

Australian Retirement Trust 2022-23 Annual Members' Meeting – Responses to unanswered member questions

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About this document

Australian Retirement Trust's (ART) 2022-23 Annual Members' Meeting was held in person and via webcast on Wednesday 22 November 2023. Due to the large volume of questions received we were unable to answer all member questions live on the night. This document includes responses to questions that were submitted to ART but, due to limited time, were not answered during the live event. Questions appear in their original form, except in some cases where they were edited to improve readability of the question (e.g. to correct typos and formatting issues). This was done carefully to avoid any impact to the substance of the question. Notwithstanding such edits, our answers in all cases were prepared in response to the questions as originally communicated to us by our members.

A recording of the event is available on our website. Please see:

australianretirementtrust.com.au/advice/events-and-seminars/annual-member-meeting

We do not assume responsibility for the factual accuracy of statements in members' questions. Any opinions expressed in members' questions do not reflect the opinion of ART. We are unable to answer questions which would require us to disclose personal information, legally privileged information, confidential or commercial-in-confidence information or which could result in the provision of personal financial advice, and our answers also reflect these limitations. There are also a range of questions which were not relevant to ART or the management of ART and therefore not within the legal scope of questions for which ART is required to publish an answer. We have not answered these here, but have chosen, in some instances, to interact directly with members in relation to these queries.

Further information

If you require further information or would like to discuss individual details of your super, please find us at:

By phone	ART Super Savings Accounts: 13 11 84 8.00am-8.30pm AEDT (7.00am – 7.30pm AEST) Monday to Friday
	ART QSuper Accounts: 1300 360 750 8.00am – 6.00pm AEST Monday to Friday
Website	australianretirementtrust.com.au/ qsuper.qld.gov.au/
PDS and Guides	ART Super Savings Accounts: australianretirementtrust.com.au/pds-guides
	ART QSuper Accounts: qsuper.qld.gov.au/calculators-and-forms/publications/product-disclosure-statements
Financial Services Guides	ART Super Savings Accounts: australianretirementtrust.com.au/disclaimers-and-disclosures/financial-services-guides
	ART QSuper Accounts: https://qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/qiib09.pdf

Investment performance

Appreciate understanding what ART refers to as 'Unlisted' investments, as to transparency, valuations, write downs, writebacks & the like?

We invest in four types of unlisted assets – real estate, infrastructure, private equity and private debt. Listed assets – like shares - are traded on public markets whereas unlisted assets are not. As such ART has robust and transparent processes to determine their value. ART has a board approved Valuation Policy, which documents the key principles, methodologies and guidelines ART adopts to ensure it uses the most appropriate underlying asset valuations for unit pricing, regulatory compliance and the production of financial statements.

Unlisted assets are valued using techniques consistent with the nature of the investment. Valuations are generally provided by investment managers who usually engage independent valuation specialists, often from the four major global accounting firms or, in the case of real estate assets, specialist valuers from major property firms.

Depending on the asset class and the size of the investment, valuations are carried out either monthly, quarterly, six-monthly, or annually.

In addition, asset valuations occur throughout the year: for example, not all property assets are valued at the same time annually. New valuation assessments are regularly incorporated into our portfolios. At least 90% of our unlisted assets are revalued in any given quarter through a combination of either roll-forward valuations (where income from an asset is accrued monthly), manager valuations or independent valuations.

Aside from our regular valuation process and timing, we can 'bring forward' the timing of asset valuations depending on market circumstances or if there has been a major development, concerning a particular asset we hold.

How much of the return from international investments has been due to a depreciating \$A?

The contribution of a weaker Australian dollar to international share returns depends on the timeframe you're considering and what particular asset class. However, as an example, if we look at shares in the developed markets, the difference between unhedged share returns and hedged share returns over the past decade has been 3% per annum (i.e., 13% per annum for unhedged and 10% per annum for hedged).

With bank term deposit interest rates returning 3 to 5% over the last few months, why has the cash investment option a much lower net return rate of 1% for the 3 months ending 31st October 2023 and 1.3% for the Financial YTD 31st Oct 2023?

Given that interest rates have risen sharply over the past year, we expect this will be reflected in a higher future performance of our cash options.

The past performance of our cash holdings or our cash investment options does not depend on interest rates today – they reflect what interest rates were over the past performance period.

The returns for ART's cash portfolios have been consistent with movements in short-term interest rates over time.

As a young investor, I'm interested in taking advantage of my long investment time horizon. Overwhelming academic research shows that over long periods of time, exposure to the risk premiums associated with the size and value factors increases expected returns. I notice there are no investment options that allow a younger investor to increase their expected returns by taking these compensated risks over long periods of time. There are liquid, low cost funds that could make this possible. Is this something that ART could look towards having available in the future?

We are constantly reviewing the investment options offered to our members. Our objective is to carefully consider the main purposes members have for their superannuation and retirement savings and offer investment options to match them.

For current Super Savings account holders there are a range of investment options available including a diversified Growth product, as well as single asset class options such as Australian and global shares, along with bonds, property and cash. Members should seek financial advice before making changes to their investment options.

We are undertaking a review of the investment options we offer and intend to move towards a harmonised investment menu for all members from next year.

This means that all ART members will have access to the same choice of investment opportunities.

Further information will be provided to members prior to the introduction of the new investment menu.

Is ART taking any significant tactical or medium-term positions away from the Balanced SAA, e.g., tilting defensively or in favour of more attractive bond yields over prospective equity returns?

Yes, we are. Under our Dynamic Asset Allocation (DAA) strategy, we do adjust the allocations to bonds, shares, cash, currencies and investment grade corporate bonds, and to individual countries' bond and equity markets in response to changes in relative value.

We seek to take overweight positions in markets that are attractively valued and underweight positions in markets we assess as expensive. Currently, we are not taking large positions in our DAA strategy. However, we have increased our exposure to bonds in Australia, the US and the UK after yields in those markets have risen substantially. We are also slightly overweight for shares in Japan, the UK and Europe, while remaining underweight in US shares. These positions are subject to change with market conditions.

Regarding cash as an investment, how is it that I can get 5% from St George (not a term deposit), but significantly less from ART?

ART has access to the same or often better rates than those offered to retail depositors and given that interest rates have risen sharply over the past year, we expect this will be reflected in a higher future performance of our cash options.

The past performance of our cash holdings or our cash investment options does not depend on interest rates today – they reflect what interest rates were over the past performance period.

The returns for ART's cash portfolios have been consistent with movements in short-term interest rates over time.

