

Annual Members' Meeting Minutes & Q&A - Your Questions Answered

Annual Members' Meeting FY 2022-23

Minutes of Meeting

The minutes of the meeting comprise a summary of key aspects of the presentations, questions asked, and answers provided

Meeting Details	
Date	Tuesday, 13 February 2024
Time	2:00-2:25pm Australian Eastern Daylight Savings Time
Location	Online via Microsoft Teams livestream
Presenters	Maggie Chan, MC Tony Hodges, Chair Justin Hoare, Chief Executive Officer Thadeus McCrindle, Chief Investment Officer

The meeting commenced at 2:00 Australian Eastern Daylight Savings Time	
Agenda Item	Presenter
Introduction by MC <ul style="list-style-type: none"> Ms Chan welcomed the audience to the Bendigo Superannuation Annual Members' Meeting and introduced herself as MC for the evening. Ms Chan completed an Acknowledgement of Country respectfully encompassing the many lands on which all members were meeting on this evening. She also wished everyone celebrating the Lunar New Year a happy, prosperous and healthy dragon year. Ms Chan outlined the agenda for the evening and introduced the speakers for the evening. Ms Chan noted that our fund's external auditor Ernst & Young was in attendance and represented by partner Hayley Watson. Ms Chan addressed the Q&A process that will be discussed later in the meeting. Ms Chan then welcomed Mr Tony Hodges, Chairman of Bendigo Superannuation, to welcome the audience on behalf of the Board. 	Maggie Chan

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<p>Welcome address</p> <ul style="list-style-type: none">• Mr Hodges thanked everyone for joining the meeting.• Mr Hodges addressed Bendigo Bank's decision to sign an agreement to sell Bendigo Superannuation to Betashares Australia Holding Pty Ltd.• Mr Hodges confirmed that the agreement to sell Bendigo Super is subject to certain conditions and regulatory approval.• Mr Hodges explained that the Board will continue to be the custodians of the superfund and expect the sale of Bendigo Super to be completed in mid-2024. <p>The 2022/23 Financial Year</p> <ul style="list-style-type: none">• Mr Hodges then provided a summary of the 2022/23 financial year noting that SuperRatings continues to rate Bendigo SmartStart Super as one of Australia's lowest fee funds, Bendigo SmartStart continues to offer flexible life insurance options and investment choice remains available through the range of investment options offered.• Mr Hodges handed over to CEO Justin Hoare to provide an update on the financial position of the fund.	<p>Tony Hodges</p>
<p>Welcome address</p> <ul style="list-style-type: none">• Mr Hoare thanked the audience for joining and taking an interest in their super and retirement savings.• Mr Hoare acknowledged the challenging 12 months where super funds face increasing competition, turbulent investment markets and changing member expectations.• Mr Hoare explained that the funds priority continues to be on safeguarding members financial interests and achieving ongoing sustainable growth. <p>Financial position of the fund</p> <ul style="list-style-type: none">• Mr Hoare provided a fund update from the end of the financial year. These include nearly 2,000 new members and overall, over \$1.45 billion in funds under administration. He also noted more than 1,800 members had voluntarily contributed to their super, and releasing payments to over 2,400 in retirement phase, along with everything that goes in between. <p>Superannuation Industry Changes</p> <ul style="list-style-type: none">• Mr Hoare then explained that the superannuation industry itself experience change which has been driven by the Federal Government. Specifically, from 1 July 2023 the superannuation guarantee contributions maintain their scheduled upward trend, moving from 10.5% to 11%. In addition, minimum annual payment have reverted back to previous percentage-based factors which was a result of the temporary 50% reduction as a result of the COVID pandemic. <p>Performance Test</p> <ul style="list-style-type: none">• Mr Hoare discussed that two investment options did not pass the Annual Superannuation Performance Test. Where this year was the first time the performance test expanded to include all assessable options where the Trustee or an associated entity decides the investment strategy.	<p>Justin Hoare</p>

