

OnePath-ANZ (OPC) FY25 Annual Members' Meeting - 19 February 2026 | Transcript

Danielle Press – Welcome and Fund Update

Good evening everyone, and welcome to our Annual Members' Meeting for the 2025 financial year.

My name is Danielle Press, and I serve as the chair of OnePath Custodians Pty Limited, which is the trustee for Retirement Portfolio Services.

Now before we get started, on behalf of OnePath Custodians Pty Limited I'd like to acknowledge the Traditional Owners of Country throughout Australia, and to pay respects to Elders past and present.

And a big thank you to all of our members who have joined us, especially if this is your first time attending our Annual Members' Meeting.

Our purpose as trustee is to help members achieve the retirement they want. Part of delivering on that is sharing our progress with you, answering your questions, and taking the time to hear from you.

We really appreciate your participation, and I hope this meeting gives you a bit more insight into the work we've done in the past year.

OnePath is part of the Insignia Financial group of companies, one of Australia's largest wealth managers. At OnePath, we're proud to be looking after the retirement savings of over three hundred and sixty thousand members. We really value everybody's input and engagement, so again a big thank you to everyone for joining us.

Today, I'll give you an overview of what we've achieved in the past year.

After that, I'll hand over to our Chief Investment Officer, Dan Farmer, who will take you through how markets have fared over the past year, how we've adapted our investment strategy, and how your super has performed.

As with last year's meeting, Dan will be taking questions about the fund's investment strategy and performance after he's finished his presentation.

We've already received many questions ahead of today's meeting and I thank you for submitting them. If you haven't yet submitted any questions, you can still do so on your screen.

We'll try to get through as many questions as we can during this meeting, but if we don't get to yours, please don't worry – we'll publish a response on our website within a month of today's meeting.

Additionally, however, we can't answer any personal finance questions due to privacy concerns. If you have a personal financial question regarding your super and retirement savings, please reach out to our Contact Centre. They'll be able to direct you to the right person to help.

Now let's get started.

Before we dive into the year's developments, I want to touch on a couple of topics that many of you have asked about: Retirement and Cyber Security.

Retirement is a major life milestone, and achieving a comfortable, confident retirement is something we all aspire to. The purpose of superannuation is to help Australians build financial security for life after work, so you can retire with confidence, dignity and choice. Our role is to manage your superannuation responsibly, transparently, and always in your best interests. We use our scale and expertise to deliver guidance and solutions that are easy to access, engaging and affordable, so that you can feel informed, supported, and in control of your future.

Security remains a top priority for us. With cyber threats becoming more sophisticated, we have continued to invest in our Cyber Security strategy to protect your data and retirement savings. We are committed to maintaining a secure, compliant and resilient environment that evolves with the digital landscape.

We've introduced Cyber Security and Scams Awareness hubs across our websites, and enhanced login security measures like multi-factor authentication. These steps are designed to keep your super safe and give you confidence in the protections we have in place.

2025 has been an eventful year.

We saw several changes to super including the final increase to the amount your employer pays, which was lifted to 12% from 1 July 2025. That marks the end of a cycle of change that began in 2013.

In November, new Payday Super legislation was passed. Under this law, from 1 July 2026, employers must make super contributions within seven business days of paying salaries and wages.

This change means you'll receive your super sooner and more regularly. It helps ensure everyone gets the super they're entitled to receive.

It's been a challenging year for many Australian investment platforms, with the collapse of the Shield Master Fund and First Guardian Master Fund highlighting the importance of Trustee governance.

Actions from the regulators is ongoing, and this is obviously distressing for those impacted, but I wanted to take this opportunity to assure you these funds were never included on our platform. We take our Trustee responsibilities to you very seriously and the affected funds would not have met our comprehensive Due Diligence criteria which demonstrates our continuous commitment to protecting members.

We've continued work to enhance and simplify our products to deliver better outcomes for you.

As part of Insignia Financial, your fund benefits from the group's scale, giving us access to a wider range of investment opportunities, improved products and services and the ability to deliver more competitive fees.

Over the past year, we've:

- Improved diversification within the Lifestage MySuper portfolios to optimise performance and manage risk.
- Continued to improve our investment menu to ensure each option continues to support long-term outcomes for members, and as a result, we have transferred members into a range of options we believe will deliver improved long-term outcomes for members.
- Enhanced our login security by adding multi-factor authentication.
- We've continued to focus on keeping members informed and engaged with performance updates, newsletters and webinars, offering practical guidance on financial literacy and retirement planning.

