

**ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024  
MINUTES OF ANNUAL MEMBERS MEETING**

**ASGARD INDEPENDENCE PLAN – DIVISION 2**

<b>Location:</b>	Virtually via <a href="https://www.bt.com.au/personal/superannuation/support/annual-members-meeting.html">https://www.bt.com.au/personal/superannuation/support/annual-members-meeting.html</a> & <a href="https://www.bt.com.au/asgard/annual-members-meeting.html">https://www.bt.com.au/asgard/annual-members-meeting.html</a>	
<b>Date:</b>	Friday, 2 February 2024	
<b>Time:</b>	12:00 pm	
<b>Directors</b>	Gai McGrath Anne Anderson Robin Burns* Doug Carmichael* Michael Cottier*	Chair & Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director & Chair of the Board Investment Committee Independent Non-Executive Director & Chair of the Board Risk Committee Independent Non-Executive Director & Chair of the Board Audit Committee
<b>Executive Officers</b>	Matthew Rady Alexandra Richardson* Darren Ross* Kathryn Cosentino Lucy Masters* Sharyn Baker* Anthony Miller* Israel Santos* Luci Ellis	Chief Executive Officer, BT Auditor, PwC Partner Auditor, PwC Partner Acting Chief Product Officer Chief Risk Officer, BT Head of Service and Operations, BT Chief Executive, Business & Wealth Chief Financial Officer, Consumer and Business Divisions Westpac Group Chief Economist
<b>Apologies</b>	Nadine Wilmot	Head of the Office of the Trustee, BT
<b>Members</b>	249 members participating online via <a href="https://www.bt.com.au/personal/superannuation/support/annual-members-meeting.html">https://www.bt.com.au/personal/superannuation/support/annual-members-meeting.html</a> & <a href="https://www.bt.com.au/asgard/annual-members-meeting.html">https://www.bt.com.au/asgard/annual-members-meeting.html</a>	

\*via teleconference

**AGENDA ITEM 1: INTRODUCTION**

Matthew Rady, Chief Executive Officer, was the host of the Annual Members Meeting (**AMM**) for the Asgard Independence Plan – Division 2 (**Fund**).

The meeting commenced with Mr Rady welcoming all attendees present at the meeting, acknowledging the traditional owners of the land on which the meeting was held and introducing the speakers and the guests.

Mr Rady provided a brief overview of the structure of the meeting, and outlined the procedures on how members could participate in the meeting. Mr Rady also reminded members that nothing said in the meeting should be considered financial advice and importantly noted that any questions relating to specific individual customer circumstances would not be answered at the meeting and should be referred to a financial adviser, if the member has one, or to the Customer Relations Team.

Mr Rady also noted that the Trustee, BT Funds Management Limited, does not provide members with recommended investment selections or investment portfolio guidance, and the importance of members' understanding the risks and objectives of the different investment options in their super portfolio, particularly if they do not have a financial adviser. Mr Rady added that a list of advisers is available on the ASIC MoneySmart website.

Mr Rady then introduced the Chair of the Trustee Board, Gai McGrath who addressed the members.

**AGENDA ITEM 2: CHAIR ADDRESS BY GAI MCGRATH**

The Chair thanked Mr Rady and welcomed the Asgard members attending.

The Chair outlined the matters that would be covered in her address and then introduced the Board members of the Trustee.

The Chair spoke to the following matters in her address:

- the role of the Trustee Board and its obligations to act in members' best financial interests.

## ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024 MINUTES OF ANNUAL MEMBERS MEETING

- the transfer of over 450,000 members holding BT retail and corporate super products, and the assets held on their behalf, to Mercer, and the consolidation of the remaining BT super members and their assets into a single super fund – the Asgard Independence Plan Division 2 Fund to simplify the operational structure and processes, and to deliver improved outcomes to members over time.
- the upcoming Successor Fund Transfer to Mercer Super, for those members who have Insurance only products with BT.
- the updated Fund's investment strategy, which means members have the ability to create a diversified investment portfolio, meeting their specific investment objectives and risk appetite.
- the Retirement Income Strategy, developed to help members with retirement planning. This includes the BT Retirement Hub - which has a range of easy-to-read articles, calculators and tools to help you maximise your retirement income.
- the continued support provided to members through 2023, including:
  - \$196 million paid in insurance claims; and
  - the reliability and security of the platforms, as well as enhancements to the features offered.

Mr Rady then introduced Dr. Luci Ellis, the Westpac Group Chief Economist, to provide her economic update to members.

