. But if we don't get to yours tonight, we'll provide an answer within a month after the meeting, and we'll make that available on our website.

Unfortunately, we're unable to answer personal financial questions in this meeting due to privacy reasons, and we recommend you call our Contact Centre if you want more information. After question time the meeting will conclude.

There are currently two prominent conflicts being waged. Russia's ongoing invasion of Ukraine and the conflict in the Middle East that escalated in late 2023. The ongoing humanitarian impact is extremely concerning. Shortly, our Chief Investment Officer, Dan Farmer, will take you through the key political and economic events of the last year and how they've affected your fund's returns.

It's really important to remember that regardless of world events, as trustees of your super fund, we follow economic events closely, diversifying your investments carefully and rebalancing when necessary to help smooth out returns and limit losses during times of market downturn.

Now valued $3.5 trillion, super is up there with the annual gross domestic product of advanced economies such as the United Kingdom or France. Australia's super system is one of the world's fastest growing retirement savings schemes. It's consistently rated across the globe as one of the best ways to save for retirement, and super also invests across industries and regions, helping to build nations and drive economies. But at its heart, super is there to provide you, the member, with a secure future once you leave the workforce.

As the trustee of your super fund, our job is to help ensure that your fund is in the best position to do that. In 2023, a key change to super was the increase to the superannuation guarantee. That is, the amount your employer is required to contribute to your super, which went up to 11% on 1st of July. The Federal government also announced that from 1 July 2026, employers will need to pay super to their workers every pay day rather than every quarter. Both of these changes are good news for members, especially younger ones, and will help improve their super outcomes in the years to come.

A friend recently told me that his super balance had gone down and asked if he should be concerned. Now, there are quite a few moving parts to this; contributions in, investment earnings and payments out, just to name a few. And I said to him that without knowing the specifics, a drop in the super fund balance is not necessarily a problem. But this highlighted to me the absolute importance of members building an understanding of what is driving your super fund balance from year to year, always remembering that it's a long term arrangement.

Now, the current high cost of living is making a lot of Australians think twice about what goes into the shopping trolley. And for those who are approaching retirement, we know they're keeping an even closer eye on their super balance. It's also the case for people in retirement who know their super will need to last for many years.

And while we don't have a crystal ball, I think it's worth thinking about the following points. In the 2023 calendar year across all super funds, the median growth super fund returned 9.9%, which is way above the usual long term annual goal of about 6%, and this was quite a turnaround from the previous year's loss of 4.6%, which was largely a result of market swings. It's also the 11th positive return in the past 12 years across the super industry, and all achieved amid a very challenging backdrop of volatility, political uncertainty, and recent high inflation. And while we all know that past performance doesn't indicate future returns, what is true is that decade upon decade superannuation has proven to be a sound investment for members, providing good returns over the long term.

Now a final thought about inflation. The view of the market is that high inflation won't be sustained for the long term. However, it might take a bit longer to drive it down then was originally hoped. And this just emphasises the importance of building resilience in retirement to deal with the inevitable swings and roundabouts. Our Chief Investment Officer, Dan Farmer will provide more detail about inflation and the strategies that our investment managers have put in place to build resilience in your funds.

As the trustee, we are the board of your super fund. We're a group of external non-executive directors and our purpose is to come together to put your interests first and to look after your super fund. That's why it's important to maintain a stable and experienced trustee board of directors. I'd like to acknowledge Andrew Bloore, who resigned as a director at the end of 2022 when the trustee board transitioned to become all independent non-executive directors. On behalf of the board, I'd like to thank Andrew for his valuable contributions during his tenure.

As the Board of Trustees we have both a legal and fiduciary obligation to make all decisions in members best financial interest. Here are a few examples of how we've put that into practice and achieved some great outcomes for members this year.

You might have noticed some changes in your products or investment options over the year. The purpose of this is to use the benefits of scale to get better outcomes for you, our members. Our quarterly performance updates have now been sent to 300,000 members who have opted in to hear from us. These quarterly updates aim to keep our members informed about their fund's performance and provide them with regular, meaningful and transparent communications. Members also received our quarterly newsletter, which contains insights, educational content, and interactive materials. It connects members with valuable resources that can help them achieve the financial wellbeing they are seeking.

This year, we moved 39,000 of our members from some of OnePath's older products to OneAnswer Frontier and ANZ Smart Choice, giving them contemporary products and reducing their fees and costs. We've also improved ANZ Smart Choice Super online so members can access it on their mobile phone and tablet devices, making it easier for them to check their super funds performance. The majority of members in ANZ Smart

Choice Super can now make insurance claims online and over the phone, and that means that in your time of need, your claims can be processed more quickly.