Lastly, in April 2025, we were proud to be recognised by the Roy Morgan Customer Satisfaction Awards. They awarded ANZ Smart Choice SuperRetail Superannuation Fund of the Year for 2024.

I'm sure you're all eager to hear how your superannuation has performed. As you know, we've seen another year of healthy performance in 2025.

That's come despite some rocky and at times turbulent market conditions throughout the year, especially with regards to US tariffs and ongoing conflicts in Europe and the Middle East.

This year's result reinforces the value of our investment strategy and demonstrates our commitment to delivering strong returns for your retirement.

If you want to get even more from your super, I'd like to remind everyone here that we have two financial advice businesses under the Insignia Financial umbrella: Bridges and Shadforth.

So, if you have questions about how best to manage your super or are thinking about retiring and want some support as you make those preparations, please get in touch via our Contact Centre.

Lastly, if you haven't nominated a binding beneficiary for your super, I'd encourage you to do that as well. Making a valid binding nomination is a really important step to help ensure your super goes to the right people. To find out how to make a beneficiary nomination, visit our website or give us a call.

Thanks again for trusting us to manage your superannuation. Everything we do is focused on helping you reach your retirement goals. And now, I'd like to hand over to Dan Farmer for a performance and market update.

Dan Farmer – Investment Performance and Market Update

Hello everyone, and thanks for your time today. As Danielle mentioned, I'll be discussing what happened in markets last year, how our funds have performed, and what we're planning for the year ahead.

I'm pleased to say that we've had another strong year, and our funds have once again delivered healthy returns for members.

We achieved this result despite some challenging conditions and notable headlines. In short:

- our strategy remains sound, even in a changing global environment, and
- turbulence in markets was not as pronounced as the headlines might suggest.

To explain this in a bit more depth, I'll be speaking to you today about:

- The major economic drivers we've seen over the past 12 months
- How we've navigated those conditions
- How the fund's default options performed
- And finally, our outlook for the year ahead.

I'd also like to quickly note that I'll be speaking to fund returns for calendar year 2025, these returns are more up to date than the financial year returns to June 2025 which you may have seen in recent member statements sent to you. However, if you haven't seen our 2025 financial year numbers and would like to review them, they're available on the website.

Inflation continues to be a factor to watch in markets after spiking during the COVID period.

When it first returned, most commentators expected inflation to be 'transitory', and the underlying pressures would pass quickly once supply chains normalised.

Unfortunately, it soon became clear that higher prices weren't going away quickly.

Last year we made several observations about inflation:

- It was indeed declining,
- the rate of that decline was decelerating,
- and this slower pace of decline kept interest rates higher.

As a result, we expected inflation to further moderate over the year, but central banks would be slightly wary about inflation levels remaining a little high. This caution on inflation by Central Banks was proven correct in Australia with higher than expected CPI data for the December 2025 quarter.

That generally proved to be the case this year and was largely the trend we saw throughout 2025 with cautious cuts to cash rates from central banks as they monitored the trajectory of inflation.

One notable difference has been the impact of US tariffs on prices and the knock on that's had for inflation.

There was significant focus and media attention around this issue, particularly following President Trump's 'Liberation Day' announcement on April 2, 2025.

- The original plan was to implement a 10% base tariff rate on all countries.
- Additional individual 'reciprocal' rates were then intended to roll out from April 9.
- Markets reacted negatively to the tariffs, the rollout slowed, and deadlines were extended while individual deals were negotiated.

The reality to date has been the headline tariffs announced by the Trump administration haven't fully flowed through to the end consumers. There's been a lot of substitution and rerouting of US imports and the actual effective tariff rates have been much less than the headline rates.

Additionally, the US administration has reduced tariff rates for many countries, and businesses have absorbed some of the tariff cost.

For inflation, that meant prices haven't seen a big spike up as feared, but at the same time prices haven't come down as much as we'd like either.

That has given central banks a bit more freedom to keep cutting interest rates, and we've seen a handful of cuts from central banks around the world since then.

For equity returns this year the big driver was the rapid rise of AI.

