

**ANNUAL MEMBERS MEETING – 25 FEBRUARY 2021  
MINUTES OF ANNUAL MEMBERS MEETING**

**ASGARD INDEPENDENCE PLAN – DIVISION 2**

<b>Location:</b>	Virtually via <a href="http://asgard.com.au/for-investors/annual-members-meeting/">http://asgard.com.au/for-investors/annual-members-meeting/</a>	
<b>Date:</b>	Thursday, 25 February 2021	
<b>Time:</b>	12 pm	
<b>Directors</b>	David Plumb	Chairman & Independent Non-Executive Director
	Robin Burns	Independent Non-Executive Director & Chairman of the Board Investment Committee
	Doug Carmichael	Independent Non-Executive Director
	Michael Cottier	Independent Non-Executive Director & Chairman of the Board Audit, Risk and Compliance Committee
	Melinda Howes	Executive Director, Superannuation Boards and Managing Director, BT Superannuation
	Kathy Vincent	Executive Director, Superannuation Boards and Managing Director, BT Platforms, Investments and Operations
<b>Executive Officers</b>	Corrin Collocott	Chief Investment Officer
	Kirsten O'Donoghue*	Chief Risk Officer, Business Bank
	Kathryn Person*	Head of Risk, Superannuation
	Jason Yetton*	Chief Executive, Specialist Business & Group Strategy
	JP Moorehead*	Chief Financial Officer, Specialist Business
	Lisa Gavin*	Head of Tax and Accounting Services, Platforms and Investments, Tax and Accounting Services
	Bettina Fischer*	Head of Program Delivery, BTFG, Superannuation, Program Delivery
	Julie Slapp	Head of Product, BTFG, Superannuation, Product
	Emma Chand	Head of Direct and SMSF, Superannuation, Product, Retail, Direct and SMSF
	Simon Cuthbert*^	Auditor, PwC Partner
	Darren Ross*	Auditor, PwC Partner
<b>Master of Ceremonies</b>	Lisa Croudace	Head of Product Development, Superannuation
<b>Members</b>	136 members** participating online via <a href="http://asgard.com.au/for-investors/annual-members-meeting/">http://asgard.com.au/for-investors/annual-members-meeting/</a>	
<b>Apologies</b>	Hannah Oakhill	Head of Customer Experience & Growth, Superannuation
	Kieran Varcoe	Head of Platforms, Platforms and Investments, Product Management
	Damien Mason	Chief Financial Officer, SIPO, Finance, Specialist Businesses, Superannuation, Investments, Platforms and Operations

\*via teleconference

\*\* this also answers the question on notice (refer Pg 9) in regard to members participating

^Simon Cuthbert was the auditor up to and including 30 June 2020. He ceased as the auditor on 30 November 2020

## AGENDA ITEM 1: INTRODUCTION

Lisa Croudace, Head of Product Development, Superannuation was the Master of Ceremonies for the inaugural Annual Members Meeting (AMM) for the Asgard Independence Plan – Division 2 (Fund).

Ms Croudace commenced by welcoming all attendees present at the meeting, acknowledged the traditional owners of lands on which the meeting was held and introduced the Board members of the Trustee Board, the speakers and the guests.

Ms Croudace then outlined the key messages to be addressed at the meeting, the agenda and timing of the meeting.

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Ms Croudace also outlined the procedures on how members could participate in the meeting and noted that any questions relating to specific individual customer circumstances would not be answered at the meeting but will be referred to the customer relations team.

**AGENDA ITEM 2: CHAIRMAN ADDRESS**

The Chairman thanked Ms Croudace and then formally opened the inaugural AMM for the Fund. The Chairman welcomed the Fund's members.

The Chairman acknowledged members' questions received prior to and during registration and the interest shown in the operation of the Fund.

The Chairman noted that while the proceedings would cover the financial year ended 30 June 2020, that an overview of the progress of the Fund since 30 June 2020 would also be provided given it has been eight months since the end of that reporting period.

The Chairman spoke about the importance of Superannuation and the journey during the course of 2020 with the impacts arising from the COVID-19 pandemic, being short term market volatility followed by recovery and the significant number of members who accessed their superannuation early.

The Chairman further noted the importance of the Trustee delivering strong performance for members over the longer term and noted the performance of the My Super Lifestage investments continuing to outperform their objectives over the long term.

The Chairman acknowledged members' questions regarding the future of the superannuation business. Noting Westpac's statement that it does not view itself as the long term owner of the superannuation business along with some of Westpac's other specialist businesses, the Chairman stated that Westpac was committed to assisting the Trustee to meet its' duties in this regard and confirmed that the paramount role of the Trustee Board was to look after members' best interests. The Chairman noted that APRA will inevitably be closely involved in the review of any future plans for the sale of the superannuation business should they emerge.

The Chairman further addressed the meeting on the following matters:

- the Fund's current approach to incorporating environmental, social and governance (ESG) considerations when managing the Fund; and
- the number of initiatives undertaken during 2020 to enhance member outcomes including fee changes and the appointment of the new group life insurer, AIA Australia to provide insurance cover to members.

The Chairman then introduced Kathy Vincent.

**AGENDA ITEM 3: ADDRESS BY KATHY VINCENT, EXECUTIVE DIRECTOR, SUPERANNUATION BOARDS AND MANAGING DIRECTOR, BT PLATFORMS, INVESTMENTS AND OPERATIONS**

Kathy Vincent addressed the meeting and focussed on the following matters in her remarks to members:

- acknowledged the work carried out by the teams that helped so many of the Fund's members to access their superannuation early;
- the removal of grandfathered advisor commissions with the effect of reducing fees for many of the Fund's members and an overview of other fee reductions across other products;
- the continued focus on investment options and online solutions including adding 21 managed funds and 40 new listed securities to the investment menu last year;
- continued improvement of online tools including information and communication channels for members; and
- confirmed the Trustee's responsibility to protect and promote members' financial interest with the aim of ensuring the assets continue to endure and prosper for the future.