Could you please address the Considerable QSuper Peer Relative Under-Performance in its multi-asset options in recent years? For example, the aggressive option underperformed peers by a massive 6% last financial year and by over 3% each year over the last three years. Some of this is the result of asset allocation, but much appears to be due to under-performance in a number of major asset classes. However, it is difficult to discern, as there is little transparency around how the asset classes are being managed (both listed and unlisted) and how they are performing against their respective benchmarks. Worryingly, at this point, there is a very high proportion of unlisted assets in the aggressive option, which appear to be performing poorly as a group (presumably due to some structural problems combined with high valuations, high level QSuper never lists as one of the top thirty MySuper accounts in Money Magazine. What has happened to QSuper?

ART's QSuper portfolios are designed to achieve their long-term performance objectives with considerably less risk/volatility than other funds. i.e., to provide members with a 'smoother ride' over the longer term.

They seek to do this by maintaining a significant exposure to unlisted assets and a higher allocation to longer term bonds than comparable funds. Over the long-term, this has delivered, and the QSuper portfolios have largely met their return objectives with much less volatility than other comparable portfolios.

The merger has had no material impact on the relative performance of ART's investment options including our QSuper options. Differences in returns reflect long-standing differences in the investment approach of ART's QSuper portfolios.

In particular, ART's QSuper portfolios have been more adversely affected than other portfolios by the recent sell-off in world bond markets, which has meant that they have tended to underperform.

In recent years where share returns have generally been strong, and bond returns relatively poor, a strategy such as that of ART's QSuper portfolios will tend to underperform other portfolios for a time.

Given that the yield available on bonds is now considerably higher than it was two years ago, the QSuper portfolios are well positioned to benefit from those better yields.

When moving over into retirement we are exposed to risk and poor returns. Is ART looking into different strategies to combat this?

For ART members in our default options, as they approach and then enter retirement, we gradually reduce their exposure to growth assets such as shares. We do this to reduce the risk of a major share market downturn impacting our members' retirement plans. However, it's also important to maintain some exposure to shares and other growth assets to help ensure that our members' superannuation continues to deliver solid long-term returns well into their retirement years.

We would encourage members – especially if they are approaching retirement – to seek financial advice (either from their own financial adviser or from ART's advice team) to ensure that the ART investment option(s) they have are right for them.

What strategy do you have in place to manage the difficult US commercial office assets? I have asked this at the last update and it has not been answered.

We have taken and will continue to take active steps to further diversify ART's real estate portfolios for both QSuper and Super Savings account holders.

While there have been losses in some commercial property (particularly in the US), we are also finding that quality, well-located offices in key centres remain in demand and valuations of those assets have held up well.

As a long-term investor, we will continue to seek opportunities in quality property assets, including commercial property where appropriate, with the aim to acquire these at lower prices should the outlook for the sector improve.

Did I understand it correctly? ART also invests in S&P 500?

ART invests in a wide range of companies domestically and abroad, including the US.

Many of these US based companies will be included in the S&P 500.

However, we don't limit ourselves to companies in that index, and have a diversified investment portfolio which includes shares, private equity, bonds, cash, and infrastructure around the world.

Why does QSuper website show the income performance for the QSuper Balanced of 2.21% return for year 1 rather than 4% as indicated?

The 4.7% referenced in the Annual Member Meeting slides ([as shown in the recording of the Annual Members' Meeting 2023](#)) refers to ART's QSuper Balanced Accumulation option's ten year returns (per annum) as at 30 June 2023.

Over the year to October 31 2023, the QSuper website correctly indicated that the QSuper Balanced option for Income accounts delivered a return of 2.21% while the QSuper Balanced option for Accumulation accounts (which is most often cited in our reporting and commentary) delivered 1.7% over the same period.

Has ART any investments in China, or other communist countries, or Middle East countries? If so, is it considered high risk, and what was the yield over the past 10 years?

The majority of ART's investments are in Australia, the US and Europe. We do have exposure to shares and bonds in China, but the exposure is relatively small – 2.6% of our international shares portfolio and 0.4% of our fixed income portfolio as at late November 2023.

Our exposure to markets in the Middle East is also small – less than 0.72% of our international shares portfolio and less than 0.35% of our fixed income portfolio as at late November 2023.

As share markets in both China and the Middle East are classified as emerging markets, by their nature they tend to be somewhat higher risk than investments in the developed world.

The returns from these markets vary over time and depend on the asset class being referred to. By way of example, share market returns from the countries that comprise the Morgan Stanley Capital International (MSCI) Arabian Markets index have been 9.7% per annum over the 10 years to 30 September 2023 in Australian dollar terms. Chinese share returns – as measured by the MSCI China Investable Markets Index in Australian dollars have been 5.4% per annum over the 10 years to 30 September 2023.

Will ART be moving investments out of commercial property for the QSuper Balanced Fund - given the majority of the workforce is unlikely to return to full occupancy in commercial real estate assets?

While there have been losses in some commercial property, we are also finding that quality, well-located offices in key centres remain in demand and valuations of those assets have held up very well.

As a long-term investor, we will continue to seek opportunities in quality property assets, including commercial property where appropriate, with the aim to acquire these at lower prices should the outlook for the sector improve.

What impact do you expect Artificial Intelligence (AI) to have on the global economy and how are you positioning investments for it?

Thank for you for your question. This was also asked by another member on the night of our Annual member Meeting. Our Chief Investment Officer, Ian Patrick, responded to this and his response can be found on page 31 of the minutes of the Annual Member Meeting 2023.

<https://www.australianretirementtrust.com.au/library/media/PDFs/amm/art-annual-member-meeting-minutes-22-november-2023>

Tell us how and who came up with the 1/07/23 start date for the current financial year Unit Value of Cash. Also at 31/10/23 the Cash unit was 2.677 not even close to 2.99? Please explain the methodology?

ART's methodology for calculating unit prices has not changed. The unit prices declared each day for all our investment options are available on our website. The unit price declared for ART's QSuper Cash investment option for 1 July 2023 and 31 October 2023 were 2.4030 and 2.67698 respectively. These unit prices are not the daily performance of the investment option.

Unit prices are based on the latest available value of net assets at the applicable close of business in all relevant domestic and international markets for that day.

To determine the unit price of an investment option, we calculate:

- the total value of the option's assets (including and income entitlements)
- minus its liabilities
- divided by the number of units on issue for that option.

We use the opening declared unit price on 1 July and the closing declared unit price on 30 June to calculate the annual performance for each investment option.

I've lost super over the last two years, why?