Adoption has grown, and more and more businesses and people are now using AI tools in their day-to-day lives.

That's translated to exceptionally strong investment in AI infrastructure and meant big returns for AI and AI adjacent stocks.

For the twelve months to August 15th, just four companies accounted for 60% of stock-market gains:

- NVIDIA
- Meta, which is Facebook
- Microsoft
- Broadcom (another semiconductor manufacturer)

That's led to some talk of a bubble. I'll get into our view for the coming year a bit later during this session but for now I'd like to note that if you compare what's happening in the AI sector today to bubbles we've seen in the past, there are some key differences and we think some of these fears may be overstated.

If we compare the AI boom of today with the dot com rally and subsequent crash in the early 2000's – much of the run up in prices back in the dot com era was driven by speculative capital, often partially funded by debt, pouring money into companies with no underlying earnings.

These AI companies we're seeing today are in many cases backing up their share market performance with solid earnings, and notably we're expecting to see those earnings broaden out into other sectors, both in the US and here in Australia.

So, we don't see it as a clear bubble yet, but it's something we're watching very closely because valuations are clearly very high.

We still see some room for AI stocks to run but will be keeping an eye on further developments.

Last year, I commented that we were positioned relatively neutrally on shares. We subsequently moved to a small overweight position in global shares. While we didn't expect to see a repeat of 2023–24's stellar returns, we did expect modest positive returns given earnings growth remained positive and cash rates were expected to ease.

As it turned out, that decision was a good one. Global equity markets have been strong, delivering 19.7% (currency hedged) for the calendar year and serving as a key driver of returns.

We've also seen fixed interest do reasonably well, supported by the moderation of those inflationary pressures we've been watching over the past few years.

Private credit's performance has been healthy over the year. We've continued to build resilience in our private credit investments by further diversifying our holdings, moving from focusing on Australia to a larger proportion of US-based opportunities.

There's a couple of reasons why we've been doing that:

- The US is a deeper market with more opportunities to invest
- We work with some excellent international private credit managers that help us seek out good opportunities

And of course, the benefits that come from diversification.

That helped us generate a one year gross return of 5.65% to 31 December 2025, from our fixed interest portfolio, which compares very well to fixed interest returns from other funds. It's been a strong relative performer for us this year.

We've also been expanding our unlisted infrastructure program and investing into more of what we call our 'core plus' assets.

These are high-quality infrastructure assets we expect will deliver higher returns.

As with our fixed interest portfolio, we've further diversified our infrastructure holdings too.

For members in options that include unlisted infrastructure, this means your super is invested in assets like Heathrow Airport, our most recent addition – an excellent asset we're very pleased to be invested in. It's a large, long-life, regulated infrastructure asset with strong, stable cash flows. The airport also has significant growth potential, and we expect it will contribute to the long-term performance and resilience of members' portfolios.

So with this in mind, how did our default options perform?

ANZ Smart Choice Super Lifestage default options delivered strong results over the three years to 31 December 2025. Our Lifestage investment options from 1960's onward, all achieved double-digit returns of over 10% for the calendar year to 31st December 2025, and more than 11% per annum over the three years to 31st December 2025.

These returns look healthy against other similar funds. The SmartChoice 1960s option delivered first quartile performance for the year to December in the SuperRatings Fund Crediting Rate Survey, SR50 MySuper Index, and even more pleasingly was also first quartile over three and five years in the survey.

For members born before 1960, in our 1940s and 1950s Lifestage options, a more conservative investment approach is taken. Even so, returns remained solid, ranging from 6.6% to 8.4% for the calendar year to 31st December 2025, and 8.3% to 9.8% over three years to 31st December 2025. These returns are net of investment management fees and tax, and before administration fees.

The performance of the ANZ Smart Choice Super Lifestage options was mainly driven by their exposure to global share markets, which have continued to perform well driven by lower interest rates, healthy

corporate earnings and increased AI-related investment. Emerging markets equities also delivered strong returns, adding to overall performance.

The Lifestage options also include a mix of alternative assets and unlisted infrastructure – assets not traded on traditional share markets - which help manage risk and support more stable long-term outcomes. This diversified approach means your super isn't relying on just one part of the market to deliver returns, making it more resilient through market ups and downs. To explore the full performance results, visit our website.

So, what are we expecting for the year ahead?