Ms Vincent then introduced Melinda Howes to address the meeting.



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**AGENDA ITEM 4: ADDRESS BY MELINDA HOWES, EXECUTIVE DIRECTOR, SUPERANNUATION BOARDS AND MANAGING DIRECTOR, BT SUPERANNUATION**

Melinda Howes addressed the meeting and focussed on the Asgard Employee Super Account and made the following remarks to members:

- acknowledging the importance of superannuation as an asset to members;
- provided an overview of fee changes for default MySuper members in Asgard Employee Super Account noting that on a total fees basis these fees met benchmarking in the heatmaps released by APRA in December 2020;
- the work undertaken to reduce the costs of managing members' superannuation;
- the appointment of AIA Australia Limited as the new group life insurer and the benefits to members in making that move; and
- discussed the increase in digital engagement with members including through email and SMS text messaging including to share key messages and the provision of educational tips for members on managing their superannuation.

Ms Howes then introduced Corrin Collocott to address the meeting.

**AGENDA ITEM 5: ADDRESS BY CORRIN COLLOCOTT, CHIEF INVESTMENT OFFICER**

Corrin Collocott addressed the meeting by providing an investment overview and focussed on the following matters in his remarks to members:

- an overview of the approach to management of the MySuper Lifestage investment portfolios, including the principles for allocating more money to growth assets for younger members, and then reducing this allocation when members approach retirement;
- outlining the key events impacting on the markets during the financial year ending 30 June 2020;
- overview and update on investment performance up to and including the end of the financial year 30 June 2020 and the importance of maintaining a focus on longer term results;
- outlining some of the key factors that will impact the future, including new ways of working accelerating advancements and investment opportunities in IT and health care, recovery from the COVID -19 pandemic and how economies will react to the withdrawal of government support and introduction of vaccines programs, the increased level of stimulus introduced by central banks and record levels of low interest rates expected to remain low; and
- overview of the developments within the investment team with a focus on longer term investment outcomes.

Mr Collocott handed back to the Chairman to commence the members' question and answer portion of the meeting.

**AGENDA ITEM 6: MEMBERS QUESTION AND ANSWER DISCUSSION**

The Chairman thanked Mr Collocott and then opened the question and answer section of the agenda. The Chairman noted that during this section the Trustee Board would answer some of the pre-submitted questions first, followed by questions received during the course of the meeting by members.

The transcript of the question and answer section of the agenda is attached to these minutes as Annexure A. Annexure B provides written responses to the questions that were not addressed at the AMM for the Fund.

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**AGENDA ITEM 7: MEETING CLOSE**

The Chairman thanked the members for participating in the meeting and handed over to Ms Croudace to close the meeting.

Ms Croudace noted that a recording of this meeting, the meeting minutes, and all the questions and answers will be available on the Fund's website [asgard.com.au](http://asgard.com.au), later next month.

The meeting closed at 1.18 pm.



Chair

24 March 2021

Date



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**ANNEXURE A – QUESTION AND ANSWER TRANSCRIPT**

**David Plumb:** Thanks very much, Corrin. This brings us to the question and answer section of our agenda. Today, we will be answering some of your pre-submitted questions first, followed by questions received during today's meeting.

**Lisa Croudace:** The first question comes through from Anna and it's a multipart question. Firstly, what divestment and negative screens does Asgard have to ensure you direct money away from companies and industries that create harm? That is, what positive screens do you have in place that ensure that companies are not only great performers but have a sustainable and equitable criteria? What is your screening criteria for investments in fossil fuels, old-growth logging, environmental destruction, gambling, tobacco, and social harm?

**David Plumb:** ESG is a fundamental part of what we do here at Asgard, and in particular how we manage investments. For that reason, I'm going to ask the Chair of the Board Investment Committee, Mr Robin Burns to answer the question in detail.

**Robin Burns:** This is a very important question and the sorts of environmental and social issues that are mentioned in it are under active consideration by the Investment Committee and the Board. At Asgard, in doing this, we do so consistently with our overall obligation and prime focus on promoting and pursuing the best financial interests of our members.

As was mentioned earlier, we were one of the first Australian organisations to adopt the principles of the UN Principles for Responsible Investment and we actively participate in a number of other initiatives such as Climate Action 100. For our internally managed investments, such as our MySuper Lifestage products, our processes take into consideration both the positive and negative implications of organisations, from issues such as climate change, human rights, gender diversity, bribery and corruption.

We also exclude certain activities where the circumstances allow us, for example we will not invest in organisations involved in tobacco production and controversial weapons. This is not just about what we do and don't invest in. We recognise that it is often better to pursue and promote the sort of changes that we would like to see in the interests of our members with organisations, rather than simply divest.

If we divest, we lose the opportunity to engage and promote and drive change in the directions that we would like to see. We also recognise that members may wish to pursue a wider range of exclusions consistent with their own ethical values and beliefs and our socially responsible investments provide opportunities to do so. With, for example, the exclusion of investments in gambling and fossil fuels.

So, we believe, overall, that our approach is consistent with these goals and helps ensure that the assets our members entrust to us continue to endure and prosper into the future. We recognise that this is an evolving and developing field. I wish to just stress again that it is under active consideration within the Investment team, by the Investment Committee and the Board.

**David Plumb:** Just one further thought from me, this is obviously an area that continues to be of great interest for our membership. As we mentioned earlier, we refer members to our website for further information around our sustainability framework and how we manage for ESG.

**Lisa Croudace:** The next question comes through from Ann, what is the long-term future for Asgard? Is it time to move my money into a different BT fund?