Over the past two years, returns from bonds have been sharply negative, as the world's major central banks raise official interest rates in response to stubbornly high inflation. Other asset classes, such as Australian shares and unhedged international shares have delivered positive returns over that period. Any portfolio with a large allocation to bonds is likely to have suffered negative returns over that time frame. However, because bond prices have fallen and yields have risen, the future returns from bonds now look considerably better.

To add to an Allocated Pension, I have to restart it, i.e., assets will be sold and reinvested. How much cost is involved in restarting a pension in general? 1%? 2%?

At ART there are no charges to undertake this process as there are no exit fees and no entry fees for doing so. At a Fund level, the underlying assets are not bought and sold during the process so the transactional costs you mentioned are not incurred.

All capital to be used in an Account Based Pension (the new terminology for an Allocated Pension) be in superannuation prior to commencement of the Account Based Pension. Legislation also prohibits a member from adding additional contributions to an existing Account Based Pension. Notwithstanding this, a member is able to cease an existing Account Based Pension and commence a new Account Based Pension with new funds that have been contributed to superannuation.

For a member to recommence a new Account Based Pension there are eligibility requirements, and prior to making these changes, we recommend members seek personal advice about this process to ensure they are aware of any issues for their specific situation.

In respect of international investment, State Street Global Advisers, Sole International investment, maybe inconsistent with prudent risk management and Diversity portfolios. From memory, Black Rock has the dubious honor of losing \$1.7 billion in 6 months

Where we have actively managed portfolios in shares or other asset classes, we utilise a range of managers. A full list of ART's investment managers is available on page 82 and 83 of our Annual Report for 2022-2023.

<https://www.australianretirementtrust.com.au/about/annual-reports>

However, we use State Street as the sole provider of passive or index replicating strategies. Building portfolios that largely replicate the composition of the index doesn't require a range of managers as the same methodology would be followed.

Why is performance so poor? (4% last financial year)

ART's QSuper portfolios are designed to achieve their long-term performance objectives with considerably less risk/volatility than other portfolios. i.e., to provide members with a 'smoother ride' over the longer term. They seek to do this by maintaining a significant exposure to unlisted assets and a higher allocation to longer term bonds than

comparable portfolios. Over the long-term, this has delivered: ART's QSuper portfolios have largely met their return objectives with much less volatility than other comparable portfolios.

In particular, ART's QSuper portfolios have been more adversely affected than other portfolios by the recent sell-off in world bond markets, which has meant that they have tended to underperform other portfolios – including ART's Super Savings portfolios.

In recent years where share returns have generally been strong, and bond returns relatively poor, a strategy such as that of ART's QSuper portfolios will tend to underperform other portfolios for a time.

Given that the yield available on bonds is now considerably higher than it was two years ago, we believe ART's QSuper portfolios are well positioned to benefit from those better yields.

Qsuper's balanced fund portfolio results since the start of the year have been less than stellar. It is all very well to blame the Russian invasion of Ukraine, the Israel/Gaza conflict, inflation rates and interest rate expectations but ART has not done as well as many other superannuation funds. The invasion of Ukraine happened nearly 2 years ago, inflation increases and rising interest rates were reasonably to be expected. Yet performance rankings have still declined. Could you give us some assurance that performance rankings relative to other superannuation funds will improve?

Ian Patrick, our Chief Investment Officer, spoke about our investment performance at the [Annual Member Meeting 2023](#) at 16:42 in the recording.

ART's QSuper portfolios are deliberately designed to achieve their long-term performance objectives with considerably less risk/volatility than other funds. i.e. to provide members with a 'smoother ride' over the longer term and minimise the size of negative returns when share markets are weak. More information on performance objectives is available on page 66-68 of the product disclosure statement for [the Income Account and Lifetime Pension](#). They seek to do this by maintaining a significant exposure to unlisted assets and a higher allocation to longer term bonds than comparable funds. Over the long-term, this has delivered: the QSuper portfolios have largely met their return objectives with much less volatility than other comparable portfolios.

ART's QSuper portfolios have been more adversely affected than other portfolios by the recent sell-off in world bond markets, which has meant that they have tended to underperform other portfolios – including ART's Super Savings portfolios.

In recent years where share returns have generally been strong, and bond returns relatively poor, an investment strategy such as the strategy for ART's QSuper portfolios will tend to underperform other portfolios for a time.

Given that the yield available on bonds is now considerably higher than it was two years ago, the QSuper portfolios are well positioned to benefit from those better yields.

Sustainable investments

What reasons can support why ART is integrating ESG principles in its investment portfolio? What are the disadvantages of doing so for both the fund and the investment?

As a profit-for-members fund, ART exists solely to benefit our members to and through retirement. In relation to investment outcomes, we deliver this through our core set of interrelated investment principles, including that “sustainable investing is consistent with better long-term investment outcomes”, recognising:

- It is a component of the Trustees’ legal duty to act in the best financial interest of members.
- Environmental, social, and governance (ESG) factors can be financially material for our investee companies and therefore a source of investment risk and opportunity.
- Stewardship can play an important role in seeking to improve long-term returns. Being an investor provides opportunities to seek to influence ESG factors that may impact the financial performance of investee companies.
- As a large investor with a globally diversified portfolio, ART has investments that may potentially affect environmental and social matters within the world that members live and retire in.

Effective management of the retirement savings of our more than 2.3 million members requires that we incorporate the financial implications of ESG factors into investment processes where appropriate. We believe this is consistent with a focus on our investment outcomes in the long-term, as is pursuing appropriate opportunities that emerge from ESG considerations.

The Australian Prudential Regulation Authority (APRA), which is a key regulator of superannuation funds, has clearly stated that climate change poses risks to the financial system. APRA has provided guidance to its regulated entities, including superannuation funds like ART, on how a prudent organisation should consider the financial implications of climate change risks and opportunities for its investment portfolio.

As we believe that our approach to sustainable investment is consistent with members’ best financial interests, we do not believe it disadvantages the fund or investments.

What ESG companies and percentage of the QSuper Balanced portfolio is invested in ESG (including social housing and renewable energy)?

ART believes that considering the financial implications of ESG factors alongside traditional financial matters helps us make better long-term decisions for our members’ retirement outcomes.

The approach to sustainable investment within the portfolio is dependent on the characteristics of the asset class and the investment strategies. Therefore, implementation differs between and within each asset class. Our approach to sustainable investing is outlined in our [Sustainable Investment Policy](#).

It is difficult to identify “ESG companies” or obtain the percentage of ART’s QSuper Balanced option that is invested in ESG, as ESG is not clearly defined as an asset class and there are different understandings of what a taxonomy of ESG-related investments would look like.