We're also pleased to tell you that our MySuper products passed the annual MySuper performance test. The government expanded the performance test from MySuper to trustee directed products in 2023. A small percentage of members had investments in trustee directed options, that failed the annual Your Future, Your Super performance test, and our team is working hard to identify how best to address the test outcomes for the benefit of members.

For many of our members, the other vital part of our fund is the insurance offering. As trustee, we have an obligation to ensure that our insurance offerings provide comprehensive coverage, aligned with the diverse needs of our members, and prioritise your financial security. While the government aims to strike a balance between the need for insurance and the removal of it from super fund accounts with a low balance to avoid eroding their retirements savings, we will always advocate for insurance in super for those who want it.

For many Australians, taking our cover through super can mean the difference between protection if something happens to them and having no cover at all. Group insurance is generally cheaper than retail cover, and premiums are deducted from a member's super account, so it doesn't affect their cash flow. This makes the insurance accessible for many people, especially with today's high cost of living. This accessibility is crucial with 136,000 members, or 28%, choosing to rely on us for insurance needs.

Our commitment extends beyond cost-effective insurance to our professional, compassionate and positive claims management process. We actively seek to keep members at the heart of everything we do, and this philosophy is integral to our approach to claims. What might not be immediately apparent is that almost 90% of claims submitted to us are approved and paid. This underscores our commitment to being there for you and your loved ones in your time of need.

We are optimistic about the future of advice. We believe the government's final response to the Quality of Advice review, which was announced in December, will assist in making quality advice affordable and accessible for more Australians, improving their financial wellbeing. Whilst there's still some lead time ahead as the reforms make their way through the parliamentary process, we're excited about how the changes are likely to make it easier for us to help our members with simple advice that can make a difference to their superannuation balance at the time of retirement. At the moment, personal advice can only be provided by an authorised financial adviser, and this can be expensive. By allowing super funds to provide the simpler types of advice, many more of our members will be able to access it. Under these reforms, super funds will be able to consider a broader range of member's personal and household circumstances, such as debt, spouse's income, or age pension eligibility. This will be a really important component of enabling us to help our members in a more meaningful way as retirement is, after all, a whole of household issue. We believe removing barriers to financial advice will make it more accessible to our members and improve their retirement outcomes.

The significance of timely advice, especially as members approach the retirement phase, is integral to our commitment to helping members enjoy a dignified retirement. And now I'd like to invite our Chief Investment Officer, Dan Farmer, to discuss your super funds investment performance.

Dan Farmer

Thanks, Lindsay. I'm really pleased to talk with you all today after what's been a year of strong performance for our fund. In my session today, I'm going to touch on the key forces driving the economy over 2023 and how they affected investment markets. Investment positioning of the fund over the year and what that meant for your returns. Our outlook for 2024, and most importantly, how we continue to manage the fund in line with your best interests.

So looking back on the year that was, inflation was again the big story, which despite efforts from central banks, remained at elevated levels over the year. In an effort to lower inflation, the Reserve Bank of Australia or the RBA raised the cash rate five times over 2023, taking it to a 12-year high of 4.35%. Now these increases were designed to dampen consumer and business spending, with the aim of cooling the economy and reducing inflationary pressures. Now these higher cash rates have had some success. Inflation has fallen quite substantially from its peak of 6.8% to 4.3% for the 12 months ending November 2023. Still, this rate of inflation remains above the RBA's comfort zone of 2 to 3% inflation.

Now on top of this, the economy has remained resilient in the face of these higher interest rates and higher cost of living pressures. A number of factors that really helped hold the economy in good stead over the past year, included things like, firstly, Australian households had saved at above average levels through the Covid lockdown period as we all stayed at home and spent less. Over 2023 households were out spending these excess savings, which really helped support the economy over the year. Now today we see these household savings buffers as having largely been spent. In addition, many Australians with mortgages locked in their interest rates at very low levels through the Covid period. So many Australians are only just beginning to feel the impacts of these RBA rate rises, as these fixed-rate mortgages roll off. Similarly, corporations around the globe were able to lock in lower interest rates, often for longer periods than individual mortgage holders were able to. So a lot of corporates haven't felt the direct impact of higher interest rates yet. Many corporates will start experiencing higher rates from the end of 2024 as their existing debt arrangements start to roll off. Also, I think it's worth remembering that higher interest rates aren't bad news for everyone. Those people without mortgages and who are net savers earn more income as a result of the higher interest on their savings, giving them a little bit more to spend. And finally, economic growth was supported by wages moving higher, particularly in the US. This meant that the average worker had a bit extra to spend on eating out, buying a new outfit, or having a holiday. Again, all supporting economic activity.