**David Plumb:** I will begin by saying that I cannot actually answer what is the best fund for you, or to give you advice as to what is appropriate in your personal circumstances, but what I can talk about is what we are seeking to do with Asgard and in particular, the fact that we continue to look at ways to improve our member experience.

What I will let members know is that we are well progressed on a migration program for some of our BT and Advance funds, which will result in advanced features and a user-friendly online experience, a very contemporary investment menu and enhanced retirement solutions.

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Once this is complete, it is our intention to plan a similar program for Asgard. What is really important however from a member perspective, is to know that any change that happens with Asgard is something that we will consider very carefully and in members' best interests.

**Lisa Croudace:** The next question comes from Werner, there seems to be a move from Asgard to deal directly with account holders and not through our advisers. Is this the strategy, going forward?

**David Plumb:** I'm going to ask Doug Carmichael, my fellow Non-Executive Director, to answer this question.

**Doug Carmichael:** We have a strong engagement model with our adviser community. Where there is an advisor associated with one of our members, in the first instance we would communicate through the advisor where appropriate. But it is important to understand that we also have considerable regulatory requirements to communicate to you around changes happening within our fund and the like.

We have also a growing proportion of members who previously had an advisor relationship, but no longer do. With those members, we need to communicate directly with them. So, our direct communications with members are going up for a variety of reasons.

**David Plumb:** Just in closing on Werner's question, I wanted to emphasise that we see our role as very much two fold. We need to communicate directly with members and let members know what is happening about their fund. At the same time, we recognise that many members choose to partner with an advisor. We make sure that the advisor is a key part of that communication relationship.

**Lisa Croudace:** The next question is from David. What are the responsibilities and accountabilities of the Trustee Board of Directors?

**David Plumb:** The role of a Trustee Board in superannuation is very important, because its role is to make impartial business judgements in the best interests of members and to consider the impact of these decisions on the member base.

The Board obviously has a whole series of responsibilities under law, under regulation and under corporate governance practice. But I think, in summary, what I want to emphasise is that your Board oversees, sets the parameters and monitors the business, to ensure that it is operating in members' best interests and in a sound and prudent manner.

**Lisa Croudace:** The next question is from Simon. How often is the audit of unit prices of managed funds bid-ask transactions or buy-sell spreads conducted?

**David Plumb:** This is a really appropriate question to refer to the Chair of our Board Audit Risk and Compliance Committee, Michael Cottier.

**Michael Cottier:** When units in an investment option are bought and sold, transaction and brokerage costs are typically incurred in the underlying fund or funds. These costs are reflected in the buy price and the sell price of the managed investment, as determined by the responsible entity of that fund, not the trustee.

This is not a fee paid to the responsible entity but is retained in the managed investment to cover these transaction and brokerage costs. So, buy-sell spreads are designed to help maintain member equity between members. Buy-sell spreads are reviewed regularly. The overall unit pricing process and the reconciliation of unit prices to the financial statements are part of the annual external audit.

**Lisa Croudace:** The next question comes from Craig, how do Asgard account management fees compare with superannuation industry benchmarks? What decile do they fall into?

**David Plumb:** While we covered some of this in a high level in the opening presentation, I am going to ask Melinda Howes, Executive Director of Superannuation, to talk to this further.

**Melinda Howes:** First of all, as I mentioned before and Kathy mentioned as well, we regularly review the fees that are charged to members to make sure that what we are doing and what we are offering is in your best financial interests. Kathy and I both touched on some aspects of fees in our speeches before.



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As I mentioned, the Asgard Employee Super Account administration fees were restructured in October. That has provided to the majority of members the same, or lower in many cases, fees, coming through.

But I thought I would just touch on a few of the other changes that have been made, as well. In December, there was a series of other reductions put through. Still on the Asgard Employee Super Account, the choice investment option account keeping administration fee was reduced by 50%. Also, then in the Elements Super, the administration fee was reduced by 31%. In the Asgard Master Trust the fee was reduced by 50%.

**Lisa Croudace:** The next question comes to us from George, what options, if any, are there for investment in agriculture and water? I believe these are two areas that will become critically important in the next few years, as food and water security concerns increase, especially since environmental issues will increasingly impact every economy in the world.

**David Plumb:** On the Board, we consider climate risk as a key financial risk and recognise the long-term benefits of seeking to limit global warming to below two degrees and as well below two degrees as is possible.

There is a number of ways, as we talked about earlier and is also covered in the policy on our website, but the first way we drive for action on climate change is to work with other institutional investors and directly with the companies we invest in, to engage for positive action on climate change.

Secondly, for members of our MySuper Lifestage and other internally managed investment options, some of your superannuation is currently invested - and we expect this trend to continue - in renewable energy and other green assets. A key part of our philosophy is also to provide you with the choice of investing some or all of your super into funds which may prioritise sustainability and ESG outcomes, with a particular tilt to your individual preferences.

You can read about our approach, as I mentioned, in more detail with respect to climate-related disclosures on our website at [Asgard.com.au](http://Asgard.com.au).

**Lisa Croudace:** We have a two-part question here from Albert. Firstly, I would like to know what companies my investment has shares in. Secondly, what happens to franked dividends?

**David Plumb:** This is an investment-related question and is appropriate that Robin Burns, the Chairman of our Board Investment Committee, to address.

**Robin Burns:** The investments that you hold, we would need to have account details on that. I would suggest that it would be appropriate to contact the Customer Relations team to discuss that individually.

In terms of franking credits, franking credits accumulated in our account from dividends are used to offset against any applicable taxes for the financial year. For example, if you are required to pay any capital gains tax or contributions tax, your franking credits are used to reduce the total tax due. If you have more franking credits than tax due, you will receive a tax refund into your account as part of the annual super fund return process, while reflected within the unit price.

But as I said earlier, in response to any individual issues, it is obviously preferable to contact the customer relations team.

**David Plumb:** I just should emphasise that we as Trustee obviously consider the policies to allocate tax across members. The important principle that we apply is to do it equitably.