However, approximately 4.8% of ART’s QSuper Balanced portfolio was invested in renewable energy as at 30 September 2023.

In addition, ART has previously announced a proposed partnership with institutional investment manager QIC to participate in the financing of new social and affordable housing supply in Queensland working in conjunction with Brisbane Housing Company. Should this investment proceed and subject to agreement of terms and finalisation of due diligence and documentation, this will be ART’s first investment in social housing.

In September 2023, we also launched [our Net Zero 2050 Roadmap \(Roadmap\)](#), which sets out our current approach towards our commitment to a net zero¹ greenhouse gas emissions investment portfolio by 2050. As part of this Roadmap, we committed to establish a climate-related investment target in FY2024. We are in the process of defining climate-related investments so we can establish a baseline of our current portfolio.

Last year, ART began to make company-specific exclusions from the Indexed investment portfolio options based on ESG factors to align the option with the board commitments. How have these changes otherwise affected the costs of the investment option? How have these exclusions affected the return of the investment option to date? How does ART expect the exclusion of these companies to affect the companies in question to drive the positive change the board wishes to achieve?

Starting from 1 July 2022, the investment option objectives for ART's Super Savings Australian Shares – Index, International Shares – Index (hedged) and International Shares – Index (unhedged) were updated.

The Index options remain benchmarked to the standard market cap-based indices and the performance objectives of these options remains to deliver equity market like returns. What has changed is that the options now seek to have a lower carbon footprint.

The way this is being implemented is that the underlying investment portfolios are being managed to replicate customised low carbon indices rather than the standard indices. The benchmarks are produced by MSCI, a provider of benchmark technology, to closely replicate the parent benchmark characteristic including risk and return but with lower carbon intensity. Those companies with higher carbon emissions are allocated a lower weight in these low carbon indices.

We have sought to design an index replication strategy that will deliver similar performance between low carbon indices and standard market benchmarks, while also limiting the ongoing transaction cost impacts of implementation and reducing the downside exposure to climate change risk.

There was no material change in the costs following the change in investment objectives for these options.

Investment returns

The following table shows the investment returns of the options against their benchmarks for the 1-year period through 30 June 2023:

Total	Benchmark	1 YR % return	1 YR Benchmark % Return
Australian Shares - Index	MSCI Australia 300 Index	14.24%	14.52%
International Shares - Index (Hedged)	MSCI ACWI ex Australia IMI with Special Tax Net in A\$ (hedged)	15.43%	16.07%
International Shares - Index (Unhedged)	MSCI ACWI ex Australia IMI with Special Tax Net in A\$ (unhedged)	20.37%	21.96%

Stewardship

We note that a reduction in emissions intensity within our listed shares asset classes does not mean there has been a reduction in overall emissions in our investee companies. In September 2023, we published our [Net Zero](#)

¹ Scope 3 category 15 (investments) emissions. PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition

[2050 Roadmap \(Roadmap\)](#). This Roadmap outlines our current plan to transition towards a net-zero greenhouse gas emissions investment portfolio by 2050¹ and accelerate actions towards our target. It establishes the guiding principles, our approach to setting interim targets and the two-year action plan for our investment portfolio, and accelerate actions towards our target.

One of the guiding principles of the Roadmap is that stewardship of investee companies is an important activity to support our emissions reduction targets, an equitable transition and to seek to manage risk in our investment portfolio. With this in mind, we have set a target to engage with 100% of our “priority companies” within our listed equities portfolio by 2030. “Priority companies” are defined as companies that together contribute 70% of our listed equities financed emissions. We will review our priority companies (initially 88) on an annual basis. Engagement can occur through direct or collaborative means, or by service providers. This will include objectives, timeframes and potential use of escalation measures for direct engagements where investee companies are not meeting the key objectives.

The Roadmap and associated targets will be reviewed on a two-yearly cycle or amended and updated as required within this timeframe.

As part of the social and ethical responsibility of ART, is consideration being given to reducing the investment in gambling companies?

ART acknowledges that some members may wish to invest according to an extended set of environmental, social and governance (ESG) principles in addition to those considered across our other available investment options, so we offer our Super Savings Socially Conscious Balanced and QSuper Socially Responsible options, whose holdings in Australian and International shares will exclude direct investment into companies that exceed specified screens outlined in the [Super Savings](#) and [QSuper Investment Guides](#). This includes the exclusion of direct investment in companies that derive 5% or more of gross revenue (reported or estimated) in the most recent financial year of reporting from operating gambling facilities such as casinos, racetracks, bingo parlours, or other betting establishments.

There are exceptions to these exclusions: The screening criteria do not apply to pooled vehicles or derivatives. Sometimes we may accept excluded listed shares as part of super fund mergers where we seek to divest in a manner aligned with members’ best financial interests. Exclusion lists are updated twice yearly. Following those updates, we inform external investment managers which listed equity shares are required to be excluded from new and existing investments.

ART exists solely to provide superannuation benefits to our members. From an investment perspective and in line with our legal obligations, this means seeking to generate long-term risk-adjusted investment returns for our members. ART’s approach to sustainable investment across the broader portfolio means considering the financial implications of ESG issues alongside other traditional financial matters. Any decision to strategically reduce or fully divest from gambling companies or to change our current approach to exclusions across our broader investment portfolio would only be made if these decisions were in line with our [Sustainable Investment Policy](#), our investment objectives and our legal obligation to act in our members’ best financial interests.

Product

Will ART provide more options for distribution strategies when members move into pension mode?

ART currently provides a number of ways for members to receive their superannuation when they are eligible to do so.

Firstly, ART offers a Lifetime Pension. Members who choose to start a Lifetime Pension will receive payments for as long as they live (and to their spouse, if nominated and eligible). It is designed to provide members with peace of mind that they will receive a tax-free income for the rest of their life, no matter how long they live.

Secondly, a member can choose to commence a Retirement Income account and receive regular payments from their superannuation. Investment earnings on funds held within a Retirement Income account are not subject to tax, and generally payments from a Retirement Income Account are tax free if made to members who are over the age of 60. However, you must take a minimum payment each year which is set by the government and there is a limit to the amount you can use to commence a Retirement Income account.

Members who have met their preservation age but otherwise haven't met another condition of release can use their Accumulation account to commence a Transition to Retirement Income account. A Transition to Retirement Income account can provide regular payments between a legislated minimum and maximum, though you generally can't take lump sum payments from the account, and they don't receive tax free investment earnings like a Retirement Income account does.

Finally, a member can choose to take their superannuation as one or more lump sum withdrawals, either from an Accumulation or Retirement Income account. Lump sum withdrawals may be appropriate for some members depending on their circumstances, including their balance, the type of expense they are funding, and whether they need a regular payment or not.