Now, the upshot of all of this is that while inflation is on a downward trajectory from its highs, the robust economy may mean inflation is stickier on the way down from here. Geopolitical events added to economic uncertainty throughout the year. Unfortunately, the conflict in Ukraine, continues.

Now, while the initial spike in commodity in energy prices triggered by the conflict have subdued somewhat, the conflict remains an underlying risk while a path to resolution continues to be unclear. And more recently, the Gaza conflict has heightened uncertainty in the Middle East, a region critical to global oil supply. The global economy remains highly reliant on oil, even though we're slowly moving towards renewables. So while over 2023, these geopolitical events didn't have a significant impact on economic growth, the global economy is still vulnerable to these tensions.

So we've looked at the global events influencing in the economy over 2023. Now, I'd like to talk about what this has meant for investment markets. While movements in, share markets often grabbed media headlines over the last year, most investors, including us, were focused on some big swings in the bond markets. The bond markets bucked their usual stable but boring reputation and things got quite interesting in the high inflation environment.

So how did bond markets fare in 2023? Well, bond markets had one of their most volatile years in decades. Over the first ten months of 2023 bond yields, which is just the interest rate you receive from owning a bond, rose sharply in most markets. Now, this big upswing in bond yields was driven by a combination of the stubbornly high inflation. We talked about rising official cash rates and a period of instability in the US banking system, which was triggered by the failure of three mid-size U.S. banks. Now, thankfully, this banking instability was short-lived, and we didn't see wider knock-on effects. So as a result of these factors, the yield on the widely followed, US ten-year government bond rose from 3.8% at the start of the year to a high of nearly 5% in October 2023.

Now while high yields mean income generated from more defensive parts of the portfolio is improved, it also means negative returns to bonds over the short term. Gyrations in the bond market have continued over the last three months, but with a direction of swings reversed. Bond yields have fallen sharply back to 3.8%. This recent fall in bond yields has been driven by both the downward trend in inflation we just talked about and just as importantly, the US central bank hinting in December that they may have raised cash rates enough to bring inflation back to a more comfortable level.

Now the implication of their hinting being that there may be no more cash rate increases, and we actually may have a good chance that we see cash rate cuts later this year. So while 2023 was a real roller coaster ride for traditional stable fixed interest markets, the overall return to the major fixed interest benchmarks ended the year at a modest 5% return.

Now if we shift our attention to equity markets over 2023, and again, we see resilience in returns in the face of higher interest rates. The outlook for equities actually appeared quite challenging at the start of last year, with many market analysts predicting an economic slowdown or even a recession, in the face of higher interest rates. Now, as we've spoken about, the economy actually held up well and a recession didn't eventuate over the year. The sentiment in share markets strengthened late in the year as expectations grew, that central bank cash rate hikes were close to over, and the chances of an economic soft landing improved sharply. This improvement in the economic outlook, along with, stellar performance from a handful of AI-related tech stocks, supported strong equity returns over the year. Over 2023, global share markets advanced around 21%. While back home, the ASX 200 gained 12.4%.

So against this backdrop, how did our funds perform? Smart Choice Super offers a default investment option called Lifestages, which most Smart Choice Super members are invested in. Lifestages adjust the investment strategy of members' portfolios based on their age. Members born in 1970 or later have seen investment returns, net of investment management fees and tax, of between 11.6% to 12.1% for younger members over the 12 months to 31st December 2023. For members born before 1970, a more conservative investment approach is taken. Yet returns still range between 8.9% and 11.8% for the calendar year. Smart Choice portfolios benefit from meaningful investments in both global and Australian shares. The most recent, the more recently introduced alternative strategies, also delivered solid returns for the year. We've upped portfolio resilience with new investments in unlisted infrastructure assets such as fibre networks, renewable energy projects, and telco towers, both here in Australia and overseas.

Now, infrastructure assets often have regulated pricing regimes which can provide a degree of inbuilt inflation protection. We say this is especially beneficial in times like now. We've also boosted portfolio resilience with further investment in alternative assets that have low correlation to other investments. That means if, say, equity markets were to go down, these alternative assets should be less affected by such a market downturn and somewhat protect overall portfolio performance. An area that performed well for us in the environment was private credit.