**Lisa Croudace:** Next question is also a two-part question, and it comes from Danny. Firstly, he asks, is the Asgard monthly management fee straight to the bottom line? If not, what costs or expenses are allocated to this item? Secondly, given the annual expense recovery for legislative government levies and prudential, will there be an additional item for preparations and attendance at the Royal Commission?

**David Plumb:** It is appropriate for Kathy Vincent to answer that question.

**Kathy Vincent:** It's a great question and most importantly, the administration fee is actually paid to our administrator for superannuation accounts and that's Asgard Capital Management Limited. That fee is for the purposes of the administrator providing certain services, and that is the online functionality, ensuring ongoing compliance and providing the call centre administration services.



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I do want to emphasise any expenses that were related to our preparation and the attendance at the Royal Commission were absolutely not passed on as an additional cost to members.

**Lisa Croudace:** Next question comes through from Barry, how is Asgard managing growth strategies in its super funds for the current volatile COVID-19 pandemic economy?

**David Plumb:** that is an excellent question, given the volatility that COVID-19 has brought on all of us. Corrin touched on some of this earlier, but I felt it appropriate to refer to him to talk further about these matters.

**Corrin Collocott:** Perhaps what I will do in order to tackle this question is expand a little bit more on one of the things I talked about earlier, which is how we manage your money. Firstly, I can tell you that there are over 20 investment professionals working directly in my team, whose sole job it is, on a daily basis, to look after the portfolios we manage on your behalf and to be thinking about the risks and the returns that are available out there in the capital markets.

A good portion of that team is focused solely on asset allocation, which I mentioned earlier really is the key determinant of the member outcomes that you all experience, both returns and risk. That team works extensively with our strategic partners, who I will mention briefly now. There are BlackRock, Pandal, Wellington and PIMCO. Three of those organisations each individually manage more than US\$1 trillion worth of their client's money. This gives you an idea of the resources that we have access to.

So, the team is in constant dialogue with people from those organisations and also ongoing dialogue with the Trustees, to think about where to allocate your money, depending on what the environment is like. We spent a lot of time thinking about things as the events of 2020 unfolded and in the most part, came to the conclusion that we would hold on to our positions. Which, when we think about what happened subsequently, turned out to be a valuable decision.

The other part to answering the question is to understand that there are over 40 other individual investment professional fund managers managing the money on your behalf, thinking about things from more of a security specific viewpoint and with a shorter timeframe, perhaps a one-to-five-year timeframe, compared to our asset allocation team that is thinking more of a five-to-10-year timeframe.

These managers are thinking about what companies to invest into, what companies to make loans to, what properties to add to our portfolios and they are talking to those organisations individually on how they are seeing events unfold and how they are being impacted by what develops in the economies. In this way, the portfolios that we hold on your behalf are continuously monitored, managed and dynamic in nature.

Again, also, in discussions with our underlying fund managers, it was the case that most of them also prefer to hold on to their portfolios without making substantial changes through the period.

What did come through though, with the process we went through, it became evident through that there were opportunities in private debt presenting to ourselves. We had prepared for this, given that we believe that the best way to manage through a crisis is to be prepared. We did have some accounts with some managers set up in case there was a crisis, and this was set up over a year ago.

What that meant was that we did accelerate our investments into the private debt space through the crisis and so far, the results have been quite satisfactory. Hopefully that gives some idea of how we manage through pandemics but generally speaking, whatever environment that we face.

**David Plumb:** That answer was really important and it highlights the benefits of the annual member meeting, the opportunity for the Chief Investment Officer to communicate directly to our members about how we manage money for our members.

**Lisa Croudace:** Next question comes to us from Camilla, what is Asgard?

**David Plumb:** Asgard started some 35 years ago and it built a brand, in managing money for people with different investment options including in superannuation. Now, over time, that business changed hands through to St George and then to owning by Westpac and BT.

But from the perspective of the member, what you are in is a fund known as Asgard Independence Plan Number Two, which is the superannuation fund for Asgard. So Asgard is the brand, Asgard Independence Plan Number Two is the



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fund you are in. There is some \$20 billion of assets in that fund and we the Trustee, together with our administrator, take care of that for you.

**Lisa Croudace:** The next question comes through from Jan. Are you able to tell us, please, how many people of the 186,000 members registered for this meeting? Also, please also advise on Asgard's policy on ethical investments now and moving forward. Thank you.

**David Plumb:** In respect of the number of attendees at the meeting, of the 186,000 members, I'll have to take that on notice because we'll publish final figures for the attendance once it's all been registered. This will be up by the end of March 2021 and available on our website.

We mentioned earlier in relation to our sustainable investing framework and how we published that on the website. So I will also refer you to that for the answer.

**Lisa Croudace:** Next question comes from Michael, are fees charged on the cash account?

**David Plumb:** It's a very good question. I'll hand over to Kathy Vincent who runs our Platforms business to talk about the cash account and how it works.

**Kathy Vincent:** That's a great question and firstly, what I would like to say is that the transaction account in our superannuation platform solutions serves a very specific purpose. It is there to actually enable the money flows between your investment activity but also the receipt of contributions and the payment of pensions.

So to that end, it is a cash account with a specific purpose, to enable your investment activity. The returns of all your superannuation therefore is dominantly held in the opportunities that prevail in the investment menu in terms of term deposits and cash funds. So the rate that you receive in your transaction account is appropriate for its transactional functional nature.

**Lisa Croudace:** Next question comes to us from Steven, is the current degrading trade relations with China of concern to the Board and if so, what is being planned or instigated to reduce the impact of an escalation of the situation to members?

**David Plumb:** It's a very good question but it was covered earlier in the speeches today when we talked about, in Corrin's section, about the trade relation.