More information on all of these options is available in the [Super Savings Product Disclosure Statement for Income Account and Lifetime Pension](#) and the [QSuper Product Disclosure Statement of Income Account and Lifetime Pension](#)

Why doesn't ART's website show performance for FYTD like QSuper does?

At ART we continue to focus on improving member experience and transparency across our member communication channels.

The ART website shows the performance at a given date inputted by the user. The page is:

<https://www.australianretirementtrust.com.au/investments/performance/accumulation>

It should be noted that superannuation is a long-term investment and we focus on long-term performance.

Information on investment option objectives can be found in the Investment Guides available for [Super Savings options](#) and for [QSuper options](#).

How soon can QSuper members access ART's Balanced option?

We are undertaking a review of the investment options we offer, with the intention to move towards a harmonised investment menu next year.

Further information will be provided to members prior to the introduction of the new investment menu.

We recommend seeking financial advice before making any changes to your investment choice.

The fees structure is vague and misleading and not transparent. What has happened?

ART is required to disclose our fees and costs in accordance with the law (which is explained in Australian Securities and Investments Commission (ASIC) Regulatory Guide RG 97) which specifies how fees and costs are to be shown in Product Disclosure Statements and periodic statements. We do not have discretion to disclose fees in those documents in any other way.

The main purpose of the prescribed fees and costs disclosure rules is to drive greater transparency and consistency in fees and costs disclosures between products so members can make informed decisions.

We also continue to advocate on behalf of our members to simplify the superannuation system to make it as easy to understand and transparent as possible.

Fees

In the answer to your first question you stated fees were reduced after the merger. However, your own QSuper Product Update (page 28) shows fees for the Balanced Investment Option have increased by approximately 20%. Can you explain this please?

Our fees are comprised of administration fees and costs, investment fees and costs, and transaction costs. In addition, there are member activity related fees and costs (e.g., fees for personal advice or insurance premiums) which apply depending on what options members choose. The fee reduction mentioned was in relation to the administration fee deducted from members' accounts. The administration fee decreased for most of our members on 1 July 2022.

Overall fees have remained steady since the merger, with some small increases experienced in the 2022-23 financial year due to performance fees paid to external managers who achieved returns above their benchmark.

Certain assets may incur performance fees from outperformance even though the return at the investment option level is modest over a single year.

I would like to ask why my admin fees are about \$200 per year and the costs attributable to me from reserves are about \$100 per year. The total fees seem to be increasing since the merger. In 22-23, it appears there was a significant increase in fees despite no fundamental change to my underlying asset base or asset allocation. Is this in any way a consequence of the amalgamation? Are QSuper account holders being adversely impacted at a fees level by the relatively better performance of Super Savings compared to QSuper? I acknowledge administration fees were reduced prior to the merger but is it not true that investment fees increased a greater amount for QSuper members in July 23. Is this being ignored when asked about member benefit in regard to the merger?

There is no correlation between the increase in investment fees and costs and the merger.

Fees have remained steady since the merger, with some small increases experienced in the 2022-23 financial year due to performance fees paid to external managers who achieved returns above their benchmark.

Certain assets may incur performance fees from outperformance even though the return at the investment option level is modest over a single year.

The administration fee paid from members' accounts was reduced for most members from 1 July 2022.

Cybersecurity

What protection has ART considered to protect members against scams?

ART takes the protection of our members' money and their personal data and details very seriously.

We continue to actively monitor and where appropriate apply additional controls to help protect members' super accounts.

Cyberattacks can happen to any organisation, but we have a dedicated team working around the clock which remains committed and vigilant to this threat, and we will continue to prioritise data security measures in response to this to keep our members information safe.

We are continuing to prioritise investment in our digital fraud prevention technologies, with a focus on detection and response in the event of suspicious activity.

We take steps to protect our members' personal information from unauthorised access, disclosure, modification, misuse, or loss. These steps include having:

- regular privacy and security training for our employees;
- active security measures and surveillance; and
- corporate measures such as access controls, firewalls, virus scanning, and encryption.

We encourage all members to visit our website to learn more about what we are doing in this space, as well as some useful tips that members can take to better protect themselves.

The information can be viewed at: australianretirementtrust.com.au/campaigns/protecting-your-super-against-fraud

Finance

What criteria make you confident that State Street Corporation is the best choice for the role of custodian?

State Street Corporation (State Street) is a long-standing strategic partner of choice for ART and is very well equipped to support ART from a custodian perspective as we drive and grow our investment and product capabilities forward for our membership.

Recently, ART ran a formal tender process and State Street was chosen as our strategic partner.

Globally, State Street look after more than US\$40 trillion worth of assets under custody and administration on behalf of other large asset owners like ART, asset managers and sovereign wealth clients and they have a large domestic and global presence that allows for scale benefits along with orderly and effective management of the ART fund.

Advice

Can I make voluntary contributions from Canada? How? What are the tax implications?

You can make a voluntary contribution to your ART account at any time and the same contribution rules apply regardless of whether you live in Australia or not. The ART website provides details on [voluntary contributions and how to make them](#).

Alternatively, you can make your contribution via Electronic Funds Transfer or International Money Transfer. You should also consider the impact of any currency exchange rates if the funds are not currently held in an AUD bank account.

Leaving Australia to live overseas can have tax implications. The [ATO explains](#) these tax implications for people living overseas depending on whether you remain an Australian resident or foreign resident. If you are unsure of your tax situation, information on [tax residency](#) is available on the ATO website or you can speak to a tax professional. The ATO also has some information on tax deductions for [personal super contributions and foreign employment income](#).

We recommend that you seek advice from a qualified professional, as we can't give you any guidance on the legal, financial or taxation impact of any foreign laws that may apply to you. We can refer you to an accredited adviser on our [National Advice Panel](#) if you don't already have a trusted adviser.

Can I use my superannuation money to buy our first-time home buyer?

Members may elect to add extra money (additional voluntary contributions) to their super account which, subject to ATO eligibility, may at a later date be accessed through the First Home Super Saver scheme (FHSS). You can find more information about the FHSS on our [website](#).

How can you access super following a return overseas?

You can apply to claim your Australian superannuation account balance, subject to withholding tax if you:

- are not a citizen of Australia or New Zealand or a permanent resident of Australia;
- have left Australia and your visa has either expired or been cancelled.

You can find more information about eligibility and the steps to apply on our [website](#).