Now, as the traditional banking sector has pulled back from lending to some parts of the market, in part due to regulatory requirements, private credit markets have stepped in to partially fill the void, and we've continued to benefit from this opportunity holding good allocations with the world of diversified private credit managers.
This has provided a valuable income stream while also contributing to portfolio diversification. Our experienced investment team make these investment decisions, working closely with our high quality external investment managers and our asset consultants.

So I've covered 2023 and given you an overview of our performance, the next thing I'd like to talk about is the investment outlook for 2024 and how we are positioning your funds to navigate the period ahead.

Firstly, as I mentioned earlier, inflation looks like it's on the way down, although it could well be stickier with further declines coming more slowly. In other words, it may take some time for inflation to fall back to the 2 to 3% range central banks like the RBA are more comfortable with. So while central banks have done a lot of good work taming inflation through higher cash rates, we may not see actual cuts to the cash rate here in Australia until late in 2024. So interest rates may still stay high for a while yet.

So what does that mean for economic growth? Well, it is a tricky environment for central banks to navigate, but we see a reasonable chance that economic growth can remain resilient in the face of higher rates, at least for the next 12 months. Now we've taken this cautiously optimistic view of economic growth, given the relatively good health of the economy today. And we also take comfort from central bank signalling their willingness to cut rates as inflation trends down.

Now, I've spoken a lot about inflation and cash rates as key factors influencing our outlook. Now, of course, the investment team take a wide range of factors into account when looking ahead. Globally, the wars in the Ukraine and Middle East continue to persist, and investment professionals like my team and I must consider many eventualities, such as the possibility of the Middle East conflict widening. The impact on commodity prices from these conflicts has been muted to date, with oil prices now below levels when the conflict began.

As long as these conflicts remain constrained within each region we don't see these events as having a material impact on investment markets in the medium term. It's another issue if these conflicts widen. For example, recent attacks on the Red Sea commercial shipping by the Yemen-based Iran-supported Houthi movement, which has prompted US-led military action against the Houthis, does raise the possibility of an unsettling tit-for-tat cycle, again presenting risk to economic stability.

Now, looking at how we will manage your funds given this macro outlook. Well, first and foremost, we will always maintain well-diversified portfolios investing across multiple asset classes, multiple geographies, high quality investment managers, and thousands of underlying securities. And we really believe this is key to continuing to deliver strong, healthy returns over the long run. As always, the investment team will be on the lookout for attractive areas of opportunity and just as importantly, ways to manage risk, all while making sure we maintain balanced portfolios.

As I mentioned earlier, we see a relatively benign economic environment ahead, and this is attractive for credit and private credit in particular, and we continue to position the fund accordingly. The outlook for equities really varies by geography and industry, with some sectors looking relatively expensive, such as US technology as an example while other areas are more attractive. Overall, we are relatively neutral on equities, but we do remain cautious given high valuations in certain parts of the market and some lingering risks to economic growth.

With lifting yields bonds are now better placed to play their traditional role, providing diversification and defensive benefits to portfolios. When rates were very low levels during the Covid period, these benefits and bonds were less pronounced. We continue to see attractive opportunities to selectively invest in alternatives strategies, and these alternative strategies generate returns less dependent on macroeconomic conditions, and we see these as really important diversifiers in the portfolio given the current outlook.

And finally, over the year ahead, we aim to continue evolving and deepening the integration of responsible investment considerations into our investment decision making and we really see this as further supporting strong performance outcomes over the long run.

Now, regardless of what the period ahead brings, we can assure you that your investment team is well positioned to manage both the risks and opportunities through the years ahead. You have a large investment team of 47 experienced investment professionals accessing a really wide range of knowledge and expertise, who are focused on the long run returns of your super.

So in closing, I'd really like to thank you all for trusting us to invest your money. Again, you can rest assured the investment team is working diligently managing your portfolio in accordance with our time proven investment philosophy to help provide you with the retirement lifestyle you want. As Lindsay talked about super is a long term investment, and in the years ahead there will no doubt be periods of strong returns like we've just seen, along with more challenging periods. What's important is to stay the course and keep your eye on the long term. And over the long term, super funds have proven again and again to provide good outcomes to members.

So thank you again and I'll hand you back to our Chair Lindsay Smartt to host the Q&A session.

Q&A Session

Well, thank you very much, Dan. And welcome everybody to our Q&A session. Many of you sent through questions when you registered, and we can see more coming through this evening.