Hopefully, Corrin's given you a good explanation of that but just to sum up, what I want to say is that we on the Board and through the support of our investment team do monitor all economic developments and the impact on our portfolios.

**Lisa Croudace:** Next question comes through from John, what has been the Asgard Elements Super Account product's annualised rolling return over the last five years and how does this return compare to leading industry funds like Australian Super?

**David Plumb:** The Asgard Elements Account is actually a personal account which reflects your own individual preferences in terms of what investment options you have chosen, including with the support of your advisor.

Unfortunately, therefore, I cannot give you an exact attribution on that. It will be disclosed through your annual statement, but I would also suggest, if it is all right, that you contact our customer relations team or refer to our website for details as to how to make contact with that team.

**Lisa Croudace:** Another question from a different John. How does Asgard justify the payment of ongoing fees to financial advisors in situations when no service was provided for the fee in light of David Plumb's statement today that our focus is on member outcomes at every stage of the journey.

**David Plumb:** Let me tell you that we don't allow ongoing advisor fees to be paid where service is not delivered as a key policy and we have processes in place to monitor that and for the advisor and the customer, directly to advise us to turn the fees off where that service is not provided.

But I might ask Kathy Vincent to talk further about some legislative change in this area and how it will make it easier for us to identify whether an ongoing service is being provided.

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**Kathy Vincent:** I would just say in particular, if you do have concerns, please do contact our customer relations team so we can attend to your particular personal circumstances.

So we have mentioned today how, where our members choose to have an advisor, we do work with their financial advisors and we certainly do, once our members have agreed with their advisor, facilitate the payment of those fees but fundamentally it is based on your agreement with your advisor.

So importantly, we do have particular controls and processes in place to ensure that we actually monitor and assess that those agreements have occurred between yourself and your advisor.

Further, there is regulatory change currently actually to be tabled with parliament this week that from 1 July this year, we will actually ensure that there is new processes within the industry around ongoing and annual assessment. We are working and progressing well towards implementing those solutions for 1 July to ensure that we can have greater focus on this and align to the regulatory requirements.

**David Plumb:** I just wanted to emphasise one point to our members. If at any point you feel that you are having advisor fees being charged to your accounts and it isn't a service being provided, please let us know as quickly as possible to enable that to be addressed.

**Lisa Croudace:** The next question comes from Francoise, how many days on average does Asgard take to buy or sell units in accumulation and pension funds?

**David Plumb:** Transaction processing times are very important to our members, recognising that it is not an immediate transaction to actually invest into the underlying fund managers.

Generally fund managers take between three and five business days to process investment trades. This can take longer, however, for a small subset of funds that are less liquid. The key piece is that our processes aim to deliver that process as quickly as possible to you.

**Lisa Croudace:** George asks, I'm very concerned about rising sovereign debt all around the world and in particular in the US. It seems that the policy of the US Federal Reserve to increase QE is simply kicking the debt can down the road, exacerbating the sovereign debt crisis.

**I am also curious as to why markets and share prices are rising when economic activity has declined so dramatically. Are CEOs artificially boosting share prices through share buyback schemes? How can ordinary individuals protect themselves against a major market crash caused by such market manipulations?**

**David Plumb:** I will ask Corrin to answer this question.

**Corrin Collocott:** There is quite a lot in there and you are asking some very good questions where there are no clear answers, especially when we think about the next five years.

What we can say is, that the record levels of stimulus from central banks and from governments, if we think about the lesson we learned since the crisis of 2008, does tend to stimulate the economic activity. We have seen success more recently. Economic activity levels are improving and so what we're likely to see is that money finding themselves into financial assets.

When we look at valuations, which is the prices paid for equities in particular, our best way of thinking about that is to think about the relativities of those prices relative to government bonds and other assets that are available.

In that respect, when we think about the current environment and the fact that inflation rates are low, we still think that the portfolios that we hold, which are not very far away from the ones that we have held for quite a while, remain appropriate when we think about the real return that we are trying to achieve.

In terms of specific stocks, we leave that to underlying fund managers who have the ability to take positions higher or lower than what you can get in just buying indices of stocks, whether it is locally or in the US.

So, for example, if there is a view from underlying fund managers that CEOs are doing something to artificially boost their prices, we should see that reflected in our active management decisions, again, which will take some time to materialise.



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It's another way of also - allow me to say that when we use active fund managers, it's to take into consideration the kinds of risks that you are raising but success from those decisions can take a number of years to manifest. Typically three to five years.

**Lisa Croudace:** From Chloe, some years after having rolled my superannuation over to an allocated pension, I was receiving amounts being paid into my account.

As a financial planner, I realised this was due to dividends or distributions being paid by fund managers etc. However, as this was up to eight years after having rolled over the fund, I queried where these funds were being held for that period of time. I received no satisfactory answer. In fact, I felt the issue was being avoided.

Why such a delay when we know these amounts are paid annually by the fund managers and audits would or should have been carried out. I'm interested in your explanation.

**David Plumb:** That's obviously a question that relates to your own personal account but I think it's really important that we get to the bottom of this. Our policy obviously is to deal with all matters of dissatisfaction or similar in relation to the operation of your account in accordance with our policies.

Can you please make contact with our customer relations team to provide some further detail and we will make sure that you are given an adequate answer on your specific circumstances. Please, if you are not sure of the contact details, refer to the website, [asgard.com.au](http://asgard.com.au) for how to go about doing this.

Thank you for bringing this to our attention and we'll endeavour to get back to you accordingly with those details.

**Lisa Croudace:** Next question is from John. John would like to see a graph of the total funds under management broken down by life stages and separately managed accounts.

**David Plumb:** I'm assuming you are asking for a breakdown of our AESA product which sits within Asgard. AESA has about \$3.8 billion in it. Of that, approximately \$2.5 billion is MySuper life stage options. About \$900 million is separately managed accounts and approximately \$500 million sits in what is known as the Asgard managed profiles.