Insurance/Claims

This question relates to acting in the best interests of the member and good corporate governance. I assume this applies to all members of the ART team? In my experience this is not the case – what checks and controls are in place to ensure this occurs? I personally have asked numerous times regarding the escalation process and have several examples of how this had not occurred during my claim. How can this be feed through to ART and what feedback should I expect on my bad experiences?

We're sorry your claims experience with us hasn't met your expectations.

Our members are our top priority and we are constantly working to improve our customer service. This includes improving our approach based on feedback from our members, which is also used to assist training team members.

You can find detailed information on the [complaints section](#) of our website which outlines how to make a complaint, the process for investigating and assessing complaints, timeframes for us to respond and what to do if you're not happy with the outcome.

This question relates to member fees and prudent management of these fees. I assume that these fees are used for OPEX which includes the Complaints team. While I do have an active claim with ART and have been forced through inaction to lodge a claim with AFCA and in your most recent emails (9th November) it was inferred that no action was being taken on my complaints due to me involving AFCA. Can you answer why would this be the case?

We're sorry your claims experience with us hasn't met your expectations and we understand that as a result you have contacted the Australian Financial Complaints Authority (AFCA).

Please be assured that any claim assessment activity that is currently underway will not be impacted by your complaint to AFCA. We encourage you to contact your claims assessor to discuss where your claim is at, including when a decision is expected to be made. We'd also be happy to further investigate this matter and your complaint if you could please get in contact with us via our [website](#) or by calling 13 11 84.

For additional information about ART's complaint handling and management please see our [Complaint Handling Guide](#). For information on AFCA's role and what you should expect from them in relation to your complaint, please go to the [AFCA website](#).

Marketing and brand

Has an analysis on the effectiveness of the significant expenditure on advertising been undertaken? If so, what were the results?

All advertising and marketing activity is thoroughly reviewed and analysed against a robust framework to ensure it is in our members' best financial interests. This includes a determination that the appropriate return on the investment will be achieved on behalf of our members.

Continuing to grow the Fund is a key focus for ART, as size and scale are important to unlocking benefits for our members. Our marketing and advertising activities help to raise our profile in the community, attract new members and keep existing members.

We aim to return the benefits generated to members through greater investment opportunities, lower fees, and enhanced services. This ultimately supports our members' best financial interests.

Could you please let us know what level of growth you are aiming to achieve with the expenditure of \$35,293,355 in promotion, marketing and sponsorship and how are you tracking against this goal?

We believe growth of the fund ultimately delivers both size and scale which are important to unlocking benefits for our members. The level of growth we will aim to achieve will be shaped by the ongoing realisation of member benefits through greater investment opportunities, lower fees, and enhanced services. This ultimately supports our members' best financial interests.

To help achieve this growth, we invest in a range of national marketing activities such as advertising, sponsorships events and community partnerships to help us raise our profile in the community, attract new members and keep existing members. Before we do any activity, we thoroughly review and assess it against a range of criteria to ensure it is in our members' best financial interests.

The \$35,293,355 noted in the long form disclosure document includes advertising, sponsorships and member communications to help us raise our profile in the community, attract new members and stayed connected with our members.

When are you going to stop wasting our money on advertising?

Continuing to grow the Fund is a key focus for ART, as size and scale are important to unlocking benefits for our members. Our marketing and advertising activities help to raise our profile in the community, attract new members and keep existing members.

We aim to return these benefits to members through greater investment opportunities, lower fees, and enhanced services. This ultimately supports our members' best financial interests.

All advertising and marketing activity is thoroughly reviewed and analysed against a robust framework to ensure it is in our members' best financial interests. This includes a determination that an appropriate return on the investment will be achieved on behalf of our members.

I understood both Q Super and Sunsuper are both under the ART umbrella, and merged. What are the reasons why QSuper has not yet merged and will this happen if at all?

QSuper and Sunsuper merged on 28 Feb 2022 to become Australian Retirement Trust (ART). QSuper is part of ART and is the brand name for the products that are available to Queensland government employees and their spouse or child (under 25).

The QSuper brand has been around for over 140 years and has been an important part of our ART identity.

From an investment options perspective, we are undertaking a review of the investment options we offer and intend to move towards a harmonised investment menu for all members from next year. This means that all members will benefit from an aligned investment offering.

A decision to bring all members fully under the ART brand would only be made if the Board felt this was in the best financial interests of all members.

Could you please confirm that QSuper is not fully integrated with ART?

QSuper and Sunsuper merged on 28 Feb 2022 to become ART. QSuper is part of ART and is the brand name for the products that are available to Queensland government employees and their families.

The QSuper brand has been around for over 140 years and has been an important part of our ART identity.

From an investment options perspective, we are undertaking a review of the investment options we offer and intend to move towards a harmonised investment menu for all members from next year. This means that all members will benefit from an aligned investment offering.

A decision to bring all members fully under the ART brand would only be made if the Board felt this was in the best financial interests of all members.

Annual Members' Meeting event

Why was the start delayed? Why did I lose the picture and sound when I clicked on ask a question?

We apologise that there was a delay to your broadcast of our Annual Members' Meeting. We are not sure why you would have lost picture and sound when you clicked to ask a question. Rest assured the broadcast was delivered to all members in the same way.

Please note that a recording of the event is now available on our [Annual Members' Meeting webpage](#).

Member services

Just questioning the time it takes to withdraw funds. Under QSuper I felt 3-4 business days was target, now it is 7 business days. Explain please why the change?

At times, higher member enquiries and requests can lead to some delays in processing time frames. We apologise that we haven't met your expectations when it comes to withdrawal timeframes.

We remain committed to our goal of delivering the best possible experience for you all.

Members are also able to submit withdrawal requests via [Member Online](#) which can result in a faster processing timeframe.

The process & paperwork for Members of QSuper to move to ART are as complex as moving to a completely unrelated fund?

We are committed to our goal of delivering the best possible experience for you and acknowledge that some processes, like transferring between ART products, would benefit from enhancement in the future.

In addition to service enhancements, we are undertaking a review of the investment options we offer, and we intend to move towards a harmonised investment menu from next year. This means that members will benefit from an aligned investment offering.

I believe there has been a drop in service level since the merger?

We apologise that we haven't met your expectations in your recent interactions with us. We are committed to delivering the best possible service experience outcomes for our members.

During July and August this year we did experience some servicing delays in our QSuper contact centre and member centre, primarily in response to the distribution of annual statements to members.

Importantly, following a concentrated focus on uplifting our member experience, including improved employee resourcing and driving greater efficiencies across the contact centre, we have seen improvements in our service levels and timeframes.