### AGENDA ITEM 3: ADDRESS BY DR. LUCI ELLIS, WESTPAC GROUP CHIEF ECONOMIST

Dr Ellis provided an economic update and focussed on the following matters in her remarks to members, whilst noting that she is unable to provide advice and that members should speak to their financial advisors, if they have one, regarding investment perspectives:

- **Global economic resilience:** The resilience of the global economy after the pandemic and interest rate hikes, with most major economies growing solidly and achieving a soft landing.
- **Australian inflation decline:** Australian inflation peaking at the end of 2023 and coming down faster than expected, as supply chains have healed, COVID disruptions have eased, and policy has dampened demand.
- **Interest rate outlook:** Westpac expecting that the Reserve Bank will start cutting interest rates from September 2024, noting that they won't do so abruptly, but will be in a position to reduce rates steadily to likely around 3%. Which would be a more normal or average rate of the cash rate.
- **Unemployment and employment trends:** Unemployment rising slightly from the record low of 3.5% to 3.9% in December 2023, and is expected to increase further to the mid 4% range as the economy slows. However, the employment to population ratio is still at a historically high level, reflecting the strong recovery from the pandemic.
- **Housing price movements:** Housing prices rebounding strongly in 2023, driven by a surge in population growth as the borders reopened. However, prices have started to level off or decline in some markets, as the impact of higher interest rates and lower real incomes takes hold.
- **Equity market performance:** Equity markets rising sharply in the last few months, as investors have become more optimistic about the growth outlook, the interest rate cuts and the absence of a recession in the US. The US market has outperformed other markets, partly due to the performance of tech stocks.

Dr Ellis handed back to Mr Rady for his business update.

### AGENDA ITEM 4: ADDRESS BY MATTHEW RADY, CHIEF EXECUTIVE OFFICER

Mr Rady provided the Business update and focussed on the following matters in his remarks to members:

- **BT's ownership and simplification:** In June 2023, Westpac announced an update on the sale process of BT— its platforms business including BT Panorama and Asgard super products, concluding the process and making the decision to retain BT.
- **Simplification:** BT streamlining its products and platforms by transferring all BT members to a single superannuation fund. Asgard members with a financial adviser can now easily transfer their investments to the BT Panorama platform without the need to sell them – no capital gains or losses, without transaction costs or time out of the market.

**ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024  
MINUTES OF ANNUAL MEMBERS MEETING**

- **BT's customer service and investment choice:** BT:
  - offering a range of digital self-service features, such as service tracker, online forms, and virtual assistant Blue;
  - providing a wide variety of investment options, including sustainable and ESG funds; and
  - winning awards for its mobile platform and customer relations.
- **BT's Benefits Now program:** BT relaunching the BT Benefits Now program last year, which offers discounts and offers on everyday items from some of Australia's well-known retailers. BT Benefits Now can be accessed by logging into the account.
- **BT's security:** BT continuing to introduce initiatives to enhance the security of its platform, such as two-factor authentication and hoax reporting.
- **Regulatory reform:** BT supporting the government's proposed reforms to increase the availability and affordability of quality financial advice.

This concluded Mr Rady's business update.

Mr Rady then commenced the live question and answer portion of the meeting.

**AGENDA ITEM 5: MEMBERS QUESTION AND ANSWER DISCUSSION**

Mr Rady opened the question-and-answer portion of the agenda. Mr Rady noted that the Chair Gai McGrath, Luci Ellis, Kathryn Cosentino, Acting Chief Product Officer for BT and Mr Rady were all available to respond to questions.

Mr Rady commenced with 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.

**AGENDA ITEM 6: MEETING CLOSE**

Mr Rady thanked the members for participating in the meeting and noted that members would receive a follow up email seeking feedback on the event.

Mr Rady further noted that a recording of the meeting, the meeting minutes, and all the questions and answers will be available on the Fund's website at the end of the month.

The meeting closed at 12:55pm.

  
Chair

28 February 2024  
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Date

ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024  
MINUTES OF ANNUAL MEMBERS MEETING

ANNEXURE A – QUESTION AND ANSWER TRANSCRIPT

**Matthew Rady:** Our first question is about investments. Roderick, a member, asks, "When are we going to get a real return on our money?" I'll hand that question to Kathryn.