What we will do, just to fully address this is obviously publish the answer in full on our website.

**Lisa Croudace:** This is the last question in our allocated time, David, and it comes from Oliver. Melinda described fee changes but how do Asgard fees compare with industry benchmarks? In which decile do they fall?

**Melinda Howes:** My apologies, I didn't explicitly address the decile part of your question earlier. Perhaps the best way to illustrate this is to start by talking about the AESA fees and as I mentioned earlier, there is now a like-for-like comparison put out by the regulator in their heatmap where those fees are ranked compared to other providers.

For those MySuper products, the fee range as I said, the total fees meet APRA's benchmarks and that means basically that we're in the middle of the market in terms of the range of fees available.

Now, that approach that APRA is publishing to really compare on a like-for-like basis, they're planning to extend that across other styles of product and choice products as well over the coming year and we're very supportive of that. If there's further information that you want about your fees and relativities, I suggest that you contact our customer relations area.

**David Plumb:** That concludes the question and answer section of our agenda. I would like to thank all our members who have submitted questions. It has been really insightful to hear what is on your mind.

**ANNUAL MEMBERS MEETING – 25 FEBRUARY 2021  
MINUTES OF ANNUAL MEMBERS MEETING**

**ANNEXURE B - ASGARD INDEPENDENCE PLAN – DIVISION 2  
RESPONSES TO QUESTIONS NOT ADDRESSED AT THE ANNUAL MEMBER MEETING HELD ON  
25 FEBRUARY 2021**

This annexure provides written responses to the questions that were not addressed at the Annual Member Meeting for Asgard Independence Plan – Division 2 held on Thursday 25 February 2021.





## Asgard Independence Plan - Division 2 Annual Members' Meeting

25 February 2021

Additional Questions & Answers

## Asgard Independence Plan – Division 2

### Annual Members' Meeting: 25 February 2021

Member questions were answered during the Annual Members' Meeting on 25 February 2021, either within the speeches or within the Question and Answer session at the end of the meeting.

You can find the answer to your question by watching the recording of the meeting, reading the transcript included in the minutes of the meeting or by reading the below questions and answers which were not addressed during the session.

There were instances where more than one person asked the same question. Where this occurred, we have included the question and answer once only here.

### Questions

1. As an investor, is using an independent financial adviser in our best interests or would dealing direct with Asgard be a better option? We have no complaints about our current financial advisor..... 2
2. Can we please see a graph of total funds under management broken down by Lifestages and SMAF? ..... 3
3. How do you propose to reduce your monthly management fee? How do you propose to increase investment performance? ..... 4
4. Please outline your policy on ethical investments, advise the percentage of your/our investments which are considered to be 'ethical investments' & the names of the ethical investments which you support. .... 5
5. The percentage fee p.a. between the account balances is very substantial. Please explain how you determine this fee schedule in light of some funds which have had historical poor performance? ..... 5
6. What impact has COVID had on investment decisions? ..... 5

1. As an investor, is using an independent financial adviser in our best interests or would dealing directly with Asgard be a better option? We have no complaints about our current financial advisor.

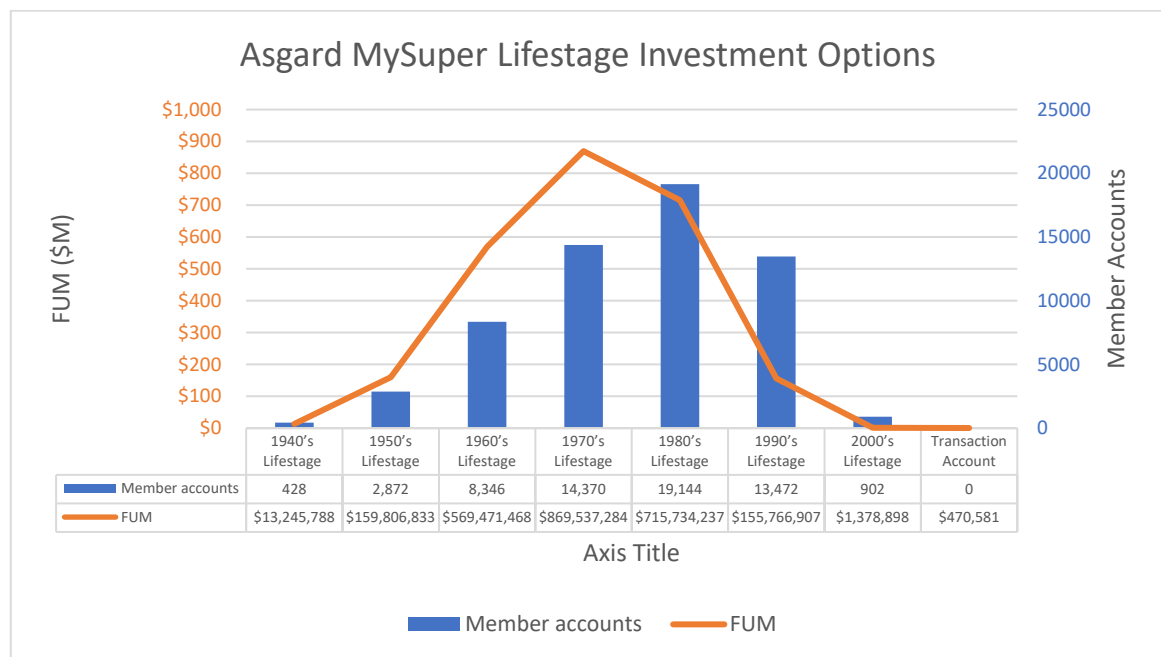
Deciding whether to obtain financial advice is a personal decision. Independent financial advisers offer a range of financial advice options, from 'bite-sized' advice on particular aspects of your financial situation to more holistic advice that looks at your complete financial situation.