This question relates to member trust and transparency. In the 2022/23 Annual Report it is reported that 85% of members surveyed were satisfied with ART's service. Inversely the number that are not satisfied (15 out of 100 or 345,000 based on a membership of 2.3 million) is significant. This is a large number of members and quite disturbing since satisfactions surveys tend to be designed to favour the organisations running them! Sadly, no mention is made of the 15% of members who are unsatisfied. I have personally experienced the ART service and am certainly less than satisfied with the service provided. What actions are being undertaken by the business to address this level of dissatisfaction?

We apologise that we haven't met your expectations in your recent interactions with us. We are committed to delivering the best possible service experience outcomes for our members.

ART'S member services team answered more than 1.1 million member phone calls and live chats, and close to 20,000 members visited our member centres in financial year 2023. Our then CEO, Bern Reilly, noted in his speech at the Annual Member Meeting 2023, that there were times this high engagement placed pressure on our commitment to be there when members needed us, and he acknowledged there is more for us to do (available on p4 of the meeting transcript).

From July 2023, our newly appointed Chief Member Officer, Lachlan East, led a concentrated focus on uplifting our member experience, including improved employee resourcing and driving greater efficiencies across the contact centre. While we have seen improvements in our service levels and timeframes, there is more to do and we are steadfastly committed to uplifting the service our members experience.

Our members are our top priority, and we are constantly working to improve our customer service. This includes improving our approach based on feedback from our members.

My question relates to good corporate governance and fiduciary obligations to members. The ART Board Charter clearly states that they care deeply about its member with a stated intent of achieving the lifelong trust and a better future for members. It is my understanding that there are several governance documents that are required by APRA and other regulatory bodies. These do not appear to be on your ART website and numerous requests since April 2023 to supply them have failed. For example I cannot locate on ART.com the IDR process. I have asked for this to be escalated but without success. Who owns this process and who can supply the requested documents to me?

All governance documents regarding our complaints process that we are required to make publicly available are published on our website. You can find detailed information on the [complaints section](#) of our website which outlines how to make a complaint, the process for investigating and assessing complaints, timeframes for us to respond and what to do if you're not happy with the outcome. In addition, our Complaints Handling Guide is also available in this section.

Social housing

Please outline recent strategy re investing into social/affordable housing in Qld. Should all large super funds be mandated to invest 1% of their portfolios into such housing projects?

ART has announced a proposed partnership with institutional investment manager QIC to participate in the financing of new social and affordable housing supply in Queensland working in conjunction with Brisbane Housing Company (BHC).

Should this proposed investment proceed, and subject to agreement of terms and finalisation of due diligence and documentation, this innovative investment partnership is anticipated to provide a scalable model for the financing, development and operation of social and affordable housing in Queensland.

ART cannot comment on behalf of other funds but any potential investment by ART, including investment in social and affordable housing, will only be considered if we believe it is in members' best financial interests.

Given the intergenerational issues that many Australians are currently experiencing at present, should ART consider investing in Australian affordable housing schemes?

ART has announced a proposed partnership with institutional investment manager QIC to participate in the financing of new social and affordable housing supply in Queensland working in conjunction with Brisbane Housing Company (BHC).

Should this proposed investment proceed, and subject to agreement of terms and finalisation of due diligence and documentation, this innovative investment partnership is anticipated to provide a scalable model for the financing, development and operation of social and affordable housing in Queensland.

This would also be ART's first investment in social housing. We will continue to consider any potential investment opportunity, including those relating to social and affordable housing, where we believe it is in members best financial interests.

What is the term of the loan for the proposed investment in social housing?

The proposed partnership with institutional investment manager QIC to participate in the financing of new social and affordable housing supply in Queensland working in conjunction with Brisbane Housing Company (BHC) has not yet been finalised and remains subject to agreement of terms and finalisation of due diligence and documentation.

Qsuper advised all members on 27 July 2022 that "We have partnered with institutional investment manager Queensland investment Corporation (QIC) to finance up to 1,200 new homes, largely consisting of social and affordable housing". I have not been able to get an answer in several emails over the last year querying the economic justification for such an investment choice. My question is "what is the status of this investment decision, where are the funds coming from and if the risk adjusted returns justify the investment, why are the funds being borrowed from Qsuper and not on the open market?"

Ian Patrick, Chief Investment Officer spoke about the proposed investment in social and affordable housing at the AMM, which can be viewed at 1:12:56 in the [recording](#).

The proposed investment in social and affordable housing has not yet been finalised and remains subject to agreement of terms and finalisation of due diligence and documentation.

ART invests in a diverse portfolio of fixed income investments. Some of these are privately arranged with negotiated terms and some of these are publicly traded with standardised terms.

The proposed social and affordable housing investment opportunity you are enquiring about, is a privately arranged and negotiated opportunity and is therefore being assessed against the risk return objectives of the private fixed interest asset class. The investment will only proceed (subject to agreement of terms and finalisation of due diligence and documentation) if we believe it is in members' best financial interest. Should the investment proceed, the asset will be held within the private fixed interest portfolio and therefore funded out of diversified investment options that have an allocation to these assets.

The investment structure is anticipated to provide a revenue stream supported by the Queensland Government's Housing Investment Fund (HIF), creating a unique investment opportunity for our members. The HIF helps to fund new projects with the aim of ensuring that developments are commercially viable and sustainable for long-term tenancies. In this particular instance, the government support of our proposed partnership is crucial as it will provide stability through government-backed cash flows, allowing the creation of a financial structure which can support subordinated debt funding and provide an appropriate risk adjusted return.

Importantly, our due diligence carried out to date indicates this unique opportunity would be consistent with our legal duty to act in our members' best financial interests. At present, our proposed investment in social housing represents 0.04% of our \$260 billion portfolio. Should this investment proceed and subject to agreement of terms and finalisation of due diligence and documentation, this will be ART's first investment in social housing.

As a large investor, Australian Retirement Trust is always looking for potential investment opportunities to diversify our portfolio and provide appropriate risk-adjusted returns to our 2.3 million members. We will continue to consider any potential investment opportunity, including those relating to social and affordable housing, where we believe it is in members' best financial interests.

Board

What are the key accountabilities of each member of the Board? Are their accountabilities and remuneration tied to the performance of the fund? And what are their individual qualifications to be members of this Board?

The Board are collectively responsible for the governance, risk management, compliance and performance of the Fund. Individual members of the Board are not remunerated with individual performance payments, and there are no incentive arrangements in place for Board members.

Board members are paid a fee for their service on the Board.