**Kathryn Cosentino:** Thanks, Roderick, for your question. We understand you are asking about the returns on your account in comparison to inflation. Real returns are defined as what is earned after inflation amongst other factors. As Luci mentioned in her economic update earlier, inflation is coming down and expected to come down further, which may help in achieving real returns.

Now, both our Panorama and Asgard platforms are designed to provide investment choice and flexibility. This means that the Trustee makes a wide range of investment options available across asset classes and risk characteristics to enable each member to construct an investment portfolio based on their own needs and preferences. As a result, returns are unique to you, each member, and your account, based on the investments you have selected.

Importantly, the majority of the investments available on the investment menu are externally managed. This means a Fund Manager, external to BT, makes the portfolio and asset allocation decisions for options on the investment menu. You can view your portfolio selection and returns at any time by signing into your account online. If you have any questions relating to performance, we suggest you contact your financial advisor in first instance, or you can contact the external Fund Manager. The Fund Manager contact information can be found in the Fund Product Disclosure Statement available when you sign in online or contact us and we'll make that information available for you.

**Matthew Rady:** Thanks very much, Kathryn. The next question is also about investments. It comes from a member, Caroline. Caroline says, "I'd like to hear from BT how safe our super is given the volatility of world events and effects on financial markets. What will happen to our super if there's a crash?" I might turn to you, Chair, and provide your comments on that.

**Gai McGrath:** Thanks for the question, Caroline. It's a really important area to focus on and to really understand the nature of superannuation. It is a long-term savings vehicle. For many people, they will be saving for their retirement for decades. Because it's such a long-term vehicle for saving, there will be lots of world events that will occur that will impact financial markets during that period. What we recommend is that you really think about diversifying your portfolio because diversification can really help when there is volatility in different asset classes.

It is also important to think about where there are extremes, particularly if you're weighted towards one particular asset class. For example, an event occurs that impacts equity markets, if you don't have diversification in other asset classes, it's going to be very difficult for you to get through that. But you should also make sure that you think in a very considered way when events occur. When people panic when there's a market event, it's often those people who lose out. The people who are patient and considered in their decision-making are often better placed to come out the other side.

Your advisor is always going to be the best person to speak to, to really understand how to set your portfolio up to deal with extreme events that might occur in markets. If you don't have an advisor, we have let you know that you can go onto the MoneySmart website and look for an advisor, in order to help you make those good long-term decisions.

**Matthew Rady:** Thanks very much, Gai. The next question is a question about how we choose investments. Ross has asked, "What are the criteria for deciding which investments are offered on a platform and why are some subsequently removed?" A similar question, which came in from Stuart, which was, "What is the process for adding new managed funds and exchange-traded funds to my super, and is there an opportunity to request new investments to be added?" Kathryn?

**Kathryn Cosentino:** Thanks, Ross and Stuart, for your questions. As both Gai and Matt mentioned earlier, the Trustee uses its investment governance framework to select investment options to be added to the investment menu for members to choose from. In doing this, there are a number of due diligence requirements and investment selection criteria to review those investment options. These include many things, such as investment management capability as well as liquidity and cash flow management.

Similarly, the Trustee regularly monitors investment options on the menu. Options are removed if they no longer meet these criteria. This may occur if the Trustee's ongoing monitoring identifies material changes with options. Some of these may include things like a Fund Manager change or an investment management change. As a result, some options can be subsequently removed.

Stuart, to your second part of the question, if there's an opportunity to request for new investments to be added, we don't take requests directly from members. However, advisors can contact us if there is an investment option they wish to invest their clients into, that's not currently on the menu. Options to be added to the menu generally come from a market

**ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024**  
**MINUTES OF ANNUAL MEMBERS MEETING**

assessment or advisor demand and are then assessed against the due diligence requirements that we just spoke about. To request a particular option to be added to the investment menu, please speak to your advisor in the first instance.

Similarly, if you'd like to change your investment option, you can do so online. If you have a Panorama account, you can go to the sell or buy an investment page. For Asgard, contact us, and we'll help you through that. But as always, please speak to your Financial Advisor in first instance, especially when making investment decisions.

**Matthew Rady:** Thanks very much, Kathryn. **Now, the next question is an interesting one. I think it's probably for you Luci. Sam has asked, "What are the key economic risks expected to influence global markets in 2024?"**

**Luci Ellis:** It's a fantastic question, Sam. Thank you for asking it. Obviously, a range of different risks and uncertainties always permeate the outlook. But I think there are two big ones that we are thinking about in the economics profession at the moment - the first one is the interest rate outlook. We're at a point where central banks have really only just finished raising rates. They're now starting to think about, or at least think about thinking about, when they're going to start lowering rates. Already, there's a lot of discussions, as I mentioned, in places like the U.S. and the U.K. about when they're going to start lowering rates. As markets anticipate this, the turning point is always a little bit uncertain. The timings really matter. People shifting beliefs about when that's going to start could cause quite a lot of market movement in the short run.