Whilst Asgard products are generally accessed with the assistance of a financial adviser, once opened you have the option to keep, replace or remove your adviser at any time. Your account can still operate without a servicing adviser.

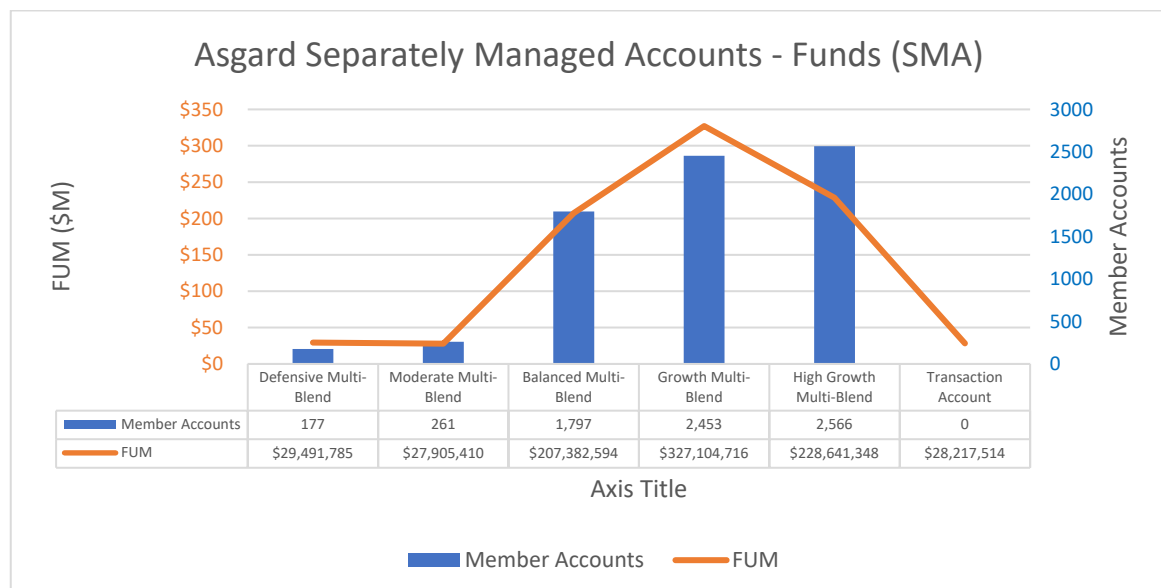


2. Can we please see a graph of total funds under management broken down by Lifestages and SMAF?

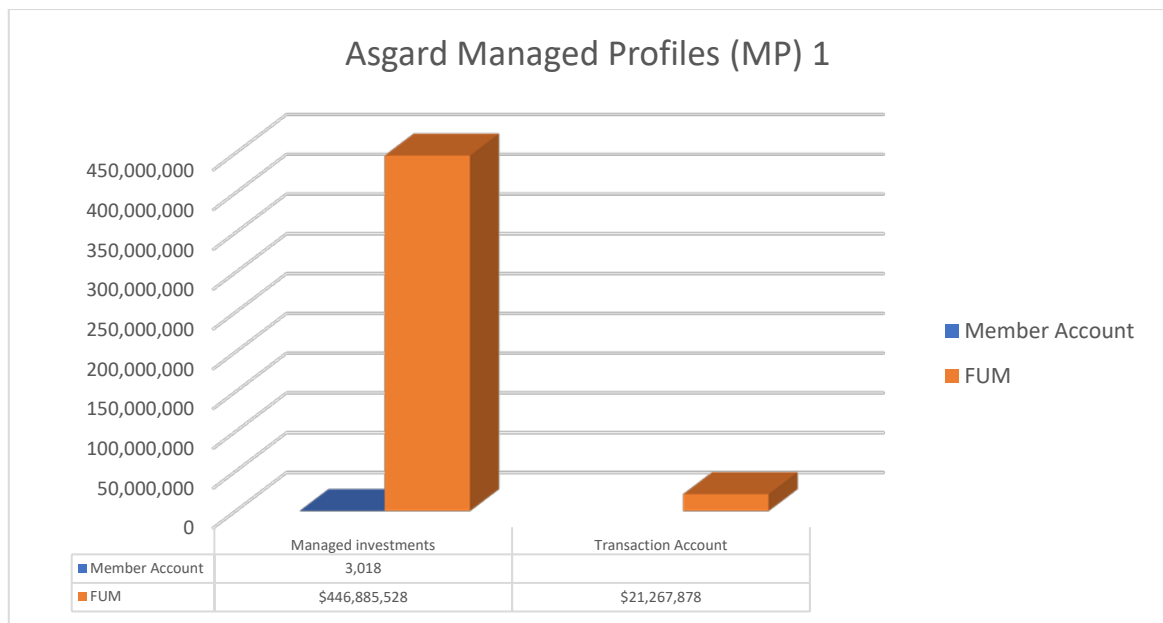
This question was addressed during the Asgard Annual Members' Meeting on 25 February 2021. At the time, David Plumb provided a verbal response regarding Funds Under Management for the Asgard MySuper Lifestage investments, Asgard Separately Managed Accounts and Asgard Managed Profiles. The request to provide graphs of this information was taken on notice and they are provided below.



**Information current as at 30 June 2020**



**Information current as at 30 June 2020**



*Information current as at 30 June 2020*

### 3. How do you propose to reduce your monthly management fee? How do you propose to increase investment performance?

We regularly review the fees that are charged to members to make sure that what we're offering is in their best interests.

The Asgard Employee Super Account administration fees were restructured in October 2020, which resulted in the majority of members paying the same, or lower fees.