In terms of the qualifications of individual Board members, you can find these on our [website](#), and in our Annual Report which includes biographies of each Board member. The Annual Report is available at <https://www.art.com.au/about/annual-reports>

How do you justify the remuneration salaries and bonuses for the executives when the fund returns are so poor?

ART's priority is to provide strong long-term investment performance, quality products and services and value for members – high quality leadership is integral to achieving this goal.

Executive and Board remuneration is included in the annual report available on our website at <https://www.art.com.au/about/annual-reports>.

Executive remuneration is benchmarked annually against independent external sources and considers the size and complexity of our funds operations in delivering value to you as members.

Has the Board identified under-performing assets, operations or divisions? What are they doing about them?

While many benefits of the merger have been realised, the Board and management remain focused on generating the benefits of scale and improved efficiencies across all fund activities and divisions. Our aim is to uplift our members' experience, provide innovative products and service to position ART as a market leader.

In relation to investments, ART's investment team keeps our investment portfolios and the investment managers we assign to manage them under near constant review.

How much is the leadership board being paid as a result of the merger?

Australian Retirement Trust's priority is to provide strong long-term investment performance, quality products and services and value for members – high-quality leadership is integral to achieving this outcome.

Executive and Board remuneration is included in the annual report available [on our website](#), and a copy was provided as part of the AMM meeting notice.

The Board considers it essential for good governance to ensure that appropriately skilled and qualified people are attracted and retained as Board members, and to fairly compensate them for their time, effort and the legal liability that they take on.

Fees paid to directors are solely in return for the services provided in governing the Fund. There is no performance-based component applicable to director remuneration.

Director remuneration is regularly benchmarked against independent external sources.

Diversity & inclusion

Why is there not more cultural and sexual diversity (not gender diversity) on the board and executive? Where is the representation for non-white/ First Nations/ sexual orientation diversity members?

Inclusion and belonging are at the heart of ART's culture – we believe that with more inclusive leadership and a more inclusive workplace comes diversity of thought, enabling us to create more innovative solutions for members.

A diverse Board, Executive and workforce also helps us respond to what really matters for our members and the communities we operate within and serve.

The Board remains committed to increasing diversity in all its forms and will continue to look at ways to create meaningful change on behalf of our people and members.

Class action

If QSuper loses the class action about potential excess insurance premiums can members be guaranteed any refunds will not reduce their investment?

As the matter is before the Court and there are rules that must be followed when communicating to potential group members in relation to the class action, we are not able to answer your question.

However, what we can say is that QSuper Board strongly refutes the allegations made in the class action proceedings brought against it, and is vigorously defending the claim. The allegations in the case are yet to be tested in Court.

We encourage our members to visit the QSuper and ART websites, where we have provided some additional information in relation to the class action:

<https://qsuper.qld.gov.au/about/disclosure/class-action>

<https://www.australianretirementtrust.com.au/governance-and-reporting/prescribed-information/qsuper-class-action>

Merger

Actual not theoretical benefits realised to Qsuper members from the merger?

ART's CEO, Bern Reilly spoke about merger benefits at the Annual Member Meeting 2023, which can be viewed at 12:30 in the recording. This is also addressed by ART's Chair, Andrew Fraser at 48:30 in the recording.

While the work to achieve the full benefit to members from our merger is ongoing, we have already seen the benefits flow through.

- We reduced ongoing administration fees charged to the majority of members' accounts on 1 July 2022.
- Members funds are now administered by a single custodian (State Street) which we expect to provide further scope to reduce member costs.
- We've continued to make large investments as a combined fund in our key unlisted asset classes and we have been able to access a broader range of opportunities for members.
- Major Australian employers choosing ART as their preferred fund for their employees for example, Australia Post Superannuation Scheme, Woolworths and Commonwealth Bank Group Super have transitioned to ART post-merger.

Ultimately, ART works for you, our members, and not shareholders. We remain committed to our goal of being one of Australia's best performing superannuation funds.

When Qsuper merged with Sunsuper we were advised that the following costs/benefits would be incurred or accrue to members of Qsuper as per the Import Information booklet dated January 2022:- - Transaction costs of 0.05% - reduction in unit prices over the next 2 - 3 years - Administration fee reduction of 0.01% per annum - down from 0.16% to 0.15% per annum - Administration fee cap reduction of \$25 per annum down from \$900 to \$875 When considering many of your retired members, this does not represent good value. In my own case for example the transaction cost would amount to approximately \$500 lost. The reduced benefit and administration fee cap reduction would have no impact because the admin fees substantially exceed the cap anyway such that the administration fee reduction is of no consequence. My question is this - What quantifiable benefits have accrued to members since the merger, particularly retired members who are no longer earning? Can the Board justify the merger, to pre-existing Qsuper members?

Our chair Andrew Fraser spoke to the merger benefits at the Annual Member Meeting, which can be viewed at 48:30 in the [recording](#).

And while the work to achieve the full benefit to members from our merger is ongoing, we have already seen a number of benefits such as

We reduced ongoing administration fees charged to the majority of members' accounts on 1 July 2022 (including income accounts)

Members funds are now administered by a single custodian (State Street) which we expect to provide further scope to reduce member costs and benefit all members.

We've continued to make large investments as a combined fund in our key unlisted asset classes – particularly in real estate, where we have been able to access a broader range of opportunities for members.

In relation to transaction costs, they are a cost to members, but these costs are not deducted from a member's account balance. Instead, they're included in the net investment return for the applicable investment option. A reduction in transaction costs will be realised over the coming years as the investments consolidate and this will positively impact the net return of the Investment option and will have a positive impact on a member's net return.

How Commonwealth Bank groupsuper merger with ART and please advise on requirement

Australian Retirement Trust (ART) has successfully merged with the \$12.3b Commonwealth Bank Group Super (Group Super) plan.

ART welcomed 63,700 new members to the Fund as part of its largest corporate transition to date. More information is available on our [website](#)

People

As an ART member and former ART employee, I'm very concerned that the EA is still not signed off. What are you doing to enhance the work-life balance and retirement outcomes of your ~3,000 workers who are ART members?

What's your approach to flexible working hours for ART employees?

How do you make ART an employer of choice, attracting and retaining talent?

As part of ART's continued work to integrate following our merger, it's important we bring the majority of our team members onto one fair and reasonable set of terms and conditions.

We've now finalised ART's first Enterprise Agreement and are working on implementation.

ART's team members enjoy industry-leading flexibility, competitive pay and superannuation (above the superannuation guarantee), and generous leave entitlements.

We expect our new Enterprise Agreement will consolidate these terms and further enhance our team's entitlements, helping us create an environment of inclusion, wellbeing and flexibility.