Firstly, the outlook for growth remains positive.

We expect the current moderate pace for growth to continue for a little longer but anticipate a modest pick-up in 2026.

What is interesting about the current growth story is that it's likely to be a relatively 'jobless expansion' driven in part by AI efficiency gains.

The roll out of these AI solutions is expected to help improve labour productivity.

Over the next 12 to 18 months, we expect to see growth and spending accelerate, but potentially without a big increase in hiring.

We view this as a healthy scenario for markets: such an expansion would be strong enough to maintain earnings but is unlikely to trigger 'wage push' inflation, which is when businesses have to increase wages to attract employees and pass those wage costs on through higher prices, adding to inflation.

Looking at inflation more broadly, we're expecting price hikes to moderate as US inflation continues to track lower.

As I flagged earlier, the US tariffs have added some pressure on prices of core goods. The effective tariff rate remains at around 10%, which is much less than the 15% that a lot of people assumed.

We think that about 60% to 70% of the tariff-driven adjustment has already happened. Of course the US approach to tariff setting going forward is difficult to predict, with threats of increased tariffs being used as a lever to drive wider policy objectives of the US administration.

Against this backdrop, we think the underlying fundamentals for equities remain healthy, and returns could continue to do well.

However, we believe that valuations are high in some areas of the market where prices have become a little frothy.

We're growing a little more cautious on Australian equities at the moment.

- Much of the strength we've seen in Australian equities has been linked to big gains by a handful of heavyweight stocks including Commonwealth Bank, and Chinese demand for Australian commodities.
- That growth story has supported our equity holdings over the past year but we're less confident about how it might fair in the year ahead.

That said, we'll still continue to hold international equities, however our weightings towards certain sectors might shift somewhat

As I mentioned earlier, we're watching AI and AI-linked stocks for signs of overextension.

These expectations are all derived from our base case expectation for the next year: that the US economy experiences a modest pickup in growth over 2026.

We put the likelihood of a recession in the US at only 15%.

There are a couple of risks to this scenario:

- If we see an escalation in trade tensions, or a significant policy misstep, we could see the likelihood of a recession increase.
- Likewise, labour market weakness could also turn into a recession, though we don't think this is very likely.

On the flipside, we could see a situation in which growth accelerates at a more rapid pace potentially putting extra upward pressure on inflation – this is another risk case we're considering.

There are also several geopolitical risks we're keeping an eye on:

- Oil price fluctuations driven by tensions in the Middle East
- Trade wars
- Bond market volatility linked to high levels of government debts
- Even the possibility – though unlikely – of an Australian recession.

Those are all downside risk cases we're watching for at present.

All in all, this has been another strong year for us, and we're pleased to have delivered strong performance for you.

Building up your retirement savings remains our number one priority, and I'd like to thank you not just for your time today while I explained what we're seeing in markets but for entrusting your savings to us.

Super is a long-term investment, and for most Australians we know it's often one of the biggest assets they'll own, and we deeply value your trust in us to manage this on your behalf.

I'd also like to take a moment to thank our investment team for their dedication and hard work this year in managing your portfolios.

Looking ahead, I'm confident in their ability to continue to deliver solid performance over the long term and to help you achieve your retirement goals.

I'll now hand you back to our Chair, Danielle Press, to host the Q&A session.

Q&A Session – Danielle Press, Dan Farmer, Dave Woodall and Sharon Suan

Danielle: Thank you, Dan, and please join us here on stage. We'll now move to the Q&A session.

Many of you have submitted questions during registration, and we've also received some during today's meeting. Just a reminder that any answers provided here today are general information only and should not be seen or taken as personal advice.

If you would like advice specific to your situation, we encourage you to speak to your financial adviser or contact us directly.

Joining me to answer your questions are Dan, Sharon Suan, our Chief Member Officer, and Dave Woodall, our CEO of Superannuation.

So, let's get started.

As I mentioned earlier, we've received many questions from members about cyber security and multi-factor authentication.

So, let's step through a few of those here if we can.

We'll start with a question from Glen, who asks, when will multi-factor authentication... oh hang on, what does Glenn ask? When will multi-factor authentication be available for logging into our super accounts?

Dave, why don't you kick us off?

Dave: Okay, lovely. Thank you.