Before we begin, please note that our responses are for your information only and do not constitute financial advice. Joining me to address these questions is Dan, who you heard from earlier, and Beth McConnell, one of our Directors.

To begin our Q&A session, we have a question from Knee who would like to know whether super contributions affect take home income more than they provide benefit in terms of personal income tax. So I'll take this one.

Firstly, there are different types of contributions that can be made into super. The 11% compulsory super contribution from your employer is made on top of your salary, so it doesn't affect your take home pay. However, many members choose to take advantage of additional contribution options like salary sacrifice or tax deductible personal contributions. From a tax point of view, these contributions are taxed at a favourable 15% in the super fund, which is less than most members personal income tax marginal rates. For those members with lower incomes who pay little or no tax, the government refunds the 15% tax on contributions up to $500 through the low income super tax offset. For more information about adding to your super and tax speak to your adviser, visit our website or contact us.

Our next question has come through from both Max and Danielle, who would like to know what the related party payments that were included alongside the invitation to this meeting are. Beth, I'll throw this one to you.

Thanks, Lindsay. Well, for context, OnePath Custodians Pty Limited, or OPC as we refer to it, is the Trustee of your super fund and outsources the provision of a range of services for members to our related parties, rather than directly employing any individuals or parties that are not related to us. Some funds use unrelated parties, we use related parties that share our collective mission. These outsourced services are important to run the super fund, such as administration or investment services. So the related party payments relate to these services and include things like investment management costs, directors and board committee fees, insurance services, financial planning and other types of member services. OPC has responsibility for approximately 490,000 members and the related party payments for the last financial year were equal to approximately $357 per member.

Thanks, Beth. Next up, a question from Maria, who's curious about the steps the fund is taking to address the risks associated with AI? AI is generating a lot of interest lately. Beth, can you respond to Maria?

Certainly. Thanks for the question, Maria. Artificial Intelligence is a hot topic for us all, including market participants and technology stocks over the last year. And there are certainly benefits; efficiency, cost reductions, lack of bias, the ability to perform menial analytical tasks 24/7, and reducing human error. But we do also need to be a little bit cautious of the risks, such as the ethics around personal data, human job loss, and more recently, the ability for fake images and languages to circulate quickly on social media. So we're working with all of our relevant global equity investment managers. Our team regularly discusses and reviews these holdings, with particular focus on ESG considerations. And we have on occasion voted against a number of management resolutions at companies like META, formerly Facebook, where we did not believe that some of their proposals were in the best interest of our members. So we'll continue to monitor these holdings in the development of AI closely.

Great. Thanks, Beth. The next question is from Francois, which I'll direct to you, Dan. He'd like to know what OnePath and ANZ are doing to mitigate climate change risk on their investment portfolio.

Yeah, sure. And look, thanks for the question, Francois. And just by way of background, upcoming climate risk, reporting regulations will require us to measure emissions from assets in the portfolio and outline a path to future emission targets. So we're working towards these requirements as they continue to evolve. Now, more generally, we believe that divestment is not a contemporary or particularly effective method, for reducing emissions. If funds concerned about emissions simply sell their holdings in emitting companies potentially to new investors who are less concerned, company management may well become less focused on emissions, which could ultimately lead to a worse long-term outcome for investors and the environment. Now, rather, we seek to, selectively engage with company management as we think this can be more effective in achieving, lower emissions. So as we develop our risk assessments, we plan to increase our targeted engagement with companies posing the highest, emission risks.

Thanks, Dan. Our next question is from Nick, who would like super funds to lobby so that Australians can have the option to pay superannuation contributions directly into their mortgages. I'll take this one.

Superannuation is concessionally taxed on the basis that it's preserved for retirement. And we support this preservation and so would not be advocating for a change to this policy. There's also the First Home Super Saver scheme to assist in saving for a home through superannuation.

A very interesting question now from Terence, who's asked how we're implementing the Retirement Income Covenant legislation to advise retirees how to manage their superannuation in retirement. Beth, what are we doing to help members through their retirement journey?

Thanks, Lindsay, and thanks, Terrance, for the question. We offer a wide range of products and services to members as they approach and into retirement, including webinars, seminars, access to personal advice and various digital tools and information. And we are continuing to work on new initiatives to broaden the reach of advice and improve member experience as they go through their personal retirement journeys. We also have account based pensions with a range of features, including a super to pension bonus and investment protection. There's a summary of our Retirement Income Strategy on our website, and we can provide a link to it on our meeting web page.