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<ul style="list-style-type: none">• Mr Hoare explained that there were several factors contributing to the Bendigo Growth Wholesale Fund and the Bendigo High Growth Wholesale Fund not passing.• Mr Hoare advise that members have access to the frequently asked questions to assist members in understanding more about the performance test and the results are available on the website.• Mr Hoare then handed over to CIO Thadeus McCrindle to provide an investment update on the fund.	
<p>Investment update</p> <ul style="list-style-type: none">• Mr McCrindle explained interest rates have materially risen through 2022 and 2023. He further detailed that Reserve Bank of Australia's cash rate is at the highest it has been in 12 years with inflation starting to fall but it would be some time before interest rates fall.• He further explained the Australian economy was growing at 2.1% per annum which has led to stronger returns for growth assets.• Mr McCrindle discussed the financial markets response to economic growth with shares performing well. Large US technology stocks lead the way with Artificial Intelligence seen as a source of growth in earnings into the future. Closer to home the ASX200 rose 12.5% during 2023, and over the same period the Bendigo Growth Index Fund, our most popular investment option, generated returns of 10.7%.• He then went on to detail that his team have positioned portfolios rather neutrally and close to the strategic asset allocations, with notable exceptions to an overweight to Japanese shares and to inflation linked bonds with a corresponding underweight to government bonds.• Mr McCrindle acknowledged due to the defensive position held through much of 2022/23 financial year, it resulted in lower returns than some of the broad benchmarks. <p>What we're doing to improve</p> <ul style="list-style-type: none">• Mr McCrindle then discussed the changes that had been made to active managers in the overseas equities' asset class within all Wholesale funds. He went on to further discuss the continual review active manager performance, aiming to add new active managers and eliminate those who consistently underperform.• He then explained that new alternative strategies and new credit strategies have been added within all Wholesale funds.• Mr McCrindle then explained that his team will continue to monitor the investment mix adjustments as measures against the performance test benchmarks to the two investment options that did not pass the performance test.• He then detailed that in September 2023 the team reviewed and adjusted the Strategic Asset Allocations to incorporate the higher interest rates and changes in market volatility. Mr McCrindle believes these changes will assist in us delivering to the investment objectives and improved results against benchmarks.	<p>Thad McCrindle</p>

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<p>Our Investment Approach</p> <ul style="list-style-type: none">• Mr McCrindle notes that they are on track to meeting the long-term investment return objectives for most of our Bendigo Super investment options.• He describes that the best time to underperform is when there are robust total returns for most markets. And if inflation continues to fall, they will find it easier to beat the long-term investment return objectives.• Mr McCrindle says that the team continues to actively monitors and responds to current market conditions and plan to change its positioning with the objective of adding to returns and reducing risks through continually testing the approach as market and the economy changes.• He then handed back to Justin Hoare.	
<p>Strategic update</p> <ul style="list-style-type: none">• Mr Hoare confirmed Bendigo Bank's decision to sell Bendigo Super to Betashares and acknowledges that as valued Bank customers, the news may have been unexpected.• He advised that members could rest assured that their super savings will continue to be managed by experienced professionals.• Mr Hoare explained that Betashares is an award-winning Australian fund manager established in 2009, with a focus on exchange traded funds or ETFs. He then said that over 13 years, Betashares has grown to serve over one million investors and their advisers, and currently manages over \$35 billion of assets across a broad range of ETFs in Australia• Mr Hoare confirmed Betashares commitment to bring their ethos of diversification, cost effectiveness, investor education and engagement to deliver enhanced retirement outcomes and best serve members into the future.• Mr Hoare clarified that members could expect minimal disruption as a result of the sale to Betashares as a number of our existing Bendigo Super staff are expected to transfer to Betashares, to help ensure continuity of service the members.• He explained that he understood that change can be a cause of concern, due to the uncertain future it brings but Bendigo Super is committed to acting in members best interest right through the process and will communicate with the members regularly as the sale progresses.• Mr Hoare encouraged members to visit the Betashares' website at betashares.com.au. <p>Helping you achieve financial independence</p> <ul style="list-style-type: none">• Mr Hoare confirmed it is very much business as usual for the staff and the fund. He acknowledged that while members' super is a long-term investment, making sure members get the most out of their savings is crucial at any age.• Mr Hoare provided members information about the Education Hub and explained that it is designed to help members build their knowledge, with a diverse range of articles, videos and tools available.	<p>Justin Hoare</p>

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<ul style="list-style-type: none">• Mr Hoare also provided a number of ways members could access information about their super funds.• Mr Hoare then handed back to Ms Chan for the Q&A session.	
<p>Q&A session</p> <ul style="list-style-type: none">• Ms Chan introduced the Q&A session, explaining the first questions to be answered were those pre-submitted. Then, live questions would be answered where possible.• She advised written responses to all questions would be available on the website by 13 March 2023. <p>First Question Can you please explain why I should trust Bendigo super and the hedge fund managers they contract out to, when I cannot even find out who these hedge fund managers are?</p> <p>Answered by Thadeus McCrindle We continue to work hard to ensure we deliver strong outcomes for all members. We have broad and comprehensive processes to ensure the delivery of our services to members, and we hope this meets your expectations. With regard to the underlying managers there is information available on our website. The portfolio holdings are published twice per year and note the names of all of our underlying managers. Currently we do not have exposure to any hedge funds although there are exposures to some unlisted agriculture, water rights and credit opportunity funds that would be considered “alternatives” strategies.</p> <p>Second Question How will the sale of Bendigo super impact the integration into the Bendigo bank app? Will I need to use a separate app?</p> <p>Answered by Justin Hoare Bendigo Bank is working with Betashares to determine the impact on the Bank’s e-banking app once the sale is finalised. We don’t have any updates currently, however we’ll make sure you are informed if there are going to be changes to the way you view your super balance. Our aim is to enhance the experience of our members going forward and we’ll be looking to ensure that you have the right access at the right place.</p> <p>Third Question When the Beta transfer actually is planned to occur, will a free transfer to another investment plan be made available prior (e.g.: same portfolio only change from growth to balanced)?</p> <p>Answered by Justin Hoare Members will still be able to switch Bendigo Super investment portfolio at any time and there is no cost to do so. Members are able to switch by logging onto the secure online portal or by completing a switching form and sending it back to our Client Services Team for processing.</p>	<p>Maggie Chan, Thad McCrindle, Justin Hoare</p>