Look, last year we introduced MFA or multi-factor authentication to add an extra layer of security when you log in, so it prompts you for extra verification when we see something a bit unusual, such as a new device or a new location is detected.

If you're interested in learning more about this and other protections on our Cyber Security and Scams Awareness page, have a look at on our website.

Danielle: Lovely. Thank you. Dave, another one for you from Ian, who asks whether our multi-factor authentication can accept overseas phone numbers?

Dave: Yes. Look. It can. The mobile phone security step is enabled for overseas numbers, but not for every country.

So, if you are living, moving or traveling overseas, give us a call so we can check what options are available for you to access your account while you're away.

Danielle: Helen and George, and a few others, have asked about the steps we're taking to protect personal information and retirement savings from scams and frauds.

And in addition, we have a question from Mary, who would like to know which company we use for cyber security monitoring?

I touched briefly on this earlier, but, Dave, can you take us through the fund cyber security measures in a little bit more detail?

Dave: Yeah, absolutely. I mean, keeping your information and your account safe is an absolute top priority.

So, we have a dedicated cyber security team, and a 24/7 Managed Security Service Provider, Sekuro, and they constantly monitor our systems for any suspicious or unusual activity.

Additionally, your data is encrypted and protected with strong login controls, including multi-factor authentication, and we use sophisticated tools to detect and then to block suspicious behaviour.

We also work with government and industry experts to make sure that we stay ahead of the scammers, and we make sure that we train our people and share safety tips with our members, so everybody helps everybody else stay safe online.

But again, if you're interested in more details, please visit the ANZ Smart Choice or the OnePath websites.

Danielle: Thank you. Retirement was another very popular theme in the questions that we've seen coming through.

Several members have asked about what they should be thinking about as they plan for retirement.

Dave, can you give us some thoughts?

Dave: Is that because I look like I'm close to retirement?

Danielle: I would never say that.

Dave: Well, look, I'd say it's never too early and never too late to plan for retirement, but a smooth transition is advisable, so it takes clear goals, a little bit of smart planning.

So, you may want to review your overall savings, your investments and your super regularly in that regard.

But a few steps to contemplate; think about your expenses and your budget, therefore, in retirement. Think about the debt that you've got and the interest rate effect of paying off that debt.

You might need a cash fund or an emergency fund.

Check your Age Pension eligibility.

Look at your health insurance arrangements and have a look at your risk tolerance and your timeline as you approach when you move into retirement.

Many people do consider retirement as a transition to working less, not necessarily working.

So, think about what you might do to occupy that time.

Many people look at part-time work for extra income as well.

Use our retirement tools and calculators on the website to help guide you through that.

And of course, absolutely speak to one of ours or your own advisers, or book a session with one of our financial coaches.

Danielle: And several members have also asked about how much do they need to retire comfortably? It's a tricky question.

Dave: Yeah, it's tricky because I don't think you can define it explicitly for everyone because we're all different.

ASFA has a go at defining what a comfortable retirement looks like.

But it depends on your own personal circumstances, your lifestyle expectations, and your health to a degree and your sort of starting point with your assets.

But nonetheless, ASFA's Retirement Standard is the benchmark that we often speak to.

And that benchmark is a guide to how much money you are likely to need in retirement, which is different to what you need pre-retirement.

And that is about \$54,000 for singles and a little more at \$76,000 for couples.

So that's between \$2,000 and \$3,000 per fortnight.

And it does assume home ownership and that you're in reasonably good health.

Subject to the income and assets test, the Age Pension may also support you in retirement, that's more around \$1,200 per fortnight for singles and around \$1,700 per fortnight for couples.

So, the pension alone, you know, may not meet your own expectations around that comfortable retirement level.

And so, some people will need to think about how they save additional savings, so they can use it in retirement.

But again, you know, a solid plan that helps you make the most of what you've got and what you're able to access, it's always helpful to get some third-party advice and support by speaking to an adviser to get some guidance.

Danielle: Another question on retirement.

Angela has asked what the retirement age is for superannuation withdrawals?

Dave: Yeah, well, look, generally you can only access your super when you reach what we call Preservation Age.

And it's on a sliding scale between age 55 and 60, depending on when you were born.

So, whilst there is some guidance around preservation, really there's no real right or wrong time or particular age where retirement is going to make sense for all of us, it really depends on your own circumstances.