In December 2020, we applied further administration fee reductions as follows:

1. A 31% reduction for members in Asgard Elements
2. A 50% reduction for members in Asgard Master Trust
3. A 50% reduction in the Choice investment option account keeping administration fee for the Asgard Employee Super Account

We are looking to bring the pricing for some of our Asgard eWRAP, Asgard Elements and Asgard Master Trust members closer into alignment with the Asgard Open pricing. Further changes in fees are expected in late 2021 for members of these products who, based on account balances as at particular point in time, may benefit from moving to the Asgard Open pricing model.

There are over 20 investment professionals working directly in the investment team on our MySuper options, whose role it is to look after the portfolios we manage on your behalf and to be thinking about the risks and the returns that are available in the capital markets.

A good portion of that team is focused solely on asset allocation.

There are also over 40 other individual investment professional fund managers managing the money on our members' behalf. These managers are thinking about what companies to invest into, what companies to make loans to, what properties to add to our portfolios and they are talking to those organisations individually on how they're seeing events unfold and how they're being impacted by what develops in the economies. In this way, the portfolios that we hold on your behalf are continuously monitored, managed and dynamic in nature.



4. Please outline your policy on ethical investments, advise the percentage of your/our investments which are considered to be 'ethical investments' & the names of the ethical investments which you support.

We believe that a sustainable approach to investment is fundamental to providing long-term value for our members.

Our Sustainability Framework outlines our approach considering Environmental, Social and Governance (ESG) factors in our investments and across our business. This outlines our sustainability principles which include a commitment to providing solutions to all members and investors to make informed choice, in relation to the ESG impact of their investments.

We think about sustainable investment in two ways:

- Investments that integrate sustainability, consider sustainability in the investment process, through a combination of ESG integration, Asset Stewardship and/or Exclusions (negative screening); and
- Investments that prioritise sustainability, prioritise sustainability outcomes as part of the investment process. For example, investments that target companies with higher sustainability scores, or that meet specific environmental or social goals. The investment approach of these types of funds vary however they may include a focus on an asset's sustainability criteria, as well as its ability to deliver financial returns.

For funds we manage internally, including our MySuper Lifestage options, we integrate sustainability in the investment process. You can read more detail about this approach in the [Sustainable Investment Policy](#) for internally developed and managed investment options.

Within Asgard, members have the choice of socially responsible, ethical or sustainable investments. These are the investment options that prioritise sustainability outcomes and include ethical based investments.

You can find these options under 'Socially Responsible Investments' in the following documents:

- [Asgard Elements Investment Options booklet](#)
- [Asgard Employee Super Account Investment Options booklet](#)
- [Asgard Infinity eWrap \(Super/Pension\) Investment Options booklet](#)
- [Asgard eWrap \(Super/Pension\) Investment Options booklet](#)
- [Asgard Managed Profiles and Separately Managed Accounts Investment Options Booklet](#)

5. The percentage fee p.a. between the account balances is very substantial. Please explain how you determine this fee schedule in light of some funds which have had historical poor performance?

We regularly review the fees that are charged to members to make sure that what we're offering is in their best interests.

The Asgard Employee Super Account administration fees were restructured in October 2020, which resulted in the majority of members paying the same, or lower fees.

In December 2020, we applied further administration fee reductions as follows:

1. A 31% reduction for members in Asgard Elements
2. A 50% reduction for members in Asgard Master Trust
3. A 50% reduction in the Choice investment option account keeping administration fee for the Asgard Employee Super Account

We are looking to bring the pricing for some of our Asgard eWRAP, Asgard Elements and Asgard Master Trust members closer into alignment with the Asgard Open pricing. Further changes in fees are expected in late 2021 for members of these products who, based on account balances as at particular point in time, may benefit from moving to the Asgard Open pricing model.

For information regarding the fees and costs for the product you are invested in, please refer to the relevant Product Disclosure Statement on [our website](#).

## 6. What impact has COVID had on investment decisions?

There are over 20 investment professionals working directly in the investment team on our MySuper options, whose role it is to look after the portfolios we manage on your behalf and to be thinking about the risks and the returns that are available in the capital markets.

A good portion of that team is focused solely on asset allocation.

There are also over 40 other individual investment professional fund managers managing the money on our members' behalf. These managers are thinking about what companies to invest into, what companies to make loans to, what properties to add to our portfolios and they are talking to those organisations individually on how they're seeing events unfold and how they're being impacted by what develops in the economies. In this way, the portfolios that we hold on your behalf are continuously monitored, managed and dynamic in nature.

In term of the direct implications of COVID-19, it is equally important to note that:

- We build portfolios to withstand unexpected or unpredictable events such as COVID – 19. We base this off long-term and persistent attributes of the market and ensuring that the portfolio is appropriately diversified.
- Our underlying investment managers adjust their portfolios to reflect changed economic circumstances and how this may impact on their outlook for the companies and other securities they have in their portfolios. We rely on the skill of a number of managers in assessing and executing investment decisions based on this outlook. Part of our selection process for these managers is the robustness of their approach and the conviction we have in their ability to navigate changing market conditions.

## Important information

This information is prepared by BT Funds Management Limited ABN 63 002 916 458 AFSL 2333724 RSE L0001090 (BTFM) the trustee of the superannuation fund Asgard Independence Plan - Division 2 ABN 90 194 410 365 RSE R1055580.

This information is current at 25 February 2021 and is subject to change. It does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness, having regard to your personal objectives, financial situation and needs before acting on it. You should obtain the relevant Product Disclosure Statement (PDS) by visiting [asgard.com.au](#) before deciding whether to acquire, continue to hold or dispose of interests in the fund. Past performance is not a reliable indication of future performance. All examples are illustrative only. Your investment performance will depend on the investment options you have selected and the time over which they are invested.

BTFM is a member of the Westpac Banking Corporation ABN 33 007 457 141 (Westpac) group of companies. An investment in the fund is not an investment in, deposit with or any other liability of Westpac, any division of Westpac or any other company in the Westpac Group. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of the fund or the fund's related assets.