Thanks, Beth. Moving on to our next question from Richard, who has asked how the cash super rate compares to other cash super funds and cash savings rates. Dan, can you please answer this one?

Yeah, sure, and thanks again for the question, Richard. If we look at the ANZ Smart Choice Cash Option, now, it returned a little over 3.4% for the year to December. Now, I think it's important to remember that, this return is after the 15% super tax rate, which is applied to super funds. Now, to try and give members more certainty and clarity about what returns they can expect, the investment option for this cash option was updated in December 2023, with the objective being to provide investors with a high level of capital security while achieving returns generally in line with the the RBA cash rate target after fees and before tax. And this cash option has achieved a return in line with the average RBA cash rate since this update. And of course, adjusting for the impact of tax.

Thanks, Dan. Our next question is from David, who would like to know if OnePath is prepared for a policy reversal on alternative energy investments, given the collapse in sales of electric vehicles? Beth, this one's for you.

Sure. Thanks, Lindsay. David, at the moment, we don't expect there to be a policy reversal on renewable energy. In fact, we actually expect increased future policy support, including actions to help the super industry further in this area.

Great. Thanks, Beth. The next question is from Bess, who would like to know if financial advisers attend this meeting? So I'll answer this one for you Bess. The meeting's designed for members to ask questions to ask questions of their super fund, however, anyone is welcome to attend.

I have another one for you, Dan, here, which comes from Stephen, who'd like to know if we have any plans to introduce other term deposit providers as an option on the OneAnswer Platform?

Thanks. So the trustee of the fund currently has no plans to introduce additional term deposit providers as an option on the OneAnswer platform. And this is really because there's generally minimal differences between term deposit providers. And also, to date, we haven't received a high amount of feedback from members, or advisers, you know, really wanting additional providers.

Great. Thanks, Dan. Raj, who is in his late 50s, is contemplating a transition to retirement and is seeking advice on important factors to consider. Beth, retirement planning is another area generating a lot of interest. Over to you.

Thanks, Lindsay. Look, I'll start by saying I'm not a trained financial adviser, but I'm certainly happy to share some high level reflections. A couple of reflections, retirement is different for everyone, and transitioning to retirement does require careful planning. So we do recommend that you seek professional guidance. But there are a range of things to think about, such as your financial situation, the level of your savings, any investments you may hold, and you may like to consider whether you have or need a budget. Any debts that you need to pay or whether you need an emergency fund. And importantly, would you be eligible for the age pension? Our website has some valuable insights into retirement planning, so please have a look at our website and for more information we recommend speaking to a qualified financial adviser.

Thanks, Beth. Another question for Dan from Jeff, who would like to know who will replace Perpetual?

Okay. Thanks, Jeff. And again, the trustee of the fund has no plans to replace any of those Perpetual options. However, we do still have perpetual options available through OneAnswer, which include, Perpetual Conservative Growth, Balanced Growth, Australian Shares, and the Perpetual ESG Shares option.

Thanks. Thanks, Dan. We have a question asked by a number of our members. It's about whether they can use their super to purchase a home or an investment property. Beth, do members have an option to use their super savings for this purpose?

Thanks, Lindsay. If you are buying your first home, you may be able to benefit from the government's First Home Super Saver initiative. There are specific rules in relation to which contributions you can access, and this initiative is not designed to help people who are purchasing an investment property. So please call us, visit our website or speak with your adviser to find out whether this initiative will work for you.

Thanks, Beth. To close our Q&A session, a question from Sarah who asks whether she can watch the meeting again later.

Certainly. Thanks for the question, Sarah. If any of our members can't make the meeting tonight, or if you would like to watch it again, we will have a recording available on our website within one month from now.

Thanks very much, Beth.

And thank you, everyone, for your questions during the Q&A session. It's a really valuable exchange where we not only provide answers, but also gain valuable insights into your concerns. And for the questions that we couldn't address tonight, the answers, along with a recording in minutes of tonight's meeting, will be available on our Annual Members’ Meeting website, And members will also receive a feedback survey shortly, because we're eager to hear what you enjoyed about the meeting and what we can improve on for next year.

As chair of OnePath Custodians Proprietary Limited, your Trustee, I'd like to thank each and every one of you for joining us and for trusting us with your superannuation. I'd like to thank Dan and Beth for your valuable contributions to this evening's annual members meeting. Once again, thank you for joining us tonight. Good evening.

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