Again, your lifestyle that you have pre-retirement, the one you aspire to in retirement and your overall financial goals and needs.

And again, you know, if you've got an adviser, give them a call.

If you haven't, give us a call to get some guidance on that.

Our team can provide you with a lot of information to help you understand your options.

Danielle: And we're going to continue with the retirement theme.

We've had some questions, a question from Gail and Mustafa asking for more detail on the Transition to Retirement accounts, how it works? The eligibility criteria?

What do members need to know about what we in the industry call TTRs?

Dave: Yeah. So that's an excellent question because, you know, retirement just doesn't sort of end... you know, work doesn't end on a Friday, and retirement starts on a Monday for many people.

So, the idea of transitioning to retirement is where you're able to access part of your super from age 60 whilst you're still working.

So, this helps supplement your income where you might perhaps go from 5 to 4 to 3 days. So, you may move to more of a part-time employment arrangement.

And so, you'll reduce your wage, but you can supplement that through a TTR, Transition to Retirement, arrangement.

And it makes up then for those lost earnings by working part-time.

It also means you can stay employed for longer, to the extent that that's part of your retirement plan.

And it also means that your superannuation can continue to grow, because you're only accessing part of it.

It's a very good tax effective strategy for many people.

And you know, guess what I'm going to say?

If you're interested in how that could work for you, get some advice around your circumstances.

Danielle: Thank you. I'm going to change tack a little.

We've had several questions about fees. We're asked how our fees are justified? And Tor has asked how can members be confident the fees are reasonable, add value and don't reduce financial freedom in retirement? Dave, I think that one's for you as well.

Dave: Okay. There are others on the panel here, Danielle.

Danielle: I'll get to them don't you worry about that.

Dave: It's all good. Look, we understand that fees matter. We are in a competitive industry.

Fees matter and we work hard to make sure that we're getting competitive fees and value.

You know what you're getting for the fee is as important as the fee itself.

So yeah, we're very conscious of ensuring that we can use our scale to give members access to broad, strong investment performance, as Dan has talked through today; good quality products; good service; and competitive pricing.

We have introduced fee caps into several of our products, such as the ANZ Smart Choice Super fund has a fee cap that we introduced in 2024, for example.

So that helps keep more money in members' accounts as well.

Other than fees, we also want to make sure we're helping people make the most of what they've got through our financial coaching services and a personalised super advice service, which is inclusive in that fee, importantly, so there's no extra cost.

And of course, I think members would want us to set our fees at a level that delivers value but also ensures that we can invest in a secure business and make sure that we've got the multi-factor authentication and the cyber and security protections, so that they're with a safe fund as well as a competitively priced fund.

Danielle: Keeping on the theme of fees here, James has asked about the role of technology and AI and how we can help reduce costs while keeping people at the centre of the decision making?

And we've also had several, just so you can get on a roll Dave and then I'm going to move on to Dan, about ANZ Smart Choice Super fees, including a question from Ahmed who's asking how we compare to Australian Super?

Dave: I think comparing ourselves to other funds requires analysis, not just fees, but the type of investment options that are available as well. And the long-term performance of those fees.

So, I think I would go back to my earlier comments around the value proposition, and what do you get in totality for your fees?

But absolutely, the core business that we're in is delivering sustainable, long term competitive performance. So, it's a good question. Thank you.

Danielle: I'm going to let you off the hook for a little while anyway.

Marzena has sent through a series of questions about governance, risk and performance. She's asked about our compliance record, how we manage conflicts? What happens when investments underperform? How we stress test the portfolio? Our marketing spend? How performance compares with benchmarks and peers? And the key risks to members' super right now.

That is an extraordinarily large question.

But Dan, I'm going to leave it to you to answer those.

Dan: Thanks, Marzena, and I'll try and work my way through some of those topics.

So just starting off regarding conflicts of interest with investment managers, the important thing here is we have a well-established framework in place to deal with any potential conflicts.

So, any related party capabilities are subject to a really high review hurdle.

So just for example, the appointment of a related party requires the support of independent committee members to be approved, and related party recommendations must also be reviewed by the Trustee's Member Office team.

And in addition to that, the trustee has its own conflicts management policy.

In the case of an underperforming manager, our investment team undertakes ongoing review and assessment of all underlying fund managers.