That's the short-run current uncertainty that a lot of people are focused on. The second uncertainty that's always the case but really is coming to the fore at the moment is the geopolitical uncertainties that we see. I mean, we've just been through a pandemic and the government policy responses. Then, we saw Russia invade Ukraine. Now, we have multiple conflicts going on in the Middle East as well as concerns about what might be happening, for example, in the South China Sea. There are always geopolitical uncertainties. That means that different asset classes can be affected: energy prices, oil prices, the policy responses by Central Banks and governments. All of those things do create some uncertainty and potentially quite discreet and abrupt changes in people's expectations. That's something that's very hard to forecast, but it's something everyone is very alert to. Thanks for the question, Sam.

**Matthew Rady:** Thanks very much, Luci. Really interesting. **We've had a couple of live questions come through while we're on air. I think the first one of these might be for you as well. Mervin has asked, "Is there a direct connection between the aging population and unemployment, Luci?"**

**Luci Ellis:** Thanks, Mervin. That's a fantastic question. Of course, demographics is one of those big multi-decade trends that we all have to think about when we think about the forces impacting the economy. There's no direct impact between aging and unemployment. The rate of unemployment really depends on the supply of labour and the strength of the economy. We saw that in my presentation earlier, that, actually, because there'd been strong demand and quite tight supply, unemployment had come down. There's no particular reason for aging to change that.

What the aging of the population could change, though, is what we call the participation rate. That's the share of the working age population who either has a job or is actively looking for one, the latter count as unemployed. The employed plus the unemployed equals participation. Most people thought that if more and more of the 15 and over aged population is 65 and over, that means more people are retired, fewer people would be participating in the labour market, and the participation rate would go down.

That was what people thought would happen. But in fact, something really interesting happened, because the reason the population is aging is more people are having longer, healthier lives, and so they can stay in employment longer. Fewer people are retiring early due to ill health. There are also smaller families. Fewer women are spending long stints out of the labour force, looking after small children. In fact, although a lot of people thought population aging would mean participation would fall, actually over a long run of decades in Australia, and in many other countries, we've actually seen participation rise. In Australia in November, it reached a 114-year-high, which is quite remarkable. Thanks for the question. It's a really interesting topic.

**Matthew Rady:** Great, thanks very much, Luci. **The next live question is probably one for you, Kathryn. Leanne has come through with a question, which says, "What are the length..." Well, we won't go to rates because we'll be here for a while. "But what are the type of term deposits are available on BT Panorama?" Kathryn?**

**Kathryn Cosentino:** Thanks, Leanne. We actually have a range of term deposit lengths that are available from one month through to five years. You can find all that information on the Term Deposit tab under the Find an Investment option page on the bt.com.au website. That lists each of the individual terms as well as the associated rates that are available to you as members.

**Matthew Rady:** Great. Thanks very much, Kathryn. I think we are close to time, actually. I think we're going to have to close our Q&A session there. I'd like to thank everyone who submitted questions. I'm conscious we didn't get to them all. As a reminder, if we didn't get to your question, you will find answers to those questions on our website within a month of today's meeting. But it has been great to hear what's on your mind.

**ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024**  
**MINUTES OF ANNUAL MEMBERS MEETING**

Thanks to all of our speakers and Luci, the Trustee Board, and Kathryn for being here today to answer those questions that came through.

Now, as I mentioned, within a month from today's meeting, we'll publish a record of the annual member meeting of today, together with the minutes and all of the questions and answers on our website. Answers to any questions that weren't covered will be included. And we'll also send you a follow-up email with a short feedback survey. We'd love you to take the time to please let us know what you thought about today's meeting.

**ANNUAL MEMBERS MEETING – 2 FEBRUARY 2024  
MINUTES OF ANNUAL MEMBERS MEETING**

**ANNEXURE B - ASGARD INDEPENDENCE PLAN – DIVISION 2  
RESPONSES TO QUESTIONS NOT ADDRESSED AT THE ANNUAL MEMBER MEETING HELD ON  
2 FEBRUARY 2024**

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 Friday 2 February 2024.