Bendigo Superannuation

<p>Fourth Question Does the investment management team invest in trading programs that are using artificial intelligence to make trades?</p> <p>Answered by Thadeus McCrindle We employ a large number of different investment strategies in our suite of investment options including some that use alternative assets and active trading strategies. While this is not the right forum to discuss specific potential investments, I can assure you we regularly review our investment strategy and have processes in place to consider these.</p>	
<p>Q&A session – LIVE submission</p> <p>Fifth Question Will you consider providing Non-Lapsing Binding Nominations as a choice to members? If not, why not?</p> <p>Answered by Justin Hoare At this stage we are not considering this option. As people's lives continually change, we think it is important that the nominations people make about such an important asset are reviewed and confirmed on a regular basis. This ensures that a nomination takes into account a members' current personal situation.</p>	<p>Maggie Chan, Justin Hoare</p>
<p>Q&A session</p> <p>Our written responses to all the questions asked before and during the meeting will be provided – Please refer to full Q&A document available on bendigobank.com.au/bendigoperamm</p>	<p>Maggie Chan</p>
<p>Thank you and close</p> <ul style="list-style-type: none">• Maggie thanked the audience for joining this year's meeting before the event concluded.	<p>Maggie Chan</p>
<p>The meeting concluded at 2:25pm Australian Eastern Daylight Savings Time.</p>	

The presentation relates to financial year ending 30 June 2023. Investment returns are not guaranteed and past performance is not a reliable indicator of future returns. The presentation and the minutes may include general financial advice. It doesn't take into account your personal objectives, financial situation and needs. Please consider your situation and read the relevant PDS available from bendigobank.com.au before making an investment decision. To see target market determinations please refer to bendigobank.com.au/TMD.

Annual Members' Meeting FY 2022-23

Q&A – Your questions answered

Outlined below are our responses to all the questions asked by members either before or during the Annual Members' Meeting held on Tuesday 13 February 2024.

- 1. Can you please explain why I should trust Bendigo super and the hedge fund managers they contract out to, when I cannot even find out who these hedge fund managers are?**

We continue to work hard to ensure we deliver strong outcomes for all members. We have broad and comprehensive processes to ensure the delivery of our services to members, and we hope this meets your expectations. With regard to the underlying managers there is information available on our website. The portfolio holdings are published twice per year and note the names of all of our underlying managers. Currently we do not have exposure to any hedge funds although there are exposures to some unlisted agriculture, water rights and credit opportunity funds that would be considered “alternatives” strategies.

- 2. How will the sale of Bendigo super impact the integration into the Bendigo bank app? Will I need to use a separate app?**

Bendigo Bank is currently working with Betashares to determine the impact on the Bank's e-banking app once the sale is finalised. We'll make sure you are informed if there are going to be changes to the way you view your super balance. Our aim is to enhance the experience of our members going forward and we'll be looking to ensure that you have the right access at the right place.

- 3. When the Beta transfer actually is planned to occur, will a free transfer to another investment plan be made available prior (e.g. same portfolio only change from growth to balanced)?**

You can change your Bendigo Super investment portfolio at any time, we do not charge any fees to switch between investment options on our menu. You can do this either online via your secure online account, or by completing the Switching Instruction Form available on our website.

4. Does the investment management team invest in trading programs that are using artificial intelligence to make trades?

We employ a large number of different investment strategies in our suite of investment options including some that use alternative assets and active trading strategies. While this is not the right forum to discuss specific potential investments, I can assure you we regularly review our investment strategy and have processes in place to consider these.

5. Will you consider providing Non-Lapsing Binding Nominations as a choice to members? If not, why not?

At this stage we are not considering this option. As people's lives continually change, we think it is important that the nominations people make about such an important asset are reviewed and confirmed on a regular basis. This ensures that a nomination takes into account a members' current personal situation.

Investment returns are not guaranteed and past performance is not a reliable indicator of future returns. Information may include general financial advice. It doesn't take into account your personal objectives, financial situation and needs. Please consider your situation and read the relevant PDS available from bendigobank.com.au before making an investment decision. To see target market determinations please refer to bendigobank.com.au/TMD.