So, if, as part of that ongoing review process, we believe a fund manager has lost their competitive edge or is unlikely to deliver on its investment mandate, they will either be replaced by another fund manager, or we'll allocate their funds across other incumbent managers within that same type of strategy.

Thinking about stress tests, the investment team does stress test portfolios across a range of different market environments.

For example, when setting a long-term asset allocation for each of the diversified portfolios, the investment team considers a number of different market scenarios to understand how the portfolios are likely to behave under those conditions.

So, these include things like reflationary, low growth, and stagflationary environments, as well as several stress climate environments.

Turning to risk. And in terms of risk, the investment team considers both upside and downside risk when we're managing the portfolios.

Currently, risks on the upside really do centre around productivity growth due to AI, continued AI investment and potentially stronger global growth.

If we flip and look to the risks on the downside, these include:

- premature return in the AI investment cycle
- risks of heightened volatility surrounding the geopolitical events we're seeing
- risks surrounding stretched valuations that are clearly present in some global equity markets

Now, these risks are carefully managed through diversification across asset classes and regions, a disciplined approach to dynamic asset allocation, and regular stress testing against a range of economic and market scenarios.

So, this approach really aims to keep portfolios resilient while remaining positioned to capture future growth.

Looking at the performance side of things, the default ANZ Smart Choice MySuper (1960s) option has performed in the top quartile of peers in the SuperRatings MySuper survey over 1, 3 and 5 year periods.

And it's also performed really strongly relative to its composite benchmark.

So, performance in the default fund has been very good.

Danielle: Alternative investments, as we like to call them, gold, ETFs, cryptocurrency, continue to be extraordinarily popular topics.

And we've seen in previous meetings we've got a lot of questions about those.

This meeting is no different.

We've had questions from Dana and Metin, who are asking: Can they invest in gold and bitcoin?

Dan: Sure. And look, it is a hot topic.

If we look at the ANZ Smart Choice Super Lifestage options, as well as many of the Choice investment options available through Smart Choice, they do provide members with gold exposure through investments in listed Australian gold producers.

They do get access to gold that way. This exposure has really enabled these options to participate in the strong rise in gold prices we've seen over the last year. However, when we turn to crypto investing, we continue to be in the camp of "not now" rather than "not ever." Look, we continue to keep a close eye on developments in crypto, including what the regulator's attitude towards it is. But for now we remain unconvinced of the case for crypto investing. Now, if we look at Bitcoin and similar crypto assets, we really think they fail the classic test of an investment.

Traditional investments, like shares, bonds, real estate or businesses, all generate cash flows, dividends, interest, rent or earnings that provide what we call an intrinsic value and a basis for rational valuation.

Bitcoin doesn't really have these investment fundamentals. It offers no income, no yield, no clear productive output. And its price relies solely on the hope that someone else will pay more later.

So, to us, crypto really remains a highly speculative part of the market and not a clear-cut investment opportunity. Now for retail investors and super fund members seeking genuine long-term wealth building through fundamental investments, crypto remains, you know, highly questionable.

Danielle: Thank you. Peggy-Ann and Juan have asked whether they can use their superannuation to purchase their home, and more specifically for their first home.

Sharon, this is a common question that we see. Can you explain when this is possible?

Sharon: Thanks for the questions. So, superannuation can be used to help first home buyers through something called the government's First Home Super Saver Scheme.

Now, this scheme allows eligible individuals to access certain voluntary contributions made to their super to put towards purchasing their first home.

There are specific rules about which contributions can be released, and it cannot be used for investment properties.

We encourage you to speak with your financial adviser, visit our website, or as Dave said earlier, give us a call to see if this scheme can work for you.

Danielle: Thank you. We've had a question from Tania.

She's asked why the fund continues to invest in gambling and tobacco companies? She's concerned that there's not enough transparency about these investments and limited options to opt out.

Tania also feels that these companies sit outside ANZ's corporate social responsibility policies and guidelines. Dan, do you want to take us through our position there?

Dan: I can, and thanks for the question, Tania.

Look, to start off with, we believe that responsible investment can improve investment outcomes for our members by considering things like labour standards and environmental, social, and governance factors.

In investment decisions where possible, we believe that we can improve the potential returns for members.

Now, within the broader ANZ Smart Choice Super menu, there is a category of options called 'MultiSeries' that employ negative screens to exclude investments in companies which manufacture cigarettes and other tobacco products.

The negative screen applies to Australian equities, international shares, fixed interest, alternatives and property. And the screen applies across the entire MultiSeries range of investment options.

And on top of this, we regularly review our approach to responsible investment and continue to refine our approach to ESG and the application of negative screens.

Danielle: Thank you. Next question is from Akira, who would like to know how they can access their superannuation when they're living overseas. Sharon, can you take us through that?

Sharon: Thank you. Thanks, Akira. If you were a temporary resident of Australia and accumulated super while working here, you may be able to access your super as a Departing Australia Superannuation Payment if you have left the country.

It excludes New Zealand citizens and there are other specific eligibility rules and conditions that apply, so we recommend visiting the Australian Taxation Office website or giving us a call for more information.

Danielle: Thanks, Sharon. Claire has asked how ANZ Smart Choice Super is transitioning towards a fossil fuel free future that aligns with members' values?

She's also asked if we want a sustainable future, why the fund is still investing in yesterday's industries?

And Claire noted that a fossil-free ASX portfolio has outperformed the benchmark by 0.8% over 12 years from 2010 to 2023.

Dan, this one's for you.

Dan: Yes. And thanks Claire. We touched on a little bit of this before. But look, in response to climate risk reporting regulations that are coming into place, we are preparing to measure emissions from assets within our portfolio and set future emission reduction targets.

And we're already actively working towards meeting these evolving requirements.

Now, regarding fossil fuel companies, we believe divestment is not necessarily the most effective approach to reducing emissions.

Simply selling holdings in high emission companies could result in them being purchased by investors less focused on sustainability, potentially reducing the pressure on company management to prioritise emission reductions.

Now, this could ultimately have a negative long-term impact on both the environment and investors.

Instead, we choose to focus on engaging selectively with company management, as we believe this approach can drive more meaningful change.

And as we continue to refine our risk assessments, we really plan to increase this targeted engagement with companies that present, you know, the highest emission risks that we can see.

Danielle: Thank you. Thomas has asked about an explanation of the pending class action.

He wants to know how this happened and why we seem to be seeing these issues more frequently with companies that the public trusts with their retirement savings?

This is understandably a concerning topic. Sharon?

Sharon: Thanks, Danielle. Thomas, we presume you're referring to the ANZ and OnePath class action that was first filed in 2020 and relates to historical issues affecting certain members of the former OnePath MasterFund and Retirement Portfolio Service.

Specifically, it concerned the interest rates applied to some cash investment options before January 2020 and the payment of grandfathered adviser commissions prior to April 2019.

Importantly, it largely relates to older superannuation products that were closed to new members in 2013 and fully closed in June 2022.

In October 2024, the parties agreed to settle the matter without any admission of liability, subject to court approval.

Danielle: Thank you. And we have time for one final question. Harry has read online that Insignia Financial has been bought out. What does that mean for him and other members of the fund? I'll take this one.

Yes. You're correct, Harry. Insignia Financial entered what is known as a 'Scheme Implementation Deed' in June last year for CC Capital to acquire all the issued shares in Insignia Financial. This deal has continued to progress since then.

Obviously still subject to a range of approvals from the Australian Prudential Regulator, the Foreign Investment Review Board, and the Australian Competition and Consumer Commission.

The deal has been approved by the ACCC and Insignia Financial has now submitted the Scheme Booklet to ASIC and the ASX for their review. In terms of what that means for you as a member of Retirement Portfolio Services, basically nothing. It's business as usual for the trustee and for management.

We're continuing to work hard in your best interests to deliver for you and all the members a great retirement.

That brings our Q&A session to a close. Thank you for your very thoughtful questions. Hearing what matters to you helps us guide and manage the fund. For more information on anything we've covered today, please visit our website. Speak to your adviser or give us a call.

If you didn't get your question answered today, we will be publishing a full transcript, recording and written responses on the AMM website and you will receive a short feedback survey shortly, which we would really appreciate your input on.

On behalf of OnePath Custodians Proprietary Limited, thank you for the trust you've placed in us in managing your retirement savings, and a special thank you tonight to Sharon, Dave and Dan for their contributions today.

Thank you again for joining us, and I hope you enjoy the rest of your evening.

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